



Press Release
Mfar Constructions Private Limited
February 13, 2024

Rating Reaffirmed, Downgraded, Withdrawn & Issuer Not Cooperating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	74.45	ACUITE BB- Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	8.00	Not Applicable Withdrawn	-
Bank Ratings Loan	81.50	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	163.95	-	-

Rating Rationale

Acuite has downgraded and withdrawn the long term rating to '**ACUITE BB-**'(read as **ACUITE double B minus**) from '**ACUITE BB**'(read as **ACUITE double B**) and also reaffirmed and withdrawn the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 155.95 crore bank facilities of MFAR Constructions Private Limited (MCPL). The long term rating is downgraded because of the information risk the rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company, and the NOC(No Objection Certificate) received from the banker.

Acuite has withdrawn the long term **proposed limit** without assigning any rating on the Rs. 8.00 Cr bank facilities. of MFAR Constructions Private Limited (MCPL). The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility on account of withdrawal request received from the company.

About the Company

Incorporated in 1996, 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.

Unsupported Rating

Not Applicable

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.

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

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

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.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	34.25	29.03
PAT	Rs. Cr.	0.21	0.38
PAT Margin	(%)	0.61	1.30
Total Debt/Tangible Net Worth	Times	0.58	0.52
PBDIT/Interest	Times	1.44	1.66

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 May 2023	Bank Guarantee	Short Term	32.50	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	29.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.45	ACUITE BB (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	32.00	ACUITE BB (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	8.00	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB (Issuer not co-operating*)
16 Feb 2022	Cash Credit	Long Term	10.45	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	29.00	ACUITE A4+ (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	32.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	8.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	32.50	ACUITE A4+ (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Federal Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	32.50	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	29.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	32.00	ACUITE BB- Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB)
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.00	ACUITE BB- Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB)
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.45	ACUITE BB- Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	Not Applicable Withdrawn
Federal Bank	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE BB- Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.