

M.P. Agarwala Private Limited

March 27, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|----------------------------|------------------|---|---|
| Long Term Bank Facilities | 22.00 | CARE BB+; Stable; ISSUER NOT COOPERATING* | Rating moved to ISSUER NOT COOPERATING category |
| Short Term Bank Facilities | 43.00 | CARE A4+; ISSUER NOT COOPERATING* | Rating moved to ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited has been seeking information from M.P. Agarwala Private Limited (MPA) to monitor the rating vide email communications dated March 16, 2026; March 05, 2026; and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited's opinion is not sufficient to arrive at a fair rating. Further, MPA has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on MPA's bank facilities will now be denoted as **CARE BB+; Stable / CARE A4+ ; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The reaffirmation of ratings assigned to the bank facilities of MPA continues to remain constraint by MPA's tender driven nature of operation with exposure to intense competition, susceptibility of operating margin to volatility in input material prices and labour charges, working capital intensive nature of operations and moderate capital structure and debt protection metrics. The aforementioned weaknesses get partially offset by the experience of the promoters along with long track record of operation and reputed clientele resulting in minimal default risk. The rating further takes into consideration the satisfactory order book position and improved financial performance in FY25.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on February 20, 2025, the following were the rating strengths and weaknesses (updated for the information available from client):

Key Rating Weaknesses

Intense competition and tender driven process risk

Companies have to bid for the contracts based on tenders opened by the various public sector units. Upon successful technical evaluation of various bidders, the lowest bid is awarded the contract. The company receives projects which majorly are of a short to medium tenure (i.e. to be completed within maximum period of one to two years). Furthermore, orders are generally tender driven floated by government units indicating a risk of non-receipt of contract in a competitive industry.

Working Capital intensive nature of operation

The operations of the company remained working capital intensive as the company executes orders mainly for public sector units and government departments, which gets stretched for 3 to 4 months. Furthermore, the billing and documentation process, payment approval takes longer time. The company's operating cycle stood at 61 days in FY25, improved from 71 days in FY24, driven primarily by a reduction in the average collection period.

Moderate capital structure and debt protection metrics

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

The debt level of the company increased significantly during FY24 owing to increased working capital requirements to fund the elongated operating cycle. The borrowings include loans taken to purchase new equipment for road construction, infusion of unsecured loans from the promoters to meet working capital requirements and an increase in advances from customers. The capital structure of the company moderated with overall gearing increased to 2.22x as on March 31, 2024 from 0.62x as on March 31, 2023. The debt coverage indicators also moderated, as marked by PBILDT interest coverage of 2.49x in FY24 (3.40x in FY23) and high total debt to GCA (TD/GCA) of 8.47x in FY24 (1.70x in FY23).

As on March 31, 2025, the overall gearing stood at 2.02x. Whereas, the PBILDT interest coverage ratio stood at 3.08x for FY25 and TD/GCA at 4.70x. The capital structure and debt protection metrics are expected to improve in near to mid-term with expected invoicing of substantial parts of the work in progress and collection of dues for the same.

Susceptibility of operating margin due to volatility in input material prices and labour charges.

The basic input materials for execution of construction projects and works contracts are steel, stone chips, bitumen, cement etc. The prices of which are highly volatile. However, current government agencies' works contract has a price escalation clause which mitigates price volatility risk to some extent. Furthermore, the operating margin of the company is exposed to any sudden spurt in the input material prices along with an increase in labour prices being in labour intensive industries.

Key Rating Strengths

Experienced promoters with long track record of operation

MPA has been in operation since 2000, accordingly, has a long track record of operation. Further, the company is managed by Mr. Sanjay More, director, along with other director Ms. Sangita More and a team of experienced personnel. The directors are having over two decades of experience in the construction business.

Reputed clientele resulting in minimal default risk

The company, being Government registered Class A contractor, receives order from reputed organizations like PWD Assam, RCD Assam and others which minimises the risk of bad debts.

Improvement in financial performance during FY25

The financial performance for FY25 improved with the company recording Rs 168.66 crores of turnover during the year (FY24: Rs 84.08 crore). The profitability margins also remained stable marked by PBILDT margin of 12.93% (FY24: 14.11%)

Satisfactory order book position

The company is increasing its scale of operation over the years and subsequently receiving major orders in the Northeast region. As on December 31, 2025, the order book position of the company stood at a comfortable level of Rs 248.23 crores which is 1.47x of FY25 turnover.

Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|--------------|--------------|--------------------|
| Industrials | Construction | Construction | Civil Construction |

M.P. Agarwala Private Limited (MPA), incorporated on December 13, 2000, at Guwahati in Assam. MPA is relatively a small sized Assam based company engaged in providing different types of construction services, which include construction of roads, bridges and buildings for government entities like Public Works Department, Road Construction Department etc in the states of Meghalaya and Assam.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) |
|----------------------------|--------------------|--------------------|
| Total operating income | 84.08 | 168.66 |
| PBILDT* | 11.86 | 21.80 |
| Profit after tax (PAT) | 4.04 | 9.48 |
| Overall gearing (x) | 2.22 | 2.02 |
| Interest coverage (x) | 2.49 | 3.08 |

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

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 | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|------------------------------------|------|------------------|-----------------|---------------|-----------------------------|---|
| Fund-based - LT-Cash Credit | | - | - | - | 22.00 | CARE BB+; Stable; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-Bank Guarantee | | - | - | - | 43.00 | CARE A4+; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information.

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-Cash Credit | LT | 22.00 | CARE BB+; Stable; ISSUER NOT COOPERATING* | - | 1)CARE BB+; Stable (20-Feb-25) 2)CARE BB+; Stable (03-Apr-24) | 1)CARE BB+; Stable (26-Feb-24) | 1)CARE BB; Stable (07-Dec-22) |
| 2 | Non-fund-based - ST-Bank Guarantee | ST | 43.00 | CARE A4+; ISSUER NOT COOPERATING* | - | 1)CARE A4+ (20-Feb-25) 2)CARE A4+ (03-Apr-24) | 1)CARE A4+ (26-Feb-24) | 1)CARE A4 (07-Dec-22) |

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|------------------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |
| 2 | Non-fund-based - ST-Bank Guarantee | 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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