

Press Release

Mfar Constructions Private Limited

August 01, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 163.95 Cr. #
Long Term Rating	ACUITE BBB Issuer not co-operating*
Short Term Rating	ACUITE A3+ Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and short term rating of '**ACUITE A3+**' (read as '**ACUITE A three plus**') on the Rs. 163.95 crore bank facilities of MFAR CONSTRUCTIONS PRIVATE LIMITED. This rating is now an indicative rating and is based on best available information.

MFAR Constructions Private Limited (MCPL) is a Bengaluru-based construction company promoted by Dr. P. Mohamed Ali and Mr. Anoop Chemmanur. The company undertakes EPC contracts (engineering, procurement and construction) for the real estate industry. The company caters to reputed clients in the real estate industry and derives around 80 percent of its revenue from Bengaluru and Mangalore real estate market while remaining is derived from Kolkata and Gurgaon real estate market.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY18 (Provisional)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	264.82	253.81	310.55
EBITDA	Rs. Cr.	25.31	18.78	20.38
PAT	Rs. Cr.	8.42	3.02	2.66
EBITDA Margin	(%)	9.56	7.40	6.56
PAT Margin	(%)	3.18	1.19	0.86
ROCE (%)	(%)	9.07	7.97	8.97
Total Debt/Tangible Net Worth	Times	0.45	0.47	0.56
PBDIT/Interest	Times	2.76	1.59	1.54
Total Debt/PBDIT	Times	2.98	3.53	3.45

Gross Current Assets (Days)	Days	369	382	354
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Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

Not applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
23-May-2018	Cash Credit	Long Term	INR 32.00	ACUITE BBB / Stable
	Cash Credit	Long Term	INR 7.00	ACUITE BBB / Stable
	Working Capital Demand Loan	Long Term	INR 25.00	ACUITE BBB / Stable
	Cash Credit	Long Term	INR 10.45	ACUITE BBB / Stable
	Letter of Credit	Short Term	INR 10.00	ACUITE A3
	Bank Guarantee	Short Term	INR 29.00	ACUITE A3+
	Bank Guarantee	Short Term	INR 20.00	ACUITE A3+
	Bank Guarantee	Short Term	INR 32.50	ACUITE A3+
	Proposed Cash Credit	Long Term	INR 8.00	ACUITE BBB / Stable
01-Mar-2017	Cash Credit	Long Term	INR 34.00	ACUITE BBB- / Stable
	Cash Credit	Long Term	INR 7.00	ACUITE BBB- / Stable
	Working Capital Demand Loan	Long Term	INR 25.00	ACUITE BBB- / Stable
	Cash Credit	Long Term	INR 10.45	ACUITE BBB- / Stable
	Letter of Credit	Short Term	INR 10.00	ACUITE A3
	Bank Guarantee	Short Term	INR 25.00	ACUITE A3
	Bank Guarantee	Short Term	INR 20.00	ACUITE A3
	Bank Guarantee	Short Term	INR 32.50	ACUITE A3

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	32.00	ACUITE BBB Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BBB Issuer not co-operating*
Working capital demand loan (WCDL)	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BBB Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.45	ACUITE BBB Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	32.50	ACUITE A3+ Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	29.00	ACUITE A3+ Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A3+ Issuer not co-operating*

Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BBB Issuer not co-operating*
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*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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