

Marutham Appartment

November 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking No default statements from Marutham Appartment (MA) to monitor the ratings vide email communications dated October 13, 2025, November 10, 2025, November 21, 2025, among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. 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 MA's bank facility will now be denoted as **CARE BB-; 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 ratings.

The ratings have been revised on account of non-receipt of monthly No default statement for the month of October 2025 and November 2025 despite repeated requests. Rating assigned to the bank facility of Marutham Appartment is constrained by limited number of ongoing projects with lower collection efficiency and inherently cyclical nature of the real estate industry. However, the rating derives strength from the experience of the promoters with a proven track records in the sector, lower external debt reliance and progress in existing projects.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on September 18, 2025, the following were the rating strengths and weaknesses.

Key Weaknesses

Limited ongoing projects with moderate sales and collections

Firm currently has five ongoing projects with a total saleable area of 3.48 lakh sq. ft (including 1 plot development project with 1.10 Lakhs sft) as on July 31, 2025. Of this, 1.30 lakh sq. ft. (37%) has been sold. Collections between January and July 2025 stood at ₹17.57 crore against the total sales of ₹30.07 crore, reflecting moderate collection efficiency. The recent launch of 'Royal Garden Phase II' in July 2025 is expected to support sales momentum and collections over the near term.

Project implementation risk

As of July 2025, the firm is executing five projects, with one recently launched at the foundation stage and three nearing completion, pending interior works. Overall firm has incurred ~₹75.54 crore (63%) out of the total estimated cost of ₹120.53 crore as of July 2025. Considering the typical gestation period of around two years for newly launched projects, fluctuations in key raw material prices, particularly steel and cement, could impact overall costs and sales. Nonetheless, the implementation risk is largely offset by the promoters' long track record and extensive experience in the construction and real estate business.

Exposure to inherent risks and cyclicity in the real estate industry

Firm is exposed to the cyclicity associated with real estate sector which has direct linkage with the general macroeconomic scenario, interest rates and level of disposable income available with individuals. In case of real estate companies, the profitability is highly dependent on property markets. This exposes these companies to the vagaries of property markets. A high-interest rate

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

scenario could discourage the consumers from borrowing to finance the real estate purchases and may depress the real estate market.

Key Strengths

Experienced promoters

MA is the flagship firm of the Marutham Group, promoted by Rajendran and his three brothers. Firm is primarily engaged in residential apartment development and plotted sales. The promoters have successfully completed 28 projects with a total saleable area of 13 lakh sq. ft., including 9 projects in Coimbatore, 3 in Kerala, and the rest in Chennai, reflecting strong execution capabilities across different geographies. Day-to-day operations are overseen by Rajendran, supported by his three brothers: Ramesh, who handles finance, and Govindarajan and Sundarajan, who manage project execution.

Comfortable capital structure with low external debt

As of March 31, 2025, total debt stood at ₹30.67 crore, with a comfortable overall gearing of 0.39x (PY 0.39x). Of this, ₹17.91 crore was unsecured loans from partners and family with no fixed repayment terms. External debt has further come down from ₹12.75 crore as on March 2025 to ₹2.27 crore as on July 2025. Even with the proposed borrowing for the upcoming project, the capital structure is expected to remain comfortable at below unity.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Established as a partnership in 2001, MA is engaged in developing residential real estate projects in Chennai, Tamil Nadu, and Kerala. The firm is promoted by Rajendran and his brothers, who together have executed more than 28 projects spanning around 1.30 million square feet of saleable area.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	28.96	20.38	26.36
PBILDT	4.01	2.90	4.57
PAT	2.77	2.20	2.75
Overall gearing (times)	0.34	0.39	0.39
Interest coverage (times)	3.11	1.82	2.15

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	October 2028	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	15.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	1)CARE BB; Stable (18-Sep-25)	-	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term.

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

Annexure-4: Complexity level of instruments rated

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

Annexure-5: Lender details

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

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

Contact us

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About us:

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