



Press Release

Maxwell Project Private Limited

January 28, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	2.00	IVR BB/Stable [IVR Double B with stable outlook]	-	Rating Assigned	Simple
Short Term Bank Facilities	10.00	IVR A4 [IVR A Four]	-	Rating Assigned	Simple
Total	12.00	[Rupees Twelve Crore Only]			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has assigned the long-term rating of IVR BB with a stable outlook and short-term rating of IVR A4 for the bank loan facilities of Maxwell Project Private Limited (MPPL).

The ratings assigned takes into consideration company's experienced management and its established operational track record, coupled with favourable debt protection metrics and a comfortable financial risk profile. The ratings are further supported by the company's moderate profitability metrics. However, the ratings are constrained due to the company's small scale of operations and geographical concentration risk. The ratings also remain constrained by presence in intense competitive market and tender-based contract awarding system. Moreover, while the company maintains a healthy order book position, it remains largely concentrated on a few substantial orders.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Infomerics believes MPPL will continue to benefit from its experienced promoters and a healthy order book position.

Infomerics Ratings has principally relied on the standalone audited financial results of up to 31 March 2024 (refers to period April 1st, 2023, to March 31st, 2024) and projected financials for FY2025 (refers to period April 1st, 2024, to 2 March 31st, 2025) - FY2027 (refers to period



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April 1st, 2026, to March 31st, 2027), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Sustained growth in the scale of business with further improvement in profitability metrics thereby leading to an overall improvement in cash accruals and liquidity.
- Improvement in the capital structure with further improvement in debt protection metrics.

Downward Factors

- Sustained decline in operating income and/or profitability thereby impacting on the debt coverage indicators and/or any deterioration in the financial risk profile.
- Any further significant rise in working capital intensity or unplanned capex leading to a further deterioration in the liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced management along with established track record of operations**

The company is managed by Mr. Kimit Jain Lall (Managing Director) and Mr. Sanjay Taneja (Director). Mr. Kimit Jain Lall who looks after overall functions of the business. The long experience of more than four decades and track record of successful completion of projects have enabled them to execute several projects.

- **Comfortable debt protection metrics and financial risk profile**

MPPL's financial risk profile remained comfortable; Company's interest service coverage ratio (ISCR) and (DSCR) debt service coverage ratio of the company stood comfortable stood at above unity in FY24. The ATNW of the company stood at Rs. 8.67 crore as on March 31, 2024, improved from Rs. 5.13 crore as on March 31, 2023. Overall gearing (TOL/ATNW) of the company stood at 1.14x as on March 31, 2024, declined from 1.05x as on March 31, 2023, mainly on account of increase in total debt.



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- **Moderate profitability**

Company reported EBITDA of Rs. 5.06 crore during FY24(A) increased from Rs. 1.72 crore in FY23. The PAT of the company stood at Rs. 3.59 crore in FY24(A) increased from Rs. 1.16 crore in FY23. With increase in scale of operations, the EBITDA margin remained moderated and declined marginally by 8 bps and stood at 10.55% during FY24(A) compared to 10.63% during FY23, this declined was on account of execution of higher contracts with slightly lower competitive margins earned during FY24(A). However, the PAT margin of the company improved by 34 bps and stood at 7.48% in FY24(A) compared to 7.14% in FY23.

Key Rating Weaknesses

- **Small scale of operations**

The TOI of the company improved significantly by ~200% and stood at ~Rs. 48.00 crore during FY24 (A) which was ~Rs. 16.00 crore during FY23 on account of higher orders executed during the year. And TOI of the company was ~Rs.4.00 crore in FY22.

- **Stiff competition and tender-based contract awarding system**

MPPL specializes in mechanical, electrical, and civil work for water treatment projects and large-scale urban and industrial infrastructure where it competes with other contractors while bidding and securing orders. The presence of a tender-based contract awarding system along with intense competition also restricts pricing flexibility of all players in the industry.

- **Healthy order book position albeit concentrated on few large orders**

MPPL has a healthy unexecuted order book position with reputed clientele from various municipal corporations (outstanding order book pertains to contracts from government agencies and municipal corporations including various Jal Boards of different states). The company has an unexecuted order book position of ~Rs. 125 crore as on March 31, 2024, which is 2.61x of total operating income in FY24. The company is expected to maintain its operational performance in the short to medium term, based on its current order book.



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Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The company's liquidity is adequate marked by ~86.00% average utilisation of fund-based limits during the past 12 months ended November 2024. The company is expecting GCA in the range of 3.02-5.37 crore during FY25-27 against no debt obligation during FY25-27. The company has a current ratio and quick ratio of 1.36x and 1.79x respectively as of March 31, 2024. The Unencumbered cash and bank balance of company stood at Rs. 0.15 Crores as on December 31, 2024.

About the Company

Maxwell Projects Pvt Ltd (MPPL) is an EPC Contractor established in 1996, headquartered in New Delhi, India. MPPL specializes in mechanical, electrical, and civil work for water treatment projects and large-scale urban and industrial infrastructure. Maxwell delivers solutions like Pre-Treatment Plants, Effluent Treatment Plants, Sewage Treatment Plants, and complex civil constructions, focusing on quality, innovation, and timely execution. The organization is led by its directors, Mr. Kimti Jain Lall and Mr. Sanjay Taneja, who oversee all its operations.

Financials Standalone:

(Rs. crore)		
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	16.19	47.93
EBITDA	1.72	5.06
PAT	1.16	3.59



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Total Debt	5.36	9.85
Tangible Net Worth	5.13	8.67
EBITDA Margin (%)	10.63	10.55
PAT Margin (%)	7.14	7.48
Overall Gearing Ratio (x)	1.05	1.14
Interest Coverage (x)	15.23	516.03

* Classification as per Infomerics Standard

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Fund Based Limits	Long Term	2.00	IVR BB/Stable [IVR Double B with stable outlook]	-	-	-
2.	Non-Fund Based Limits	Short Term	10.00	IVR A4 [IVR A Four]	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



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ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics' ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities or to sanction, renew, disburse or recall the concerned bank facilities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	2.00	IVR BB/Stable
Bank Guarantee	-	-	-	-	10.00	IVR A4

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Maxwell-Project-28jan25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable.

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.