



Press Release

M S V Constructions Company

July 07, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	14.36	IVR B/ Negative; Issuer Not Cooperating* (IVR Single B with Negative Outlook; Issuer Not Cooperating*)	Downgraded with negative outlook and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	25.64	IVR A4; Issuer Not Cooperating* (IVR A Four; Issuer Not Cooperating*)	Reaffirmed and moved to ISSUER NOT COOPERATING category	Simple
Total	40.00 (Rupees Forty crore only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of M S V Constructions Company is due to non-receipt of no default statement from the entity for consecutive three months and 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 exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities. However, despite the repeated requests by Infomerics, the firm's management has not submitted the no default statement required for monitoring of the ratings.



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Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of M S V Constructions Company aggregating Rs. 40.00 crore has been moved in the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

Guidelines on what constitutes Non-Cooperation by Clients

Criteria of assigning Rating Outlook

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Liquidity: Information not available

About the firm

Karnataka based MSV Constructions Company, was established in 1990 by Mr. M S Venkatesh, as a sole proprietorship concern engaged in civil construction works, mainly road works for government departments like public works department. It was reconstituted as a partnership firm in October 2020. It is registered as a Class IA contractor with Bruhath Bangaluru Mahanagara Palike (BBMP) & gets orders based on tender participation.

Financials (Standalone):

(Rs. crore)

For the year ended / As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	6.39	22.65
EBITDA	1.67	2.84
PAT	0.39	0.90
Total Debt	15.22	24.08
Tangible Net worth	5.70	10.34
EBITDA Margin (%)	26.17	12.53
PAT Margin (%)	6.07	3.94
Overall Gearing Ratio (x)	2.67	2.33
Interest Coverage	2.67	2.00

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil



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Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (March 22, 2023)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	SOD	Long Term	10.94	IVR B; Negative; Issuer Not Cooperating*	IVR B+; Stable	-	-
2.	Term Loan	Long Term	3.42	IVR B; Negative; Issuer Not Cooperating*	IVR B+; Stable	-	-
3.	Bank Guarantee	Short Term	12.51	IVR A4; Issuer Not Cooperating*	IVR A4	-	-
4.	Bank Guarantee (Proposed)	Short Term	13.13	IVR A4; Issuer Not Cooperating*	IVR A4	-	-

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

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

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 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	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
SOD	-	-	-	10.94	IVR B; Negative; Issuer Not Cooperating*
Term Loan	-	-	FY27	3.42	IVR B; Negative; Issuer Not Cooperating*
Bank Guarantee	-	-	-	12.51	IVR A4; Issuer Not Cooperating*
Bank Guarantee (Proposed)	-	-	-	13.13	IVR A4; Issuer Not Cooperating*

*Issuer did not cooperate; based on best available information



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

Annexure 3: Facility wise lender details: Not Available

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

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.