

Mahaprabhu Residency LLP

July 18, 2022

Rating

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	65.00	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	65.00 (₹ Sixty-Five Crore Only)		

Details of instruments/facilities in Annexure-1.

Detailed rationale and key rating drivers

CARE Ratings Ltd. Has been seeking information from Mahaprabhu Residency LLP (MRLLP) to monitor the rating vide e-mail communications dated May 06, 2022, June 06, 2022, June 14, 2022, June 21, 2022 and June 22, 2022 and numerous phone calls. However, despite the repeated requests, the firm has not provided the requisite information for monitoring the rating. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Mahaprabhu Residency LLP's bank facilities will now be denoted as **CARE B+; Stable; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

At the time of last rating on June 18, 2021 the following were the rating strengths and weaknesses (updated for the information available from the audit report for FY21, Gujarat RERA website and Liases Foras portal)

Key rating weaknesses

High implementation risk

MRLLP launched the residential project 'Harmony Harikesh' in December 2021 and is envisaged to be completed by December 2027. The project has received all requisite approvals for commencement of construction. Further, the construction is at nascent stage, hence implementation risk remained high. However, considering demonstrated project execution capability by the promoter groups, achievement of financial closure and infusion of entire promoter's contribution implementation risk is reduced to some extent.

High salability risk

The total project cost of Rs.161 crore is envisaged to be funded through debt: promoters' contribution: customer advances in the ratio of 40:40:19. Till date, MRLLP has received bookings for 32 units aggregating to around 9% of the total units (i.e.348 units). Further, considering the lower booking status, subdued buyer's sentiments & sluggish demand scenario, the salability risk remained high.

Inherent risk associated with real estate sector

The life cycle of a real estate project is long and the state of the economy at every point in time, right from land acquisition to construction to actual delivery, has an impact on the project. This capital-intensive sector is extremely vulnerable to the economic cycles. Further, the real estate sector in India is highly fragmented with many regional players, who have significant presence in their respective local markets which in turn leads to intense competition within the industry. The real estate sector is sensitive to the economic cycle and interest rates. Adverse movement in interest rate affects the real estate players in both ways – by hampering demand as well as increasing the cost of construction.

Key rating strengths

Vast experience & established track record of the promoter groups

MRLLP is promoted by Mr Devansh Patel, Mr Jayprakash Patel and ten other partners. Mr Jayprakash Patel administers the overall affairs of the firm and has an experience of over 15 years in construction industry. Mr Devansh Patel looks after construction activity and has an experience of over five years in real estate sector. MRLLP is a part of the Ahmedabad-based Harmony & Times group and as on May 31, 2021, both the groups, on a combined basis, have developed 32 residential & commercial real estate projects along with plot schemes with total built up area of around 76 lakh square feet (Isf). Better construction quality and timely completion of projects by both groups have resulted in a strong brand recall in Ahmedabad's real estate market.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications. *Issuer did not cooperate; based on best available information

Analytical approach: Standalone

Applicable criteria

[Policy in respect of Non-cooperation by issuers](#)

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

[Care's Policy on Default Recognition](#)

[Financial Ratios - Non-Financial Sector](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Rating Methodology – Real Estate Sector](#)

About the company

MRLLP was incorporated on April 25, 2019 by Mr Devansh Patel, Mr Jayprakash Patel and ten other partners to construct a residential real estate project 'Harmony Harikesh'. The MRLLP is a part of Ahmedabad-based 'Harmony & Times' group.

The project; Harmony Harikesh is a residential project (registered under Gujarat Registration No. PR/GJ/AHMEDABAD/AHMEDABADCITY/AUDA/RAA09838/210222) consisting of three high-rise residential buildings of 30 floors aggregating 348 flats. MRLLP has launched the project in December 2021. The project is located at Science city road, Sola in Ahmedabad.

Brief financials: Not applicable as it is a project phase entity

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure-4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	-	65.00	CARE B+; Stable; ISSUER NOT COOPERATING*

*Issuer did not co-operate; based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	65.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (18-Jun-21)	-	-

*Long term/Short term; *Issuer did not co-operate; based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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