

June 8, 2010

CARE ASSIGNS 'CARE BB+' RATING TO THE BANK FACILITIES OF AMBIENCE TOWER PVT. LTD.**Ratings Assigned**

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Remarks
Fund-based Long-term Bank Facilities	290.00	'CARE BB+' (Double B Plus)	Assigned
Total Facilities	290.00		

Rating Rationale

The rating is constrained by implementation risk associated with the project, pending project approvals, high financial leverage, higher reliance on customer advances for project funding, high competition and inherent risk associated with the real estate sector.

The rating takes comfort from the promoter's experience in construction and real estate sector, majority of the equity contribution already brought in and debt being tied up.

Going forward, timely progress, execution of the project work within the projected cost and achievement of the envisaged sales in a timely manner shall be the key rating sensitivities.

Company Profile

ATPL was incorporated for the development of two commercial properties in Delhi, an Office complex at Rohini and a shopping-cum-office complex at Shalimar Bagh, involving an aggregate development of 0.49 mn sq ft of saleable area. The land for both the projects was acquired in 2006 in open auctions from Delhi Development Authority (DDA). The combined cost of both projects is estimated at Rs.527 crore which is planned to be funded with a debt/equity mix of 1.23:1. The company has already received the sanctions of the term loan and the promoters have contributed Rs.165 crore. Presently, ATPL is awaiting the building plan approvals for both projects to start the construction work, which has been outsourced to Ambience Projects Pvt. Ltd. (APPL), one of the promoter group entities of ATPL

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

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¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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