

April 15, 2024

M3M India Private Limited: Ratings Moved to Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Term Loan	282.66	282.66	[ICRA]B+; ISSUER NOT COOPERATING* Continues on Rating watch with negative implications; Rating downgraded from [ICRA]BB- Rating watch with negative implications; to be moved to 'Issuer Not Cooperating' Category.
Long term – non-fund based	12.50	12.50	[ICRA]B+; ISSUER NOT COOPERATING* Continues on Rating watch with negative implications; Rating downgraded from [ICRA]BB- Rating watch with negative implications; to be moved to 'Issuer Not Cooperating' Category.
Long term – Fund-based – Overdraft	50.00	50.00	[ICRA]B+; ISSUER NOT COOPERATING* Continues on Rating watch with negative implications; Rating downgraded from [ICRA]BB- Rating watch with negative implications; to be moved to 'Issuer Not Cooperating' Category.
Total	345.16	345.16	

*Issuer did not cooperate; based on best available information; [^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding **M3M India Private Limited (M3M)** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with **M3M India Private Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities : [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Realty - Commercial/Residential/Retail Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidation

About the company

M3M India Private Limited, formerly known as M3M India Ltd, was incorporated in March 2007 by Mr. Roop Kumar and Mr. Pankaj Bansal. The Group has presence across residential, commercial and retail segments of real estate and has a presence across multiple micro markets in Delhi-NCR.

Key financial indicators (audited)

M3M India Consolidated	FY2021	FY2022 [^]	FY2023 [^]
Operating income (Rs. crore)	1643.9	1,557.6	696.5
PAT (Rs. crore)	-102.9	- 172.1	- 395.6
OPBDIT/OI (%)	29.9%	5.0%	-36.1%
PAT/OI (%)	-6.3%	-11.0%	-56.8%
Total outside liabilities/Tangible net worth (times)	3.9	2.4	3.1
Total debt/OPBDIT (times)	2.1	4.0	- 2.8
Interest coverage (times)	1.9	0.3	- 1.3

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; Source: Company annual reports, ICRA Research.
[^]FY2022 and FY2023 are standalone numbers.

Status of non-cooperation with previous CRA: None

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)		Chronology of Rating History for the past 3 years				
		Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023		Date & Rating in FY2022
				April 12, 2024	June 13, 2023	Dec 12, 2022	Sep 30, 2022	Jun 11, 2021
1 Long term Term Loan	Long term	282.66	282.66	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING	[ICRA] BB-; Rating watch with negative implications	[ICRA] BBB (Stable)	[ICRA] BBB (Stable)	[ICRA] BBB (Stable)
2 Non-fund based limits	Long term	12.50	0.00	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING	[ICRA] BB-; Rating watch with negative implications	[ICRA] BBB (Stable)	[ICRA] BBB (Stable)	[ICRA] BBB (Stable)
3 Unallocated	Long term	-	-	-	-	-	[ICRA] BBB (Stable)	-
4 Overdraft	Long term	50.00	0.00	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING	[ICRA] BB-; Rating watch with negative implications	[ICRA] BBB (Stable)	-	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term – Term loan	Simple
Long term – Non-Fund Based	Very Simple

Long-Term Fund Based – OD

Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan 1	FY2017	-	FY2025	137.98	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING
NA	Term Loan 2	FY2022	-	FY2024	144.68	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING
NA	Bank Guarantee	NA	-	-	12.50	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING
NA	Unallocated	FY2019	-	-	50.00	[ICRA] B+; Rating watch with negative implications; ISSURE NOT COOPERATING

Source: Company

Please click [here](#) to view details of lender-wise facilities rated by ICRA

Annexure-II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Adol Infratech Private Limited	100.00%	Full Consolidation
Afresh Builders Private Limited	100.00%	Full Consolidation
Benchmark Infotech Private Limited	100.00%	Full Consolidation
Bloosom Probuild Private Limited	100.00%	Full Consolidation
Bonus Builders Private Limited	100.00%	Full Consolidation
Consolidate Relators Private Limited	100.00%	Full Consolidation
Gama Buildwell Private Limited	100.00%	Full Consolidation
Generous Relators Private Limited	100.00%	Full Consolidation
Gentle Relators Private Limited	100.00%	Full Consolidation
Glory Infracon Private Limited	100.00%	Full Consolidation
Golden Gate Propbuild Private Limited	100.00%	Full Consolidation
Hans Propcon Private Limited	100.00%	Full Consolidation
High Rise Propbuild Private Limited	100.00%	Full Consolidation
Lavish Buildmart Private Limited	100.00%	Full Consolidation
Lekh Buildtech Private Limited	100.00%	Full Consolidation
M3M Construction Private Limited	100.00%	Full Consolidation
M3M Golf Estate Private Limited	100.00%	Full Consolidation
M3M Homes Private Limited	100.00%	Full Consolidation
M3M India Infrastructures Private Limited	100.00%	Full Consolidation
M3M India Projects Private Limited	100.00%	Full Consolidation
Moonlight Infracon Private Limited	100.00%	Full Consolidation
Nice Realcon Private Limited	100.00%	Full Consolidation
Rapid Infracon Private Limited	100.00%	Full Consolidation
Roshni Builders Private Limited	100.00%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Skyline Propcon Private Limited	100.00%	Full Consolidation
Union Buildmart Private Limited	100.00%	Full Consolidation
Zenith Realtech Private Limited	100.00%	Full Consolidation
Olive Realcon Private Limited	90.00%	Full Consolidation
Manglam Multiplex Private Limited	26.67%	Full Consolidation^
Trigno Land Developers LLP	50.00%	Full Consolidation
M3M Residency Private Limited	100.00%	Full Consolidation

Source: Company annual report; ^The debt is guaranteed by M3M India.

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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Branches



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