

### Mahankal Malls Private Limited: Downgraded

Facility	Amount (Rs. Crore)	Rating
Term Loan	10.00	SMERA D (Downgraded from SMERA BB/Stable)

SMERA has downgraded the rating on the Rs.10.00 crore bank facility of Mahankal Malls Private Limited (MMPL) to '**SMERA D**' (read as **SMERA D**) from 'SMERA BB' (read as SMERA double B/Stable).

The rating downgrade factors in delays in servicing of term loan obligations. The rating is further constrained by the company's exposure to the inherent cyclical in the Indian real estate industry, intense competition and small ticket size of the project. However, the above mentioned weaknesses are partially offset by the extensive experience of the promoters in the real estate industry.

#### Update

MMPL has reported operating income of Rs.4.81 crore in FY2014-15 (refers to financial year, April 01 to March 31) as against Rs.0.87 crore in FY2013-14. The company has achieved its commercial operation date in December, 2015. Further, delays have been observed in repayment of term loan obligations of the company.

#### Rating Sensitivity Factor

- Curing of default
- Timely receipt of customer advances

#### Criteria applied to arrive at the rating:

- Default recognition

#### About the Company

MMPL, an Indore-based real estate company was promoted by Mr. Keshav Kumar Nachani and his son Mr. Kamal Kumar Nachani in 2011. The company has developed a residential cum commercial project 'C-21 RES-COMM' at Ujjain, Madhya Pradesh.

For FY2014-15, MMPL reported profit after tax (PAT) of Rs.0.0014 crore on operating income of Rs.4.81 crore. MMPL reported profit before tax of Rs.0.35 crore on operating income of Rs.15.37 crore in FY2015-16 (provisional).

#### Rating History

Date	Name of the Instrument	Amount (Rs. Crore)	Rating		Rating Outlook
			Long Term	Short Term	
02 June, 2015	Term Loan	10.00	SMERA BB	-	Stable

**Contacts:**

<b>Analytical</b>	<b>Business Development</b>
Mr. Mohit Jain Vice President – Ratings Operations, Tel: +91-22-6714 1105 Cell: 9619911017 Email: <a href="mailto:mohit.jain@smera.in">mohit.jain@smera.in</a>	Mr. Suman M Vice President – Business Development, Corporate Ratings Tel: +91-22-6714 1151 Cell: +91-9892306888 Email: <a href="mailto:suman.m@smera.in">suman.m@smera.in</a>

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