

October 10, 2013

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
LOTUS INFRAREALTY LIMITED**

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long-term Bank Facilities	49	CARE B+ (Single B Plus)	Reaffirmed

Rating Rationale

The rating assigned to the bank facilities of Lotus Infrarealty Limited (LIL) continues to remain constrained on account of low booking status as well as modest level of receipt of booking advances from its on-going real estate projects and inherent risk associated with the cyclical real estate industry. The rating is also constrained on account of implementation and saleability risk associated with the on-going Shri Sai's Lotus City (SSLC) project and recently-initiated Covent Court Mall (Covent) project.

The rating, however, continues to derive strength from the vast experience of the promoters having diversified business interests.

Successful completion of the on-going real estate projects within the envisaged time and cost parameters, timely receipt of customer advances from booked space and the ability to sell the project space at envisaged prices are the key rating sensitivities.

Background

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

While LIL has already completed the project 'Kirti Apartment' which involved construction of 16 units in March 2013, The SSLC project is under execution which involves construction of 166 residential units upon an area of 3,87,000 square feet of plotted land with an estimated cost of Rs.79.95 crore.

During FY13 (refers to the period April 1 to March 31), the company has initiated a new project 'Covent Court Mall (Covent)' in Satna, M.P which involves construction of 185 commercial units upon an area of 48,635 square feet of plotted land with an estimated cost of Rs.55.99 crore. LIL has received all land and other clearances for both the projects.

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