

Mega Construction Company

July 30, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	3.00	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	10.50	CARE A4; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated July 17, 2023, placed the rating(s) of Mega Construction Company (MCC) under the 'issuer non-cooperating' category as MCC had failed to provide information for monitoring of the rating. MCC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 01, 2024, June 11, 2024, June 21, 2024.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [July 17, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on Default Recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Firm

Hyderabad based, Mega Construction Company (MCC) was established in the year 1992 as partnership firm promoted by Mr. T. Vijender Reddy and Mrs. T. Jyothy. The firm has its registered office located at Baghamburpet, Hyderabad, Telangana. The firm is engaged in the civil construction work and receives its order majorly from Telangana Government for construction of bridges, residential houses and canals. The firm is currently constructing Bridge, Dam, 2BHK houses and canal work. The firm purchases inputs/raw material required for civil construction (like cement, steel, etc.) from Sagar Cements Limited (Cement), Kalburgi Cement Private Limited (Cement), Radha Smelters Private Limited (Steel) and other local suppliers in and around Telangana.

Brief Financials (Rs. crore)	March 31, 2018 (A)	March 31, 2019 (A)
Total operating income	47.21	56.84
PBILDT	4.35	4.77
PAT	1.73	2.01
Overall gearing (times)	1.23	0.60
Interest coverage (times)	3.68	3.06

A: Audited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Brickwork has continued the ratings assigned to the bank facilities of MCC to the 'issuer not-cooperating' category vide press release dated November 16, 2023 on account of its inability to carryout review in the absence of requisite information from the firm.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	3.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	10.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-ILC/FLC		-	-	-	0.50	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Date(s) and Rating(s) assigned in 2024-2025	Rating History		
		Type	Amount Outstanding (₹ crore)	Rating		Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Bank Overdraft	LT	3.00	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (17-Jul-23)	1)CARE B; Stable; ISSUER NOT COOPERATING * (20-Jun-22)	1)CARE B+; Stable; ISSUER NOT COOPERATING * (13-Apr-21)
2	Non-fund-based - ST-Bank Guarantee	ST	10.00	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (17-Jul-23)	1)CARE A4; ISSUER NOT COOPERATING * (20-Jun-22)	1)CARE A4; ISSUER NOT COOPERATING * (13-Apr-21)
3	Non-fund-based - ST-ILC/FLC	ST	0.50	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (17-Jul-23)	1)CARE A4; ISSUER NOT COOPERATING * (20-Jun-22)	1)CARE A4; ISSUER NOT COOPERATING * (13-Apr-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

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

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-ILC/FLC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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