

October 04, 2012

**CARE ASSIGNS 'CARE B+' RATING TO THE BANK FACILITIES OF LOTUS INFRAREALTY LTD.****Rating**

<b>Facilities</b>	<b>Amount (Rs. Crore)</b>	<b>Rating<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	24	CARE B+ (Single B Plus)	Assigned

**Rating Rationale**

The rating assigned to the bank facilities of Lotus Infrarealty Limited (LIL) is primarily constrained on account of the moderate booking status and lower receipt of booking advances in its on-going residential real estate projects, project implementation and saleability risk and inherent risk associated with the cyclical real estate industry.

The rating, however, favourably factors in the vast experience of the promoters having diversified business interests.

Successful completion of the on-going real estate projects without any cost overrun, timely receipt of customer advances and the ability to sell the project space at envisaged prices in a timely manner is the key rating sensitivity.

**Background**

Lotus Infrarealty Limited (LIL) was incorporated in December 2010 by the Chourasia family to undertake real estate projects. The promoters have over a decade long experience in the construction of residential and commercial buildings. Over the years, the promoters have developed around eight residential projects in various cities in Madhya Pradesh (MP) under various entities. The promoters also manage other group company engaged in real estate business viz. Peptech Builders and Developers Private Limited, which is engaged in the execution of residential projects in and around Chhatarpur, Madhya Pradesh.

At present, LIL is executing two projects namely 'Shri Sai's Lotus City (SSLC)' and 'Kriti Apartments (Kriti)' in Satna, MP. SSLC involves construction of 166 residential units upon an area of 3,81,600 square feet of plotted land with an estimated cost of Rs.79.94 crore and Kirti involves construction of a multistoried building comprising 16 apartments with an estimated cost of Rs.2.39 crore in Silicon City, Indore. LIL has received all land and other clearances for both the projects.

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<sup>1</sup> Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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