

Rating Rationale

Brickwork Ratings assigns 'BWR B-' for the Bank Loan Facilities aggregating ₹ 15.64 Cr of Amrapali Homes Projects Pvt. Ltd.

Brickwork Ratings (BWR) has assigned the following **Rating¹** for Bank Loan Facilities of Amrapali Homes Projects Pvt. Ltd (*AHPPL or the 'Company'*).

Facility	Tenure	Amount (₹ Cr)	Rating
Fund Based Term Loans*	Long Term	15.64	BWR B- (Pronounced BWR B Minus) (Outlook – Stable)
Total		15.64	(INR Fifteen Crores & Sixty Four Lakhs only)

* Term loans outstanding as on 4th April 2014.

BWR has principally relied upon the audited financial results up to FY13, provisional key figures for FY14 of Amrapali Homes Projects Pvt. Ltd, publicly available information and information/clarification provided by the Company's management.

The rating has factored, inter alia, the promoter's experience in residential housing projects, strong group company profile and healthy tangible networth of the company for FY13. However the rating is constrained by substantial revenue decline in FY13, uncertain cash flows as the project is still under development and cross investments in and by different group companies, which impact liquidity and progress of construction.

Background

Amrapali Homes Projects Pvt. Ltd (AHPPL) was incorporated on 27th September 2004. The Company's registered office is located in Karkaradooma, New Delhi. The directors of the Company are Mr. Anil Kumar Sharma, Mr. Shivpriya, Mr. Ajay Kumar, Mr. Amresh Kumar, Mr. Suvash Chandra Kumar and Mr. Mohit Gupta.

The Company is involved in construction and development work related to residential buildings, flats, developments of societies, roads, amusement parks, townships etc.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

It currently has 2 on-going projects (Amrapali Modern City, Indore and Amrapali Kanha Mall, Vrindavan (Phase II)).

Project Details:

Amrapali Modern City, Indore:

Amrapali Modern City is an integrated township development project having Plots, Villas, Row Houses, Flats, Commercial Complexes, Hotels etc. The Township is spread over 160 acres and has all the essential components of a township. The township project has more than 800 plots of various sizes ranging from 100 square yards to 300 square yards and a variety of designer villas. The township also having a star hotel, a premium school, an international style club house, shopping mall, offices and a hospital.

The construction of the project was started in the year 2008 and the expected completion will be in March 2016. The total estimated cost of the project is ₹ 173.18 Cr.

Amrapali Kanha Mall (Phase II), Vrindavan:

Amrapali Kanha Mall is a commercial multiplex mall; the project shall have lower ground plus seven floors in addition to a basement parking facility encapsulating 200-300 vehicles. The project is strategically located opposite to K. D. Dental College, as it will cater to city population as well as highway traffic proceeding to Mathura and Agra- major tourist destinations of North India.

The construction of the project was started in the year 2012 and the expected completion will be in March 2015. The total estimated cost of the project is ₹ 44.04 Crores.

Financial Performance

The Company's revenue from operations decreased substantially in FY13 from ₹95.00 Cr in FY12 to ₹2.35 Cr in FY13, mainly due to market recession; the sales were slow in Indore and Vrindavan for FY13. The profit margins increased from 1.64% in FY12 to 17.32% in FY13, due to increase in non-operating income for FY13. Current ratio has marginally reduced from 1.14 times as on 31.3.12 to 1.08 times as on 31.3.13. Debt equity ratio is low at 0.29 times as on 31.3.2013. The tangible net worth of the Company is ₹64.67 Cr as on 31.3.2013.

As per provisional FY14 key figures received from the Company, it had an operating income of Rs. 6.10 Cr with an estimated profit of Rs. 0.71 Cr.

Rating Outlook

The outlook for the Company is stable over the current year. The ability of the Company to execute projects within the stipulated time, cost control as per estimates, ability to sell the units by developing and sustaining a reasonable rate of bookings remains the key rating sensitivities.

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