

08 April, 2014

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
MANI SQUARE LTD**

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Long-term Bank Facilities	61	CARE BB+ (Double B Plus)	Reaffirmed
Total	61		

Rating Rationale

The rating of Mani Square Ltd (MSL) continues to be constrained by the company's moderate financial risk profile marked by high debt levels in the form of high cost inter-corporate deposits (ICDs; repayable on demand), risk of implementation of ongoing projects, significant exposure in the group companies, risk of non-renewal of lease agreements after the lock-in-period, increasing competition with a plethora of ongoing projects in and around Kolkata, dependence on the retail and real-estate sector, which, in turn, is dependent on macro-economic factors.

The rating weakness is partially offset by experience and successful track record of the promoter in the real estate sector, improvement in the liquidity profile due to recasting of the lease rental discounting (LRD) loans leading to lower debt obligation vis-a-vis lease rentals, completion of three major projects – Manikala, Manisri and Shiromani during FY13 (refers to the period April 1 to March 31) and satisfactory advancement of the Swarnamani Project.

Ability of the company to complete the Swarnamani project on time and at the estimated cost as well as ensure off-take of balance inventory as per the envisaged timelines shall be the key rating sensitivity.

Background

Mani Square Ltd. (MSL), part of the Kolkata-based Mani Group, is engaged in the construction, development and maintenance of commercial, retail as well as residential real estate. It owns and manages Mani Square Mall, which is a 730,000 square feet retail mall in Kolkata. Opened to public in June, 2008, the mall comprises retail shops, a multiplex, number of restaurants, food court and a gaming zone. The mall space is offered on rent for varying period ranging between three to nine years, with rent escalation clause of 12%-15% after every three years. This apart, the company also has arrangements with certain tenants whereby a fixed commission on net sales or fixed monthly rent, whichever is higher, is charged on a monthly basis. Over the last four years, the mall has enjoyed high occupancy levels (around 90%) and houses some of the leading national and international brands. Besides, the company has recently completed three major projects (Shiromani, Mainkala, Manisri) in prime locations in Kolkata.

Mani group, promoted by Mr Sanjay Jhunjunwala in 1980, is a well-known Kolkata based real estate group with over 40 completed projects comprising of both residential and commercial projects, mostly in Kolkata, under various companies.

In FY13, MSL has achieved PBILDT of Rs.73.95 crore (Rs.79.09 crore in FY12) and PAT of Rs.1.85 crore (Rs.18.44 crore in FY12) on total operating income of Rs.206 crore (Rs.102.42 crore in FY12).

¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

Analyst Contact

Name: Rahul Bubna

Tel: 033 40181604

Mobile:9831569745

Email: rahul.bubna@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra

Managing Director

Mobile : +91-98204 16002

E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi

Dy. Managing Director

Mobile +91-98204 16001

E-mail: rajesh.mokashi@careratings.com

Ms. Meenal Sikchi

Vice President –Bank Loan &

Instrument Rating

Mobile: +91-9819009839

mail: meenal.sikchi@careratings.com

Mr. Ankur Sachdeva

Vice President – Banks & Financial

Services

Mobile: +91-9819698985

E-mail: ankur.sachdeva@careratings.com

CREDIT ANALYSIS & RESEARCH LTD

HEAD OFFICE 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022 | Tel: +91-022- 6754 3456 | E-mail: care@careratings.com | Fax: +91-022- 6754 3457.

KOLKATA | **Ms. Priti Agarwal** | Cell: +91-98319 67110 | Tel: +91-33- 4018 1600/ 1602 |

E- mail: priti.agarwal@careratings.com | 3rd Flr., Prasad Chambers (Shagun Mall Bldg), 10A, Shakespeare Sarani, Kolkata -700 071

CHENNAI | **Mr. V Pradeep Kumar** | Cell: +91 9840754521 | Tel: +91-44-2849 7812/2849 0811 | Fax: +91-44-2849 0876 | Email: pradeep.kumar@careratings.com | Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002

AHMEDABAD | **Mr. Mehul Pandya** | Cell: +91-98242 56265 | Tel: +91-79-40265656 | Fax: +91-79-40265657 | E-mail:mehul.pandya@careratings.com | 32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015.

NEW DELHI | **Ms. Swati Agrawal** | Cell: +91-98117 45677 | Tel: +91- 11- 2331 8701/ 2371 6199 | E-mail: swati.agrawal@careratings.com | 3rd Floor, B -47, Inner Circle, Near Plaza Cinema, Connaught Place, New Delhi - 110 001.

BENGALURU | **Mr. Dinesh Sharma** | Cell: +91 9900041975 | Tel: +91-80-41150445 | 41654529 E-mail: dinesh.sharma@careratings.com | Unit No. 1101-1102, 11th Floor, Prestige Meridian II, No. 30, M.G. Road, Bengaluru- 560 001.

HYDERABAD | **Mr. Saikat Roy** | | Tel: +91-40-40102030 |

E-mail: saikat.roy@careratings.com | 401, Ashoka Scintilla | 3-6-520, Himayat Nagar | Hyderabad - 500 029.

PUNE | **Mr. Rahul Patni** | Cell: +91-78754 33355 | Tel: +91-20- 4000 9000 |

E-mail: rahul.patni@careratings.com | 9th Floor, Pride Kumar Senate, Plot No. 970, Bhamburda, Senapati Bapat Road, Shivaji Nagar, Pune - 411 015.

JAIPUR | **Mr. Rahul Jain** | Cell: +91-9314921496 | Tel: +91-0141-4020213/14 |

E-mail: rahul.jain@careratings.com | 304, Pashupati Akshat Height, s Plot No. D-91, Madho Singh Road, Near Collectorate Circle, Bani Park , Jaipur – 302016.