



Press Release
MAHAAVIR BUILDCON LLP
September 24, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	125.00	ACUITE BB- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	125.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating to ‘**ACUITE BB-**’ (read as **ACUITE double B minus**) on the Rs.125.00 Cr. bank facilities of Mahaavir Buildcon LLP (MBL). The outlook is ‘**Stable**’.

Rationale for rating assigned

The rating assigned takes into account the long-standing experience and established track record of Mahaavir group for more than three decades in real estate business. The group has developed more than 3.1 million sq. ft. of area in residential, commercial and retail spaces in Navi Mumbai. The rating also factors the debt tie up for Phase 1 of the Mahavir Labdhi project, however, remains constrained by risks associated towards funding tie up for Phase 2 of the project and completion of the construction cost as the projects are still at a nascent stage. Further, the rating also factors the susceptibility of firm’s operations towards inherent cyclicity in the real estate industry.

About the Company

Incorporated in 2012, Mahaavir Buildcon LLP (MBL) is a part of the Mahaavir Group which is real estate developer based in Navi Mumbai. The group is engaged in development and building of residential & commercial properties. MBL is currently developing 2 projects in Mumbai - Mahaavir Pride in Dombivali, Thane with a total saleable of 0.27 million sq ft. and Mahaavir Labdhi in Mhatvali region of Uran, Navi Mumbai with a total saleable of 0.72 million sq ft. The current partners of the MBL are Mr. Sanjay B Dhariwal, Mr. Vijaykumar Sohanlal Ranka and Mr. Bhanwarlal Viridhichand Chhajjer

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of MBL to arrive at the rating. Further, the team has considered the cashflows of Mahavir Labdhi project

Key Rating Drivers

Strengths

Established track record with experienced management

Mahaavir Group is a Mumbai based commercial and residential real estate developer promoted by Mr. Bhanwarlal Viridhichand Chhajjer. The group has a more than three decades of experience as a real estate developer of various projects in Navi Mumbai. The group holds a history of delivering more than 3.1 million sq. ft. consisting majorly of residential area. Currently, the firm is engaged in development of two residential buildings namely Mahaavir Pride in Dombivali, Thane with a total saleable of 0.27 million sq ft. and Mahaavir Labdhi in Mhatvali region of Uran, Navi Mumbai with a total saleable of 0.72 million sq ft.

Acuite believes the promoters' industry experience is expected to support in a successful sale of the units in the on-going project going ahead.

Weaknesses

High project risk

The risk associated with the Mahavir Labdhi project stands high due to significant funding and implementation risk along with moderate demand side risk. The funding risk for the project is high, as the majority of the project cost will be financed through customer advances and bank loan (tie up pending for Phase 2).

The project is being constructed at a project cost of Rs.645.50 crore, of which currently only Rs.111.95 crore has

been incurred through promoter funds which includes land cost of Rs.99.48 crore. Further, the project is expected to be completed by December 2030 for Phase 1 as per the RERA timelines. Additionally, the firm is yet to obtain RERA approval for Phase 2 of the project. According to the management, the project will be launched once RERA approval for Phase 2 is obtained, after which sales of the project's inventory will commence. Acuité believes that timely tie up of bank loan for Phase 2 and completion of the project without cost overruns coupled with receipt of adequate customer advances will be a key rating sensitivity

Susceptibility to real estate cyclical, regulatory risks and intense competition in the industry

The real estate industry in India is highly fragmented with most of the real estate developers, having a city specific or region-specific presence. The risks associated with real estate industry are cyclical in nature and directly linked to drop in property prices and interest rate risks, which could affect the operations. Given the high level of financial leverage, the high cost of borrowing prevents the real estate's developers' from significantly reducing prices to boost sales growth. Moreover, the industry is also exposed to certain regulatory risks linked to stamp duty and registration tax directly impacting the demand and thus the operating growth of real estate players. Furthermore, the group would continue to remain exposed to intense competition from larger players in region

Rating Sensitivities

- Ontime completion of project without cost overruns
- Timely receipt of the necessary approvals leading to securing term debt for Phase 2 of the project
- Adequate realisation of its customer advances to support the debt servicing.

Liquidity Position

Stretched

The liquidity profile of the Mahavir Labdhi project is stretched marked by pending bank debt tie up for Phase 2 of the project and nominal sales proceeds of only Rs.0.6 crore till date. The company in the month of March 2025 was able to secured debt funding of amount Rs.95 crore (disbursed Rs.7.00 Cr. till June 2025) which is to be incurred for the construction of Phase 1 of the project. Further, the project is expected to have a debt service coverage ratio of more than unity over the debt tenor. Moreover, the liquidity will also be supported by the financial flexibility the firm receives from its promoters.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	65.24	31.89
PAT	Rs. Cr.	4.40	0.63
PAT Margin	(%)	6.74	1.98
Total Debt/Tangible Net Worth	Times	6.20	7.52
PBDIT/Interest	Times	1.95	1.50

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

None

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>
- 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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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 :

Not Applicable

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.	30.00	Simple	ACUITÉ BB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	01 Apr 2025	Not avl. / Not appl.	30 Sep 2030	95.00	Simple	ACUITÉ BB- Stable Assigned

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About Acuité Ratings & Research

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