

## Press Release

### Moksha Construction

March 18, 2017

### Rating Assigned

|                                     |              |
|-------------------------------------|--------------|
| <b>Total Bank Facilities Rated*</b> | Rs. 5.90 Cr. |
| <b>Long Term Rating</b>             | SMERA D      |
| <b>Short Term Rating</b>            | SMERA D      |

\* Refer Annexure for details

### Rating Rationale

SMERA has assigned long-term rating of '**SMERA D' (read as SMERA D )** and short term rating of '**SMERA D' (read as SMERA D)** on the Rs. 5.90 crore bank facilities of Moksha Construction.

Moksha Construction (MC), a Mumbai-based proprietorship concern established in 2002 was promoted by Mr. Mahipal Jain who possesses around a decades experience as a civil contractor. MC is a Class 1A contractor, and undertakes projects for Brihanmumbai Municipal Corporation (BMC), Navi Mumbai Municipal Corporation (NMMC) and the Central Railway. The firm is engaged in the construction of roads, bridges, sewers among others.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The firm was established in 2002. The proprietor, Mr. Mahipal Jain has around a decades experience in civil construction.

#### Weaknesses

- **Continuous overdrawing in the cash credit account**

The rating reflects continuous overdrawing in the cash credit account for more than 30 days.

- **Small scale of operations**

Despite being in the construction business for around 15 years, the operations of the firm are small. The firm achieved operating income of Rs. 16.93 cr in FY2015-16 as compared to Rs. 17.53 cr in FY2014-15. The nature of business is tender based.

#### Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the firm.

#### Outlook:

#### About the Rated Entity - Key Financials

For FY2015-16, the firm reported net profit after tax (PAT) of Rs.0.67 cr on operating income of Rs.16.93 cr as compared to net profit of Rs.0.76 cr on operating income of Rs.17.53 cr in FY2014-15. The networth of the firm stood at Rs.4.05 cr as on 31st March 2016 as compared to Rs.3.91 cr as on 31st March 2015.

#### Status of non-cooperation with previous CRA (if applicable)

None

**Any other information**

None

**Applicable Criteria**

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Infrastructure Entities - <https://www.smera.in/criteria-infra.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

**Note on complexity levels of the rated instrument**<https://www.smera.in/criteria-complexity-levels.htm>**Rating History (Upto last three years)**

Not Applicable

**\*Annexure – Details of instruments rated**

| Name of the Facilities             | Date of Issuance | Coupon Rate    | Maturity Date  | Size of the Issue (Rs. Cr.) | Ratings/Outlook |
|------------------------------------|------------------|----------------|----------------|-----------------------------|-----------------|
| Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 3.00                        | SMERA D         |
| Bank guarantee/Letter of Guarantee | Not Applicable   | Not Applicable | Not Applicable | 2.90                        | SMERA D         |

**Contacts**

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|--|---|
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**ABOUT SMERA**

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