



Press Release

Maya Construction Company Private Limited (MCCPPL)

December 16, 2020

Ratings

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Ratings	Rating Action
1.	Long Term Fund Based Bank Facility – Cash Credit	5.00	IVR BB-/Stable Outlook (IVR Double B Minus with Stable Outlook)	Assigned
2.	Short Term Non Fund Based Bank Facilities	5.00	IVR A4 (IVR Single A Four)	Assigned
	Total	10.00		

Details of Facilities are in Annexure I

Detailed Rationale

The aforesaid ratings assigned to the bank facilities of Maya Construction Company Private Limited (MCCPPL) derives comfort from its experienced promoter alongside experienced management team, long track record of the company, proven past contracts execution capability and moderate financial risk profile. However, the rating strengths are constrained by small order book, covid 19 impact and geographical concentration.

Key Rating Sensitivities

Upward Factors

- Substantial & sustained improvement in revenue & profitability leading to overall improvement in debt protection metrics.

Downward Factors

- Non achievement of revenue & profitability as projected.



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Key Rating Drivers with detailed description

Key Rating Strengths

Long track record of the company, experienced promoters and management:

Mr. Bajranglal Jehdu, the founder and promoter of the company has over 40 years of experience in civil construction. The company also has a long track record of over 30 years in this field. Mr. Rajendraprasad Darji, who looks after the site execution also has an experience of about 27 years. The directors are supported by a team of experienced and qualified professionals, all of whom has an experience of around 2-3 decades.

Proven Execution Capability:

The company has successfully completed projects worth around Rs.112 Crores in last 5 years in Gujarat and Rajasthan.

Moderate Financial Risk Profile:

The capital structure of the company seems moderate with overall gearing ratio and current ratio at 1.75x and 2.08x in FY20. Its TOL/TNW is at 2.45x for FY20. Overall, the company's debt protection metrics look moderate.

Key Rating Weaknesses

Small order book & impact of Covid-19:

The company has 4 projects in hand worth Rs. 15.75 Crs, all of which have been affected due to pandemic. Even the ongoing projects were moving slow due to pandemic, which are expected to be completed by March 2021.

Geographical Concentration:

Majority of the projects executed and the order in hand are all concentrated in the states of Gujarat and Rajasthan. However, the company has adequate experience to execute projects in the state and also operating in a concentrated geography provides efficient control and reduces the logistical expense.



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Analytical Approach: Standalone

Applicable Criteria

Rating Methodology for Infrastructure Companies

Financial Ratios & Interpretation (Non-financial Sector)

Liquidity – Adequate

The liquidity position is adequate marked with current ratio at 2.08x in FY20 (Provisional). The Company has cash and bank balances to the tune of Rs. 0.71 Crs as on March 31, 2020.

About the Company

Maya Construction Company Private Limited was incorporated in March 2004. The company was previously a Proprietorship firm, which started in 1989. Subsequently, in 2004 it was converted into private limited company. The company is engaged into the infrastructure business i.e. construction of Canal works, Embankment, Lining works and Structures.

Financials: Standalone

For the year ended/ As On	(Rs. crore)	
	31-03-2019 (Audited)	31-03-2020 (Provisional)
Total Operating Income	18.04	5.11
EBITDA	2.23	2.06
PAT	0.49	0.16
Total Debt	8.72	11.44
Tangible Net-worth	6.39	6.55
Ratios		
EBITDA Margin (%)	12.38	40.35
PAT Margin (%)	2.69	3.18
Overall Gearing Ratio (x)	0.65	0.79

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: NA

Any other information: N.A.



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Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	Long Term	5.00	IVR BB-/Stable Outlook	--	--	--
2.	Bank Guarantee	Short Term	5.00	IVR A4	--	--	--

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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Annexure I: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based - Cash Credit	-	-	Revolving	5.00	IVR BB-/Stable Outlook
Short Term Non Fund Based – Bank Guarantee	-	-	--	5.00	IVR A4