



## Press Release

### MFAR Constructions Private Limited (MCPL)

February 11, 2022

#### Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	<a href="#">Complexity Indicator (Simple/High /Complex)</a>
Long Term Fund Based Facilities – Cash Credit	72.00	IVR BB+; ISSUER NOT COOPERATING (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATI NG category*	Simple
Long Term Non Fund Based Facilities- Bank Guarantee	41.00	IVR BB+; ISSUER NOT COOPERATING (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATI NG category*	Simple
Short term Non Fund Based Facilities – Bank Guarantee/Letter of Credit	83.00	IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATI NG category*	Simple
Short term Non Fund Based Facilities – (Proposed) Bank Guarantee	20.00	IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATI NG category*	Simple
<b>Total</b>	<b>216.00</b>			

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale:

The rating revision is because of lack of adequate information regarding MFAR Constructions Private Limited and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The lenders, investors and other market participants are thus advised to



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exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

### Non-cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan rating aggregating to INR216.00 Crore of MFAR Constructions Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+/Stable; Issuer Not Co-operating based on best available information.

### Analytical Approach: Standalone

### Applicable Criteria:

Rating Methodology for [Infrastructure Companies](#)

[Financial Ratios & Interpretation](#) (Non-financial Sector)

[Guidelines on what constitutes Non-Cooperation by clients.](#)

### About the Company:

MFAR Construction Pvt Ltd, incorporated in 1997, is engaged in construction of residential and commercial properties. It undertakes diverse construction contracts which includes IT parks, malls, industrial infra, high-rise residential projects etc. The company has completed various projects in different regions of the country that includes Bangalore, Kolkata, Assam, Chennai, Goa, NCR etc. Going forward the management is keen on Venturing into civil construction projects like roads, and other EPC projects.

### Financials: Standalone

(INR. Crore)

For the year ended/ As On*	31-03-2020 (Audited)	31-03-2021 (Audited)
Total Operating Income	323.49	284.81
EBITDA	34.94	32.28
PAT	2.76	5.44
Total Debt	73.52	67.06
Tangible Net-worth	174.31	179.76
<b>Ratios</b>		
EBITDA Margin (%)	10.80	11.34
PAT Margin (%)	0.85	1.91
Overall Gearing Ratio (x)	0.42	0.37



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\*Classification as per Infomerics standards

**Status of non-cooperation with previous CRA: NA**

**Any other information: NA**

**Rating History for last three years:**

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (November 12, 2020)	Date(s) & Rating(s) assigned in 2019-20 (September 4, 2019)	Date(s) & Rating(s) assigned in 2018-19
1.	Long Term Fund Based Facilities – Cash Credit	Long Term	72.00	IVR BB+; ISSUER NOT COOPERATING	IVR BBB/ Positive	IVR BBB/ Stable	--
2.	Long Term Non Fund Based Facilities-Bank Guarantee	Long Term	41.00	IVR BB+; ISSUER NOT COOPERATING	IVR BBB/ Positive	IVR BBB/ Stable	--
3.	Short term Non Fund Based Facilities – Bank Guarantee/Letter of Credit	Short Term	83.00	IVR A4+; ISSUER NOT COOPERATING	IVR A3+	IVR A3+	--
4.	Short term Non Fund Based Facilities – (Proposed) Bank Guarantee	Short Term	20.00	IVR A4+; ISSUER NOT COOPERATING	IVR A3+	IVR A3+	--

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

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

**Name and Contact Details of the Rating Team:**



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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors

### Annexure 1: Details of Facilities:

Name of Facility	ISIN No	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities – Cash Credit	--	--	--	--	72.00	IVR BB+; ISSUER NOT COOPERATING
Long Term Non Fund Based Facilities- Bank Guarantee	--	--	--	--	41.00	IVR BB+; ISSUER NOT COOPERATING
Short term Non Fund Based Facilities –	--	--	--	--	83.00	IVR A4+; ISSUER



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Bank Guarantee/Letter of Credit						NOT COOPERATING
Short term Non Fund Based Facilities – (Proposed) Bank Guarantee	--	--	--	--	20.00	IVR A4+; ISSUER NOT COOPERATING

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

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Note on complexity level of the rated Instruments:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).