

April 22, 2015

| Facility | Amount (Rs. Crore) | Rating |
|-----------|-----------------------|----------------------------|
| Term Loan | 5.00 | SMERA B-/Stable (Assigned) |

SMERA has assigned a rating of '**SMERA B-**' (read as SMERA single B minus) to the abovementioned bank facility of Maplle Infraprojects Limited (MIL). The outlook is '**Stable**'. The rating is constrained by risks associated with execution of the ongoing project and saleability of the un-booked units. The rating notes that the company is susceptible to the inherent cyclical and intense competition in the real estate sector. The rating is also constrained by the company's high dependence on external funding for the project. However, the rating draws comfort from the company's experienced management and established operational track record.

MIL, incorporated in 1988, is a Mumbai-based real estate development company. MIL is a part of the Maplle Group. The company is undertaking construction of a residential-cum-commercial building (named Maplle Plaza) in Jogeshwari, Maharashtra. The total cost of the project is estimated at Rs.18.63 crore, which is likely to be funded through customer advances of Rs.7.11 crore, bank borrowings of Rs.5.00 crore and promoters' funds of Rs.6.52 crore. MIL is exposed to project execution risk as a significant portion (~75 per cent) of the construction work is pending. The company expects to complete the project by March 2016.

MIL launched its ongoing project in October 2014. The company has registered bookings for ~55.55 per cent of the total saleable commercial area (of 18,000 sq. ft.). MIL's project is exposed to saleability risk, which is intensified by the current slowdown and intense competition in the real estate sector. The company is highly dependent on external funding, which accounts for ~65 per cent of the total project cost. MIL has received customer advances of ~Rs.0.41 crore as on March 2015.

MIL benefits from its experienced management. The directors of the company have around three decades of experience in the real estate sector. The Maplle Group has completed development of ~3,28,000 sq. ft. of residential space (worth ~Rs.63.50 crore) in Mumbai.

Outlook: Stable

SMERA believes MIL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company generates steady cash flows from operations driven by timely receipt of customer advances. The outlook may be revised to 'Negative' in case of stretch in the company's liquidity position on account of delays in execution of project or collection of booking money from customers.

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About the project

MIL is undertaking a SRA (Slum Rehabilitation Authority) project in Mumbai. The project involves construction of a 13-storey residential-cum-commercial building named 'Maplle Plaza' in Jogeshwari East, Mumbai. The proposed building comprises 13 commercial units and 69 residential apartments (46 units for rehabilitation).

The total cost of the project is ~Rs.18.63 crore, which is likely to be funded through promoters' funds of Rs.6.52 crore, term loan of Rs.5.00 crore and customer advances of Rs.7.11 crore. MIL received the commencement certificate for the project in September 2014 (for construction up to the plinth level). The construction work started in October 2014. MIL expects to complete the project by March 2016.

About the company

MIL, incorporated in 1988, is a Mumbai-based company real estate development company.

MIL's net worth stood at Rs.2.38 crore as on March 31, 2014, as compared with Rs.2.48 crore a year earlier.

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