



Rating Rationale

11 May 2022

Aliens Developers Private Limited

Brickwork Ratings Reaffirms the ratings for the Non-Convertible Debentures (NCDs) of Aliens Developers Private Limited (ADPL or The Company).

Particulars

Instrument**	Amount (Rs. Crs.)			Tenure	Rating*	
	Previous Amount	Amount Raised	Present Amount being Rated		Previous (May, 2021)	Present
NCD	150.00	75.00	75.00	Long term	BWR D (Reaffirmed)	BWR D (Reaffirmed)
Total	150.00	75.00	75.00	INR Seventy Five Crores Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of NCD is provided in Annexure-I

Rating Action/ Outlook/ Nature of Non-co-operation:

The reaffirmation factors the non-payment of the issue amount and the applicable interest on the maturity date, absence of any written approval from the investor for extension of maturity date, ongoing non-compliance w.r.t. submission of quarterly and half yearly information as per SEBI regulations and DTD as intimated by the debenture trustee via mail dated 02-May-2022.

BWR has essentially relied upon the company's audited financial results upto FY21, future cash-flows as well as publicly available information and the information/ clarifications provided by the company.

Key Rating Drivers

Credit Strengths:-

- **Favourable location of the project:** The residential project namely, "Aliens Space Station" (in which the NCD proceeds is invested) is located in Gachibowli, Hyderabad which is well connected to various parts of the city. The project has total 13 stations (each station having 6 to 7 towers) with total 83 towers and 30 floors in each tower, consisting total no. of 2193 flats with total area of 41.79 lac sq ft.
- **Visible uptick in domestic residential sales:** The company is expecting to register a surplus of Rs.55.45 Crs. for FY23 after the repayment of NCD completely. The timely inflow of advances from the customers and collection with a reduction in overall debt levels will be the key rating sensitivity.



Credit Risks:-

- **Uncertainty about the payments:** ADPL continues to default on the payment of the issue amount and the applicable interest on the maturity date of NCD. The company is expecting for written approval from the investor for an extension of maturity date.
- **Project Implementation Risk:** The project was launched in 2008 and the company has sold 1620 flats out of the total units of 2193 flats as of 31-Mar-2022 and is exposed to project execution risk and sales risk.
- **Cyclical Nature of Industry:** Real estate market is characterised by its cyclical nature and regulatory intervention, which can affect saleability of the purchased flats.

Analytical Approach

For arriving at its ratings, BWR has assessed the standalone financials of ADPL as the company does not have any subsidiaries and has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

Rating Sensitivities:

Positive: Track record of timely repayment of NCDs as per schedule post default curing period, sustainable improvement in financial risk profile and cash flows.

Liquidity: As on September 30, 2021, the company has cash and bank balance of Rs.1.80 Crs.

About the Company

Aliens Group was incorporated in 2004 by Mr. Hari Challa and Mr. Venkata Prasanna Challa in Hyderabad. Till date the group has completed 6 real estate projects with a total area of around 2 million sq. ft. in the city. The current project “Aliens Space Station” is located in Gachibowli, Hyderabad and was launched in 2008 by group company Aliens Developers Private Limited (ADPL). The project has total 13 stations (each station having 6 to 7 towers) with total 83 towers and 30 floors in each tower, consisting total no. of 2193 flats with total area of 41.79 lac sq ft (lsf), out of which developers share is 1906 flats and rest 287 flats are landlord’s share. Due to Telangana issue and uncertainties regarding the status of the city of Hyderabad, the project was unable to raise external funding and couldn’t progress further after initial stages of construction. Aggrieved customers who had booked flats, took the developer to the consumer forum. As part of the settlement, the developer had to refund the money to the customers. As of 30-Sep-2021, dues payable to customers on cancellation of flats amounting to Rs.93.51 Crs. As of 30-Apr-2022, around 63% of the cost has been incurred by the company and expected date of completion of the project is by Feb-24 as informed by the company. The company has sold 1620 flats out of the total units of 2193 flats as of 31-Mar-2022.

Key Financial Indicators^s

Amounts in Rs. Cr.		FY 20 (Audited)	FY 21 (Audited)
Total Operating Income	Rs. Crs.	108.31	21.50
Operating Profit	Rs. Crs.	-15.68	-71.51
Net Profit	Rs. Crs.	-12.48	-74.40
Tangible Net worth	Rs. Crs.	-302.27	-376.46
Total Debt	Rs. Crs.	81.78	78.87
Debt/Equity	Times	-0.27	-0.21

^sAs per BWR calculations

Rating History for the last three years (Including withdrawal and suspended):

Instrument	Current Rating (Year 2022)			Rating History		
	Tenure (Long-Term / Short-Term)	Present Amount (Rs. Crs.)	Rating	10-May-2021	07-May-2020	06-May-2019
NCD	Long Term	75.00	BWR D (Reaffirmati on)	BWR D (Reaffirmed)	BWR D (Reaffirmed)	BWR D (Downgraded)
Total		75.00	INR Seventy Five Crores Only			

Status of non-cooperation with previous CRA (if applicable): Reason and comments: Not Applicable

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Any other information: NIL

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)



For any other criteria obtain [hyperlinks](#) from website

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Aliens Developers Private Limited

ANNEXURE I

Instrument (NCD/Bonds/CP) Details

Instrument	ISIN	Issue Date	Issue Size (Rs. Crs.)	Raised Amount (Rs. Cr)	O/S as on (30-Apr-2022)	Coupon Rate (p.a.)	Previous Maturity Date	Proposed Maturity Date
NCD-Tranche-I	INE223Y07017	27-March-2018	75.000	75.00	104.84	14%	31-March-2022	Not yet finalized
NCD-Tranche-II	-	-	75.00	-	-	-	-	
NCD's Rated by BWR			150.00	75.00	104.84			

* The ISIN number is expected to undergo a change based on the expected extension of maturity date



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