

Mohan Rao (MR) Constructions Private Limited

November 13, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	60.00	CARE B+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to the bank facilities of Mohan Rao (MR) Construction Pvt Ltd (Mohan) is constrained by high saleability risk due to slow bookings since the launch of the project leading to lower customer advances despite healthy project progress which was funded through debt and infusion by promoters and stretched liquidity. The rating further factors company's limited track record in executing large-scale projects along with inherent cyclicity associated with the real estate sector. Nonetheless, rating derives comfort from promoters' resourcefulness and their experience in real estate sector. Promoters have demonstrated commitment towards the project progress reflected by their infusion of funds over and above the planned contribution.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant level of bookings by achieving more than 40% units sold along with corresponding increase in receipt of customer advances.

Negative factors

- Slow sales velocity leading to similar level of unsold inventory of less than 15%
- Inability to receive customer advances or realise debtors resulting in cash flow mismatch and tight liquidity.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects Mohan to continue benefiting from the long track record of its promoters in the real estate business.

Detailed description of key rating drivers:

Key weaknesses:

Muted bookings constraining customer advances despite healthy project progress

The ongoing residential project in Guntur (Radha Krishna Towers), comprises 2BHK and 3BHK units with a saleable area of 3.02 lakh sq. ft. (developer share). As of June 2025, only 17 out of 198 units were booked, indicating slower-than-expected sales. Despite healthy construction progress of around 80%, weak booking momentum has led to lower customer advances, making timely sale of balance inventory critical. The company expects bookings to pick up from Q3FY26 with a targeted sales rate of 12–13 units per month. Meanwhile, loan repayment has commenced from October 2025 and are being supported by unsecured loans from related parties until sales improve.

Exposure to inherent cyclicity in real-estate industry

Mohan business is significantly dependent on the performance of the real-estate market. Being a cyclical industry, real estate depends on macro-economic factors and the company's dependence on a particular geography further heighten the risk

Key strengths:

Healthy project progress backed by regular support from the promoters:

As of September 30, 2025, Mohan has incurred project costs of around ₹100 crore, representing 81% of the total project cost of ₹124 crore (excluding land). The incurred cost has been funded through a mix of promoter contribution, term loans, and negligible

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

customer advances in the ratio of 42:55:3, with about 98% financed through promoter funds and debt. With healthy project progress along with committed receivables, the project completion risk is mitigated to a certain extent. The promoters have infused funds over and above the planned contribution, supporting the project's timely completion in the absence of lower customer advances received. The company received a sanction of ₹60 crore term loan with a current outstanding at ₹52 crore as on September 2025. Further, the company received ₹3.63 crore as customer advance as on September 2025. Hence, achieving the envisaged sales for the project is critical from credit perspective.

Established track record of the promoter in successful execution of residential project

The ongoing project "Radha Krishna Towers". Mohan has developed a total area of around 1 lacs Sq. Ft. in Guntur, Andhra Pradesh. Currently there is one on-going projects, including residential units in Guntur Lam area. The company is backed by strong and dedicated team of people with required knowledge, experience, and expertise in this line of activity

Liquidity: Stretched

Mohan's liquidity position remains stretched, because of limited cash flows and lower-than-expected bookings resulting in only about ₹3.63 crore of customer advance received till September 2025. However, the promoters have been infusing funds as and when required, having contributed ₹46.75 crore as of September 2025, comprising ₹10 crore in equity & securities premium, and balance as unsecured loans. Currently, promoters are supporting debt servicing as and when needed however timely infusion of funds remains critical. Furthermore, delay in achieving incremental bookings may further strain the company's liquidity profile.

Assumptions/Covenants: NA

Environment, social, and governance (ESG) risks: NA

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Rating methodology for Real estate sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

Mohan Rao (MR) Construction Pvt Ltd (Mohan), incorporated in 2021. The company is a residential developer based out of Guntur, Andhra Pradesh. Currently, the company is developing a residential project Radha Krishna Towers under JDA at Guntur, Andhra Pradesh with promoters' saleable area of 3.01 Isf. Mohan promoted by Mr Gondri Tirupati Rao who have more than 15 years of experience in field of real estate. The promoter has successfully completed other real estate projects through different firms with friends and relatives, with a total development of around 1 lakh square feet in the past.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	NM	4.87
PBILDT	0.65	3.45
PAT	NM	0.11
Overall gearing (times)	2.91	8.52
Interest coverage (times)	1.04	1.03

A: Audited UA: Unaudited; Note: these are latest available financial results; NM: Not meaningful.

Status of non-cooperation with previous CRA: None

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	28-02-2027	60.00	CARE B+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	60.00	CARE B+; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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