



SMERA RATINGS LIMITED

Mantri Habitats Private Limited (MHPL)**Rating
Rationale****October 30, 2015**

Facility	Amount (Rs. Crore)	Rating
Term Loan	66.00	SMERA BB-/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB-'** (read as **SMERA double B minus**) on the above mentioned Rs.66.00 crore bank facility of Mantri Habitats Private Limited (MHPL). The outlook is '**Stable**'. The rating draws comfort from the company's lease agreement with 'Cinapolis' (Cinapolis India Private Limited), for ~ 27 per cent leasable area and the extensive experience of the Mantri Group in delivering projects. However, the rating is constrained by project implementation risk as MHPL's entire debt repayment is to be made in February 2017 (one bullet payment). Besides, the company's credit risk profile is exposed to project implementation risk, as any inordinate delays in project completion, could lead to stress on the financial risk profile. The rating is also constrained by off take risk.

Outlook: Stable

SMERA believes MHPL will maintain its business risk profile in the medium term owing to the promoters' experience. The outlook may be revised to 'Positive' if the company is able to adhere to the project timelines and generate healthy customer interest, by signing of lease agreements. Conversely, the outlook may be revised to 'Negative' in case of significant delays in executing the project, thereby creating pressure on liquidity.

Rating Sensitivity Factor

- Timely completion of projects

About the Company

MHPL, incorporated in 2010, is a Bangalore-based real estate company promoted by Mantri Developers Private Limited (MDPL). The company undertakes development of commercial property. The net worth stands at Rs.3.51 crore (provisional) as on March 31, 2015.

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