



Press Release

Maa Harsiddhi Infra Developers Private Limited

March 31, 2025

Ratings

Facilities	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	21.00 (Enhanced from Rs.14.70 crore)	IVR BBB-; Stable (IVR Triple B Minus with Stable outlook)	IVR BBB-; Stable (IVR Triple B Minus with Stable outlook)	Reaffirmed	Simple
Short Term Bank Facility	56.00 (Enhanced from Rs.19.00 crore)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
Total	77.00 (INR Seventy- seven 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

The reaffirmation in the ratings assigned to the bank facilities of Maa Harsiddhi Infra Developers Private Limited (MHIDPL) is driven by improvement in the business performance of the company in FY24 [FY refers to the period from April 01 to March 31] and subsequently in 10MFY25 underpinned by steady inflow and higher execution of work orders. Further, the ratings continue to derive comfort from experienced promoter of the company, reputed clientele base with low counter party risk coupled with comfortable capital structure and moderate debt protection metrics. The ratings also note satisfactory order book of MHIDPL giving satisfactory near to medium term revenue visibility. However, these rating strengths remain constrained by modest scale of operation of the company with exposure to geographical concentration risk. Further, the ratings also note the tender driven nature of operations of the company in highly fragmented & competitive construction sector and working capital intensive nature of the business of the company coupled with vulnerability to delay in receiving payments from government departments which may exerts pressure on liquidity.



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The stable outlook reflects expected improvement in the scale of operation marked by proper and timely execution of healthy orderbook leading to improvement in financial risk profile of the company.

Key Rating Sensitivities:

Upward factors

- Sustained and significant growth in its top line backed by timely execution of pending orders, along with increase in cash accruals
- Improvement in capital structure with improvement in TOL/TNW to below 1x and/or improvement in debt protection metrics marked by increase in interest coverage to more than 4x
- Improvement in the collection period leading to improvement in liquidity

Downward Factors

- Moderation in operating income and/or profitability impacting the debt protection metrics on a sustained basis
- Moderation in the capital structure with moderation in overall gearing to above 1.5x and /or deterioration in debt protection metrics marked by dip in interest coverage ratio to below 2.5x
- Further elongation in average collection period with deterioration in liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths:

- **Experienced promoter**

Mr. K.B. Ella Rao is an electrical engineer with an experience of 22 years in EPC Contracts for electrical works with various state & central government bodies and other different agencies. MHIDPL was incorporated in 2010 and specializes in industrial electrical installation or sub-station in High tension and Low-tension capacity, for state DISCOMS and private sector clients. The promoters bring in own funds to support the operations of the business further their long-term relation with the creditors also largely benefits the company.

- **Reputed clientele with low counter party risk**

Over the years, MHIDPL has undertaken turnkey construction EPC projects for electrification contracts under various government schemes like Rajiv Gandhi Grameen Vidyutikaran Yojana, Deen Dayal Upadhyaya Gram Jyoti Yojana, and Revamped Distribution Sector



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Scheme for various government departments from respective state discom of Chhattisgarh, Tripura, Jharkhand etc. Most customers being government departments imparts comfort with low counterparty risk though timely receipt of bill payments from government agencies is dependent on their timely receipt of sanctioned funds from higher authorities.

- **Improvement in business performance in FY24 with marginal moderation in profitability**

Total operating income (TOI) of MHIDPL has witnessed a steady growth over the past couple of years. In FY24, the growth continued as MHIDPL's topline has registered an y-o-y growth of ~115% and stood at Rs.73.95 crore as compared to Rs.34.29 crore in FY23. The growth was mainly guided by steady inflow of orders followed by higher execution of work orders. However, to scale up the operation, coupled with the execution of few orders through sub-contracting, MHIDPL had to compromise with the operating margin and the EBITDA margin has dipped to 7.06% in FY24 as compared to 10.36% in FY23. Consecutively, the PAT margin has also moderated but remained satisfactory at 3.60% in FY24 as compared to 3.84% in FY23. The net cash accrual in FY24 has improved to Rs.2.73 crore from Rs.1.41 crore in FY23 which was sufficient to serve the scheduled repayment obligation. In the present fiscal (FY25), till January 2025, MHIDPL has booked revenue of ~Rs.61.00 crore with steady profitability. Going by the trend of booking majority of revenue during the later half of fiscal year, Infomerics Ratings believes that MHIDPL will post a steady growth in its topline in the near term. However, the company's ability to scale up resources for successful execution of the current healthy order book in due time will remain a key rating factor, going ahead.

- **Satisfactory order book giving visibility to revenue in the medium term**

MHIDPL's unexecuted orderbook stood at ~Rs.136.30 crore as on January 31, 2025, which is 1.84 times of its FY24 operating revenue, and mostly from government entities under the Revamped Distribution Sector Scheme launched by Government of India (RDSS Scheme) Further, the outstanding work orders are expected to be completed by coming 12-18 months provides adequate revenue visibility in the near to medium term. Moreover, the company's ability to scale up resources for successful execution of the current healthy order book in due time will remain a key monitorable.

- **Comfortable capital structure with moderate debt coverage indicators**

To support the growing sale of business, owing to higher working capital borrowings and utilisation, the capital structure of the company slightly moderated yet continues to remain



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comfortable marked by its debt-equity ratio and overall gearing ratio at 0.06x and 0.48x respectively as on March 31, 2024 as compared to 0.08x and 0.36x respectively as on March 31, 2023. Total indebtedness marked by TOL/TNW also stood satisfactory at 1.24x as on March 31, 2024. Further, backed by improved absolute EBITDA, and reduced finance cost in FY24, debt protection metrics marked by interest coverage ratio has improved and remains comfortable at 3.17x against 2.07x in FY23. Total debt to EBITDA and Total debt to GCA both improved yet remained moderate at 3.16x and 6.03 years respectively in FY24 (3.19x and 8.00 years respectively in FY23).

Key Rating Weaknesses:

- **Modest scale of operation**

The scale of operation of the company though improved over the past three fiscals remained modest at ~Rs.73 crore in FY24. Modest scale of operation of the company in construction sector restricts the financial flexibility of the company to an extent. In FY25, till January 2025, MHIDPL has booked revenue of ~Rs.61.00 crore.

- **Exposure to geographical concentration risk**

The company is exposed to geographical concentration risk as most of its order book is concentrated in the state of Chhattisgarh. However, to reduce the geographical concentration risk the company is exploring for opportunities in other states and in road projects sector.

- **Tender driven nature of operations in highly fragmented & competitive construction sector**

Execution risks for newly awarded projects in a timely manner will be key to achieving growth in revenues and profits. Business certainty is dependent on the company's ability to successfully bid for the tenders and the company has low bargaining power in terms of pricing and credit terms as most of its clients are government companies. Moreover, the domestic infrastructure/construction sector is highly crowded with presence of many players with varied statures & capabilities which restricts the pricing flexibility to an extent.

- **Working capital intensive nature of business coupled with vulnerability in delay of receiving payments from government departments**

Besides the delay in debtors' realization, given the nature of the industry in which the company operates, a major portion of the working capital is blocked with the DISCOMs as retention money which is released in stages with the payment period starting after 60 days



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of submitting the bills for supplies. Despite the improvement in the average collection period from 269 days in FY23 to 190 days in FY24, the operating working capital cycle of the company continues to remain elongated at 171 days in FY24 as compared to 240 days in FY23. However, ~30% of the debtors i.e. retention money portion is non-current in nature and realized mostly after a year or so. To support the working capital requirements the company also stretches its creditors. However, the average creditor payment period has reduced to 51 days in FY24 as against 140 days in FY23.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Criteria of assigning rating outlook](#)

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

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

[Criteria on Complexity](#)

Liquidity: Adequate

The liquidity of the company is expected to remain adequate given its low debt repayment obligations on the back of its conservative capital structure. However, the working capital position of the company seems to be vulnerable owing to delayed collection from government departments leading to high average fund-based utilisation which remained at ~85-90% during the past 12 months ended August 2024 indicating a limited liquidity buffer.

About the Company

Maa Harsiddhi Infra Developers Pvt Ltd (MHIDPL) was first established in 2002 as a proprietorship and later reconstituted in 2010 as a private limited company. MHIDPL specializes in industrial electrical installation or sub-station in High tension and Low-tension capacity, for state DISCOMS, in projects involving electrification in rural and urban areas, reduction of AT&C losses, Feeder Renovation, Feeder Segregation, installing High Voltage Distribution System "HVDS", Substations. It also undertakes and has an expertise in Renovation /Augmentation of existing/New distribution system involving a thorough review of design and re-engineering and thereafter, adopting/implementing the state-of-the-art technologies and best practices for AT & C losses reduction.



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Financials of Maa Harsiddhi Infra Developers Private Limited (Standalone):

(Rs. crore)

For the year ended* / As On	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	34.29	73.95
EBITDA	3.55	5.22
PAT	1.32	2.67
Total Debt	11.31	16.48
Tangible Net worth	31.74	34.43
EBITDA Margin (%)	10.36	7.06
PAT Margin (%)	3.84	3.60
Overall Gearing Ratio (x)	0.36	0.48
Interest Coverage	2.07	3.17

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S r. N o.	Name of Instrum ent/ Facilitie s	Current Rating (Year 2024-25)				Rating History for the past 3 years				
		Type	Amou nt outsta nding (Rs. Cr.)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	
					Nov 12, 2024	Mar 11, 2024	Aug 21, 2023	June 07, 2022	-	
1.	Cash Credit	LT	21.00	IVR BBB-/ Stable	IVR BBB-/ Stable	IVR BB+/ Stable	IVR BB Negative, INC	IVR BB+; Stable	-	
2.	Bank Guarante e	ST	32.00	IVR A3	IVR A3	IVR A4+	IVR BB Negative, INC/A4 INC	IVR BB+; Stable/ IVR A4+	-	
3	Overdraft	ST	4.00	IVR A3	-					
4.	Letter Of Credit	ST	20.00	IVR A3	-					
5.	Propose	LT/ST	-	-	-	-	IVR BB Negative, INC/A4 INC	IVR BB+; Stable/ IVR A4+	-	



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About Infomerics:

Infomerics Valuation and Rating Limited [Formerly Infomerics Valuation and Rating Private Limited] (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 ratings backed by indepth 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.

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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Cr)	Rating Assigned/ Outlook
Cash Credit	-	-	-	21.00	IVR BBB-/ Stable
Bank Guarantee	-	-	-	32.00	IVR A3
Letter Of Credit	-	-	-	20.00	IVR A3
Overdraft	-	-	-	4.00	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-MaaHarsiddhi-mar25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Not Applicable

Annexure 4: List of companies considered for consolidated/combined 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