

Press Release

Mfar Constructions Private Limited

November 12, 2020

Rating Update



Total Bank Facilities Rated#	Rs.163.95 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE three plus**) on the Rs.163.95 crore bank facilities of MFAR Constructions Private Limited (MCPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

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:

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
01-Aug-2019	Cash Credit	Long Term	32.00	ACUITE BBB (Indicative)
	Cash Credit	Long Term	7.00	ACUITE BBB (Indicative)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BBB (Indicative)
	Cash Credit	Long Term	10.45	ACUITE BBB (Indicative)
	Proposed Cash Credit	Long Term	8.00	ACUITE BBB (Indicative)
	Bank Guarantee	Short Term	29.00	ACUITE A3+ (Indicative)
	Bank Guarantee	Short Term	20.00	ACUITE A3+ (Indicative)
	Bank Guarantee	Short Term	32.50	ACUITE A3+ (Indicative)
23-May-2018	Cash Credit	Long Term	32.00	ACUITE BBB/Stable (Upgraded)
	Cash Credit	Long Term	7.00	ACUITE BBB/Stable (Upgraded)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BBB/Stable (Upgraded)
	Cash Credit	Long Term	10.45	ACUITE BBB/Stable (Upgraded)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Withdrawn)
	Bank Guarantee	Short Term	29.00	ACUITE A3+ (Upgraded)
	Bank Guarantee	Short Term	20.00	ACUITE A3+ (Upgraded)
	Bank Guarantee	Short Term	32.50	ACUITE A3+ (Upgraded)
	Proposed Cash Credit	Long Term	8.00	ACUITE BBB/Stable (Assigned)
01-Mar-2017	Cash Credit	Long Term	34.00	ACUITE BBB-/Stable (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB-/Stable (Assigned)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BBB-/Stable (Assigned)
	Cash Credit	Long Term	10.45	ACUITE BBB-/Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	29.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	20.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	32.50	ACUITE A3 (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	32.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Cash Credit	Not Available	Not Applicable	Not Available	7.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Working Capital Demand Loan	Not Available	Not Applicable	Not Available	25.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.45	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	29.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	32.50	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

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

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research 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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