



Press Release
BENGAL AMBUJA HOUSING DEVELOPMENT LIMITED
April 02, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	100.00	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

ACUITE has reaffirmed its long-term rating of '**ACUITÉ BBB**' (read as **ACUITÉ Triple B**) on the Rs. 100.00 crore bank facilities of Bengal Ambuja Housing Development Limited (BAHDL). The outlook is '**Stable**'.

Rationale for Rating

The rating reaffirmation continues to draw comfort from the long experience of the Ambuja-Neotia group in the real estate segment and the willingness of the promoter to support the business through regular infusion of funds largely in the form of unsecured loans. The rating further draws comfort from the timely execution of projects, collection of advances and moderate financial risk profile of the company. These strengths are however, partly offset by the risks associated with the real estate industry.

About the Company

Incorporated in 1993, Bengal Ambuja Housing Development Limited (BAHDL) is a joint venture between West Bengal Housing Board (WBHB) and Ambuja Housing and Urban Infrastructure Company Limited (AHUICL) with equal equity stake by WBHB & AHUICL. The Directors of the company are Mr. Harshavardhan Neotia, Mr. Nabakumar Barman, Mr. Ramesh Chandra Sinha and others.

Unsupported Rating

ACUITE BB+/Stable

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of BAHDL to arrive at the rating. While arriving at the rating of BAHDL, Acuite has also taken into account a strong level of support from the Ambuja-Neotia group given that Ambuja Neotia Holdings Private Limited (ANHPL) has a significant stake in BAHDL, indirectly through AHUICL.

Key Rating Drivers

Strengths

Established presence in real estate industry

The Ambuja-Neotia group has a long operational track record in the real estate industry of around four decades. In addition to this, the promoter is highly experienced and actively involved in the operations of the company. Acuité believes that the long operational track record of the group and promoters' extensive understanding and expertise will support the company's growth plans going forward.

Financial flexibility of the Ambuja-Neotia group

The Ambuja-Neotia Group has been promoted by the Neotia Family, which has been an integral part of the business

community in Kolkata for nearly 125 years. The group through its various Joint Venture Companies and Special Purpose Vehicles (SPVs) has been engaged in development of Real Estate properties, both housing and commercial complexes and in the Hospitality business. The group has strong financial risk profile with a willingness to support their businesses, demonstrated from the continuous infusion of unsecured loans and equity funds into BAHDL. Acuité believes that BAHDL, being a strategically important entity for the group shall continue to benefit from the financial, operational and management support from the Ambuja-Neotia Group as and when required. The parent company Ambuja Neotia Holdings Private Limited (ANHPL) holds around 50 per cent indirectly in BAHDL through AHUICL, which imparts further comfort to the rating. Any changes in the ownership pattern of BAHDL or any event that impinges the group's overall credit profile shall remain a key rating sensitivity.

Ongoing and completed projects

BAHDL has successfully executed two of its three ongoing projects within respective timelines, namely Ecospace Residencia and Utsang(Ghuni). The third project i.e Ecospace Towers is expected to be completed by June 2026. Timely execution of projects emanates the operational efficiency of the company.

Moderate financial risk profile

The company's financial risk profile is marked by moderate network, low gearing and comfortable debt protection metrics. The tangible net worth of the company stood at to Rs 81.73 Cr. as on March 31, 2024 from Rs. 66.93 Cr. as on March 31, 2023 due to retention of profits. Gearing of the company improved to 0.71 times as on March 31, 2024 as against 0.98 times as on March 31, 2023. The debt protection metrics of the company have also improved marked by Interest Service Coverage Ratio (ICR) at 3.94 times and Debt Service Coverage Ratio at 2.03 times and as on March 31, 2024 compared to 2.96 times and 1.26 times respectively on March 31, 2023. Acuité believes that financial risk profile is expected to improve over the medium term due to timely execution of projects.

Weaknesses

Exposure to the risks in the Real Estate Industry

The company is exposed to the risk of volatile prices on account of frequent demand supply mismatches in the industry. The Real Estate sector is under high stress on account of large amounts of unsold inventory and high borrowing costs. This is primarily attributable to the high residential property prices due to persistent rollover of bank debt which has a cascading effect on the overall finance costs. Given the high degree of financial leverage, the high cost of borrowing inhibits the real estate developers' ability to reduce prices.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the "CE" suffix)

Acuite takes into consideration the benefit derived by BAHDL from the 50% ownership of Ambuja Housing and Urban Infrastructure Company Limited (AHUICL) part of Ambuja-Neotia group.

Stress Case Scenario

While the rating has been derived on the standalone credit risk profile and cash flows of the company Acuite believes given the holding of Ambuja Neotia Group; in case of any stress case scenario, the required financial support would come from the parent.

Rating Sensitivities

- Scheduled completion of Ecospace Towers
- Addition of new projects
- Timely receipt of customer advances
- Support from the group in case of any exigencies

Liquidity Position

Adequate

The group has provided funds to the company from time to time as required; which provides financial flexibility to the company. The net cash accruals stood at Rs. 20.55 Cr. in FY2024 against yearly debt obligation of Rs. 6.57 Cr., over the same term. The current ratio stood low at 0.95 times as on 31st March, 2024. Furthermore the overdraft facility has been utilized at ~39% for 5 months ended January 2025. Acuité believes that going forward the liquidity position of the company is likely to remain at similar levels, and collection from customers will continue to remain a key monitorable over the medium term.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	135.17	39.46
PAT	Rs. Cr.	18.74	15.67
PAT Margin	(%)	13.86	39.72
Total Debt/Tangible Net Worth	Times	0.71	0.98
PBDIT/Interest	Times	3.94	2.96

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Real Estate Entities: <https://www.acuite.in/view-rating-criteria-63.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
30 May 2024	Proposed Long Term Bank Facility	Long Term	80.48	ACUITE BBB	Stable (Reaffirmed)
	Secured Overdraft	Long Term	0.46	ACUITE BBB	Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	9.06	ACUITE BBB	Stable (Reaffirmed)
02 Mar 2023	Secured Overdraft	Long Term	0.60	ACUITE BBB	Stable (Reaffirmed)
	Secured Overdraft	Long Term	10.00	ACUITE BBB	Stable (Reaffirmed)
	Term Loan	Long Term	30.00	ACUITE BBB	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	59.40	ACUITE BBB	Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.54	Simple	ACUITE BBB Stable Reaffirmed
RBL Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.46	Simple	ACUITE BBB Stable Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB Stable Reaffirmed
Bandhan Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB Stable Reaffirmed
Bandhan Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Aug 2036	49.00	Simple	ACUITE BBB Stable Reaffirmed

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Ambuja Neotia Holdings Private Limited
2	Ambuja Housing and Urban Infrastructure Company Limited
3	Bengal Ambuja Housing Development Limited

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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