



## Press Release

### Mishrilal Associates Private Limited

March 31<sup>st</sup>, 2025

#### Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
1.	Long Term Bank Facilities	62.50	IVR BB/ Stable (IVR Double B with Stable Outlook)	-	Rating Assigned	Simple
	<b>Total</b>	<b>62.50</b>	<b>Rupees Sixty-Two Crore and Fifty Lakh Only</b>			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Valuation and Rating Limited (Formerly Infomerics Valuation and Rating Private Limited) (IVR) has assigned long term rating of IVR BB with Stable outlook for the bank loan facilities of Mishrilal Associates Private Limited (MAPL).

The rating continues to draw comfort from experienced management and established track record of operations, reputed clientele, Improved debt protection metrics and financial risk profile. However, these rating strengths are partially offset by moderate scale of operation, tender driven nature of business, susceptibility of operating margin to volatile input prices and intense competition.

The outlook is expected to remain stable on account of long track record of operations and experienced promoters. IVR believes MAPL will continue to benefit from sustained demand for the services over the near to medium term.

IVR has principally relied on the audited financial results of MAPL upto 31 March 2024, (i.e. review period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024), 10MFY25 (unaudited results and projected financials for FY2025, FY2026 and FY2027 and publicly available information/clarifications provided by the society's management.



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### Key Rating Sensitivities:

#### Upward Factors

- Substantial improvement in scale of operations with TOI above 100 crore and profitability margins.
- Sustenance of the overall gearing below 2.00x
- Improvement in cash conversion cycle

#### Downward Factors

- Any deterioration in liquidity profile
- Moderation in the capital structure with deterioration in overall gearing to more than 3x

### List of Key Rating Drivers with Detailed Description

#### A. Key Rating Strengths

- **Established track record of operations and experienced management**  
The company was incorporated in 2011 and has a successful track record of more than a decade in EPC turnkey projects. Overall activities of MAPL are managed by two directors with Mr. Abhishek Agarwal being the Managing Director. He has vast experience in the existing line of business. He is ably supported by other directors who have effective experience in existing line of business as well as supported by qualified and well experienced management team.
- **Reputed clientele**  
The company is engaged into civil works with clients like South Bihar Power Distribution Company Limited, UP Jal Nigam, Uttarakhand Power Corporation Limited, National Highways Authority of India, Dakshinanchal Vidyut Vitran Nigam Limited and others. Customers being reputed government companies impart comfort with low counterparty risk.
- **Improved debt protection metrics and financial risk profile**  
In terms of the debt coverage indicators, the interest service coverage ratio (ISCR) and the debt service coverage ratio (DSCR) improved to 1.79x and 1.18x respectively in FY2024 from 1.55x and 0.92x respectively in FY2023. The tangible networth has improved to Rs. 11.15 crore in FY2024 from Rs. 9.67 crore in FY2023. The total operating income (TOI) has increased by 9.14% to Rs. 66.81 crore in FY2024 from Rs. 61.22 crore in FY2023.

#### B. Key Rating Weaknesses



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- **Moderate scale of operations**

The scale of operations of the company remained moderate over the years marked by its total operating income at ~Rs.66.81 crore in FY2024 which was volatile in last three years. Infomerics expects that the scale of operations of the firm will continue to remain small in the medium term. Small scale of operations restricts the financial flexibility of the firm to an extent.

- **Tender driven nature of business**

The company is mostly getting its orders through tenders floated by govt departments. As the infrastructure industry is highly fragmented due to presence of many organised and unorganised players tender driven nature of business leads to volatility in revenue and profitability. Further, being in infrastructure segment the firm is exposed to inherent risks associated in this industry like slowdown in new order inflows, risks of delays in execution, liquidated damages (LD) charges etc.

**Analytical Approach:** For arriving at the ratings, INFOMERICS has applied its rating methodology as detailed in the rating criteria below. IVR has analysed MAPL's credit profile by considering the standalone financial statements of the firm.

### **Applicable Criteria:**

- [Rating Methodology for Infrastructure Companies](#)
- [Financial Ratios & Interpretation \(Non-Financial Sector\)](#)
- [Criteria of assigning rating outlook](#)
- [Policy on default recognition](#)
- [Complexity level of rated instruments/ facilities](#)

### **Liquidity – Adequate**

The company's liquidity is expected to be adequate. The gross cash accruals stood comfortable at Rs. 1.55 crore for FY2024 against a repayment obligation of Rs. 1.00 crore in FY2024. The company is expected to generate cash accruals between Rs. 3.24-5.59 crore in FY2025-FY2027 which are sufficient for repayment obligations.

### **About the Company**

Mishrilal Associates Private Limited is a private limited company incorporated in 2011 with its registered office situated in Bareilly, Uttar Pradesh. The company is a EPC turnkey contractor and is engaged primarily construction of Substation Erection, Commissioning & Testing, various type of Civil work like: Underground work & trench work and Capacitor work of country Infrastructure.



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### Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	61.22	66.81
EBITDA	2.58	3.66
PAT	0.81	1.48
Total Debt	19.08	26.85
Tangible Net worth	9.67	11.15
EBITDA Margin (%)	4.21	5.48
PAT Margin (%)	1.31	2.20
Overall Gearing Ratio (x)	1.97	2.41
Interest Coverage Ratio (x)	1.55	1.79

*\*Classification as per Infomerics' standards*

**Status of non-cooperation with previous CRA:** Nil.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-243	Date(s) & Rating(s) assigned in 2021-22
1.	Fund based	Long Term	25.50	IVR BB/Stable	-	-	-
2.	Non-Fund based	Long Term	37.00	IVR BB/Stable	-	-	-

### Name and Contact Details of the Rating Analyst:

Name: Om Prakash Jain  
Tel: (011) 45579024  
Email: [opjain@infomerics.com](mailto:opjain@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd. ] was founded in the year 1986 by a team of highly experienced finance professionals



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for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration 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 and definition of ratings please visit [www.infomerics.com](http://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
Cash Credit	-	-	-	10.50	IVR BB/Stable
Cash Credit	-	-	-	15.00	IVR BB/Stable
Bank Guarantee	-	-	-	12.00	IVR BB/Stable
Bank Guarantee	-	-	-	25.00	IVR BB/Stable

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-MAPL-mar25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable



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**Annexure 4: List of companies considered for consolidated analysis:** 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 [Complexity Level of Rated Instruments/Facilities](#).