

February 20, 2014

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
WANDERLAND REAL ESTATES PRIVATE LIMITED**

Rating

Facilities	Amount (Rs. crore)	Rating ¹	Remarks
Long-term Bank Facilities	75.00 (enhanced from 60.00)	CARE BB (Double B)	Reaffirmed
Total Facilities	75.00	-	-

Rating Rationale

The rating continues to be constrained by the salability risk associated with the ongoing residential township real estate project of Wanderland Real Estates Pvt. Ltd. (WRPL) and its presence in an inherently cyclical real estate industry. The rating is also constrained by the delay in project implementation.

The above constraints outweigh the experience of the promoters and track record of the group in execution of real estate projects.

WRPL's ability to complete and sell the plots and residential units of its ongoing project in a timely manner at envisaged prices along with the realization of customer advances is the key rating sensitivities.

Background

WRPL, incorporated in February 2006, is a Special Purpose Vehicle (SPV) promoted by Treasure World Developers Pvt. Ltd. (TWDPL, holding 51% equity stake) and Kalani group (holding 49% equity stake). Mr. Manish Kalani is the main promoter of Kalani group. TWDPL is a subsidiary of Entertainment World Developers Ltd. (EWDL). WRPL is incorporated for the development of 'Treasure Fantasy', a township project in the upcoming residential belt on CAT-Rau Road, Indore which has direct connectivity to the growing Pithampur Industrial Zone, Indore.

The project has an envisaged cost of Rs.286.50 crore, which is proposed to be funded through equity capital of Rs.25.00 crore, interest-free unsecured loan from promoters of Rs.50.91 crore, term loan of Rs.75.00 crore and balance Rs.135.59 crore out of customer advances. The project includes development of 1636 plots, 360 apartments and 186 row houses and is envisaged to develop total 29.37 Lakh Square Feet (lsf) of saleable area. By December 31, 2013 WRPL had incurred total cost of Rs.229.03 crore towards the project funded through equity capital of Rs.14.96 crore, booking advances of Rs.91.22 crore from customers, term loan of Rs.69.86 crore and balance out of unsecured loans from the promoters.

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

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