



## Press Release

### Ambience Commercial Developers Private Limited

**May 05, 2025**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><a href="#">Complexity Indicator</a></b>
Long Term Bank Facilities	600.26	IVR BBB/Stable (IVR Triple B with Stable Outlook)	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	Simple
<b>Total</b>	<b>600.26</b>	<b>Rupees Six Hundred Crore and Twenty Six Lakhs Only</b>			

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

#### **Detailed Rationale**

Infomerics Valuation and Rating Limited (IVR) has upgraded the long-term rating to IVR BBB with a Stable outlook for the bank loan facilities of Ambience Commercial Developers Private Limited (ACDPL).

The rating continues to draw comfort from the established track record and experienced management, escrow mechanism and structured payment waterfall, locational advantage and diversified streams of revenue and improved financial risk profile. However, these strengths are partially offset by exposure to contract renewal risk and inherent risk of the industry along with intense competition.

The outlook is stable on account of regular receipt of the lease rental and increased footfall at Mall expected to follow the projected trajectory as well as revival in demand of consumer goods and office spaces.

IVR has principally relied on the standalone audited financial results of ACDPL upto 31 March 2024, FY2025 (refers to period April 1st, 2024, to March 31, 2025) unaudited certified results, and projected financials for FY2026, FY2027 and FY2028, and publicly available information/ clarifications provided by the company's management.

#### **Key Rating Sensitivities:**

##### **Upward Factors**

- Substantial improvement in the revenue and profitability
- Sustenance of the gearing below 1.1x
- Timely receipt of lease rental from counterparties



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### Downward Factors

- Deterioration in debt protection metrics and overall gearing
- Termination of lease agreement with any of the major tenants leading to reduction in occupancy rates or delayed receivable's leading to decline in cash surplus

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Established track record and experienced management:**  
Ambience group has been in the real estate industry for over three decades. The group is engaged in acquiring, developing, and marketing of real estate business. Project development and marketing activities are looked after by Ms. Surbhi Gehlot, MBA, with over 9 years of experience in the business. The construction and development work of the group is managed by Mr. Arjun Gehlot, CA, with over 10 years' experience in the business. The day-to-day affairs of the group are managed by experienced professionals.
- **Escrow mechanism and structured payment waterfall:**  
The main bank loan facility has been structured in the form of a Lease Rental Discounting (LRD) facility. The terms of the LRD facility require that the lease rent receivables from all the tenants of the mall be routed directly to an Escrow Account set up specifically for the repayment of the said LRD facility. The lease rent amounts deposited into the Escrow Account would be applied towards statutory dues and the scheduled interest and principal repayments of the LRD facility as per the payment waterfall. Only after fulfilling the repayments towards the LRD facility, any amounts remaining in the Escrow Account would be allowed to be paid out to ACDPL. Also, there is a creation of DSRA as per bank sanction covenants for an amount equivalent to 3 month's Principal + Interest, which provides cushion for servicing of company's debt obligation.
- **Locational advantage and diversified streams of revenue:**  
The Ambience Mall is located at Vasant Kunj, New Delhi, located nearby are the Indira Gandhi International Airport, Jawaharlal Nehru University and Jaypee Hotel among others. The revenue mix of the company comprises lease rentals from retail stores, common area maintenance (CAM) charges, parking income, advertisement income etc. While 89.25% of the revenue is contributed lease rentals, ticket sale and CAM contribute for 10.75% respectively of the total revenue respectively in FY2025. By offering customers a wide range of goods and services at very competitive prices and engaging them in fun activities, thus maintain a high level of patronage.



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- **Improved financial risk profile and profitability:**

The tangible networth has improved to Rs. 280.65 crore in FY2025 (Provisional) from Rs. 172.79 crore in FY2024. The overall gearing has improved to 2.44x in FY2025 (Provisional) from 4.92x in FY2024. Total operating income (TOI) has improved by 3.58% to Rs. 249.09 crore in FY2025 (Provisional) from Rs. 240.47 crore in FY2024. PAT margins have improved to 42.25% in FY2025 (Provisional) from 35.54% in FY2024.

### Key Rating Weaknesses

- **Exposure to contract renewal risk :**

The timely renewal of lease agreements for the tenants at similar or better terms to the existing agreement remains a risk for ACDPL. However, ~90% of the leasable area in the mall has been leased out to anchors with whom ACDPL has entered into Leave and License agreement of 9 years and above.

- **Inherent risk of the industry along with intense competition:**

The company is exposed to the cyclical nature inherent in an intensely competitive real estate sector, which could result in fluctuations in cash inflows because of volatility in saleability. Further, the real estate industry is exposed to the cyclical nature associated with the real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. There is intense competition from the regional players.

**Analytical Approach:** For arriving at the ratings, IVR has analysed ACDPL's credit profile by considering the standalone financial statements of the company.

### Applicable Criteria:

[Rating Methodology of Real Estate Entities](#)

[Rating Criteria-Lease Rental Discounting](#)

[Financial Ratios & Interpretation – \(Non-financial Sector\)](#)

[Criteria for Assigning Rating Outlook](#)

[Policy of Default recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)



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### **Liquidity – Adequate**

ACDPL is generating sustained income through lease rentals from leading domestic and international branded stores. The company is projected to maintain adequate level of inflows through lease rentals and the same is expected to increase gradually with increase in leasing of vacant area. The liquidity position is projected at an adequate level with the cash cover above unity over FY2026-FY2028. All these factors indicate adequate degree of liquidity support to the company in meeting its debt obligations.

### **About the Company**

Ambience Commercial Developers Private Limited (ACDPL) (formerly Rampat Estates Private Limited) was incorporated in 1984 and is a part of the Ambience Group. It is promoted by Gehlot family whose rich experience in real estate development (residential and commercial). ACDPL is currently operating a mall under the brand name of “Ambience Mall” at Vasant Kunj, New Delhi. It consists of gold class multiplexes, food courts, family entertainment zones, bowling alleys and hyper markets. It is one of the largest malls in Delhi. Apart from this the mall has well defined zones for retail, entertainment and recreation areas.

### **Financials (Standalone):**

(Rs. crore)		
For the year ended as on	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	240.47	249.09
EBITDA	208.92	214.95
PAT	86.56	106.01
Total Debt	850.76	685.25
Tangible Networkth	172.79	280.65
EBITDA Margin (%)	86.88	86.29
PAT Margin (%)	35.54	42.25
Overall Gearing Ratio (x)	4.92	2.44
Interest Service Coverage Ratio (x)	2.24	2.85

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Not Applicable



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### Rating History for last three years:

Sr. No.	Type of Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Tenure	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (03 May 2024)	Date(s) & Rating(s) assigned in 2023-24 (28 August 2023)	Date(s) & Rating(s) assigned in 2022-23 (12 August 2022)
1.	Fund Based	Long Term	600.26	IVR BBB/Stable	IVR BBB-/Stable	IVR BB/Stable	IVR D

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit [www.infomerics.com](http://www.infomerics.com).

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facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
LRD Term Loan-1	-	-	December 2029	301.47	IVR BBB/Stable
LRD Term Loan-2	-	-	December 2029	298.79	IVR BBB/Stable

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ambience-commerical-may25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated securities/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).