

## Mariya Constructions

June 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	24.50	CARE BB-; Stable	Assigned
Short Term Bank Facilities	0.50	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of Mariya Constructions (MC) are constrained by modest scale of operations, elongated operating cycle, capital withdrawal risk associated with partnership firm and presence in highly competitive tender-based industry. The ratings, however, derive strength vast experience of the partners, long track record of operations with established relationships with Government bodies, and satisfactory profitability margin.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Consistent growth in scale of operations above Rs 70.0 crore with PBILDT margin above 8.0% on sustained basis
- Prompt billing and collection of receivables leading to Improvement in working capital cycle resulting in improved Liquidity position below 90 days

#### Negative factors

- Slowdown in order execution leading to drop in income below Rs.20 crore on sustained basis.
- Any debt funded capex or withdrawal of proprietor leading to deterioration in the capital structure with overall gearing above 3x
- Elongation in working capital cycle above 180 days.

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings Limited (CARE Ratings) believe that the firm is likely to sustain operational performance with revenue visibility in the medium term and continue to benefit from the established relationship with the government departments

### Detailed description of key rating drivers:

#### Key weaknesses

##### Modest scale of operations

Despite firm being operational since 2012, the scale of operations remained modest, however growing. The scale of operations has increased at a CAGR of 35.30% from Rs 7.72 crore in FY20 to 35.00 crore in FY25. The PBILDT margin improved from 3.82% in FY23 to 9.02% in FY25. The net worth base remained modest, which stood at Rs.10.76 crore as on March 31, 2025

##### Elongated operating cycle

The firm has an operating cycle of 6 days in FY23, which has elongated to 121 days in FY25 (Prov.) due to higher inventory holding. The inventory increased primarily due to slower execution and billing of orders secured from Kerala Water Authority (KWA), following slowdown in the release of funds by the Government under Jal Jeevan Mission.

##### Highly competitive industry with business risk associated with tender-based orders

MC operates in a highly competitive construction industry, facing pressure from both organized and unorganized players due to low entry barriers. The presence of numerous small and regional competitors limits the firm's bargaining power and may put pressure on its margins. Since most projects are awarded through a tender-based system, the firm remains exposed to the inherent risks of this model, including intense competition and dependence on its ability to secure bids by being the lowest bidder.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Partnership nature of the firm with inherent risk of capital withdrawal

The partnership nature of the firm has inherent risk of withdrawal of capital by the partners at the time of their personal contingencies resulting in reduction of capital base leading to adverse effect on capital structure. However, there has been no instances of withdrawal for the last 5 years.

### Key strengths

#### Experienced Promoters

MC was promoted by Mr. Joseph KD, who has over a decade of experience in the construction industry by executing projects for various government departments. He oversees on-site operations. The firm is led by Mr. Jose K L, the current Managing partner, who has 8 years of experience in Finance. He is supported by Mr. Thomas C T, who has 13 years of experience and is responsible for contract procurement and other activities. In addition to the promoter group, MC is backed by a strong management team comprising engineers and other qualified professionals who handles day-to-day operations of the firm.

#### Satisfactory order book position, however geographically concentrated

The firm executes civil works like construction of water tanks, laying of pipes and related infrastructure for Kerala Government under Jal Jeevan Mission scheme. The firm has an order book position of Rs 77.48 crore (2.13x of TOI of FY25 Prov.) as of May 2025. The revenue visibility seems to be satisfactory in near to medium term as reflected in its satisfactory order book position. However, the firm has presence only in Kerala and the firm is susceptible to changes in the economic, socio-political scenario in the state.

#### Long track record of operations with satisfactory profitability margin

The firm has long track record of operations of over a decade. The firm executes small-size projects where the margin remains satisfactory. The PBILD margin improved from 3.82% in FY23 to 9.02% in FY25.

#### Liquidity: Stretched

The liquidity position of MC is stretched with lower accruals of Rs.1.45 crore in FY25 (Prov.) and moderate cash balance of Rs.0.03 crore as on March 31, 2025. The operating cycle which stood at 6 days in FY23, elongated to 108 days in FY24, which further elongated to 121 days in FY25 (Prov.) due to higher Work in progress inventory because of slowdown in billing. However, the operations are supported by regular infusion of capital and unsecured loans from the partners. The firm has been sanctioned with fund-based working capital limits of Rs.10.95 crore and the average utilisation of the same for the last 12 months ended March 2025 stood at 57.81%.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Mariya Constructions (MC) is a partnership firm based on Kozhikode, Kerala established by Mr. Joseph K D in 2012. The firm is engaged in construction of Water Tanks, Water Treatment Plants such as filtration & purification systems and Laying of Pipes and related Infrastructure works. MC has executed several EPC contracts for Government of Kerala under the Jal Jeevan Mission.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (P)
Total operating income	43.55	20.96	35.00
PBILDT	1.68	1.76	3.16
PAT	0.70	0.26	1.26
Overall gearing (times)	2.38	2.94	1.37
Interest coverage (times)	2.53	1.33	2.33

A: Audited P: Provisional; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of 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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	24.50	CARE BB-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE A4

### Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	24.50	CARE BB-; Stable				
2	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE A4				

LT: Long term; ST: Short term;

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

### Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

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