

Madhav Infra Projects Limited

August 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	85.05 (Enhanced from 77.25)	CARE BBB; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	450.20 (Enhanced from 360.00)	CARE BBB; Stable / CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Madhav Infra Projects Limited (MIPL) continue to derive strength from its satisfactory order book position, experienced promoter group with a demonstrated track record of supporting the operations of the company, and moderate net-worth base albeit moderation in capital structure. The ratings also derive strength from MIPL's moderate scale of operations and profitability along with adequate liquidity.

The above rating strengths, however, are partially offset by its working capital-intensive operations, moderate debt coverage indicators, and presence in an intensely competitive and fragmented construction industry. The ratings also factor geographical concentration of its orderbook.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations to above Rs.600 crore while maintaining its prevailing PBILDT margin on a sustained basis.
- Efficient working capital management resulting in reduction in TOL/TNW below unity and gross current assts days below 200 days on a sustained basis.

Negative factors

- Decline in its scale of operations owing and/or reduction in PBILDT margin below 10% a sustained basis.
- Additional exposure to its group companies which may impact MIPL's credit profile and/or large-size debt funded capex or elongated working capital cycle weakening its financial risk profile and liquidity position.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' rating outlook reflects that, MIPL will continue to benefit from the vast experience of its promoters in the infrastructure industry and moderate revenue visibility with focus on execution of both solar power and road projects on Engineering, Procurement and Construction (EPC) basis.

Detailed description of key rating drivers:

Key strengths

Moderate scale of operations and profitability

MIPL's TOI increased by ~60% y-o-y during FY25 (and stood at ~Rs.572 crore vis-à-vis Rs.358 crore during FY24) on account of satisfactory execution of high-value solar EPC projects in its order book. However, PBILDT margin declined but continued to remain satisfactory at 10.47% during FY25 (PY: 13.06%) with relatively lower profitability existent in solar EPC projects. Consequently, PAT margin also declined marginally to 4.72% (PY: 5.22%).

CARE Ratings Limited (CareEdge Ratings) expects MIPL's scale of operations to sustain the growth achieved in FY25 on back of an adequate order book position along with expected receipt of solar EPC projects during the year.

Moderate net-worth base albeit moderation in capital structure

MIPL's net worth stood moderate at ~Rs.247 crore (PY: Rs.220 crore) as on March 31, 2025. The company's capital structure witnessed some moderation during FY25 due to increased reliance on working capital borrowings, in line with the growth in its

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

scale of operations. Despite this, the capital structure remained at a moderate level, with overall gearing at 1.14x (PY: 0.74x) and Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio at 1.43x (PY: 1.05x).

Satisfactory order book position with diversification across various segments

As on March 31, 2025, MIPL had an orderbook of Rs.1121 crore (Rs.982 crore as on June 30, 2024), translating into moderate revenue visibility of 1.96x of FY25 TOI. Since last review, MIPL has been awarded 2 new projects of Rs.647 crore. MIPL's present orderbook remains segmentally diversified as follows: railway overbridge (35%), roads (34%), solar (26%), and others (5%). Company is equally focused on both road and solar segment and is actively bidding for solar projects it finds attractive. Moreover, majority of the workorders are from government entities including urban local bodies, state governments and central government undertakings which translate into moderate counter party credit risk for MIPL. Also, majority of orders on hand, excluding solar power projects, have a built-in inflation index-linked price escalation clause, depending upon the extent of coverage of the actual increase in input prices, which mitigates the risk to an extent.

Experienced promoter group in infrastructure sector with demonstrated track record of fund infusion for servicing debt obligations

MIPL is a part of Vadodara-based Madhav group and is an in-house EPC arm of the group. MIPL is promoted by Mr. Ashok Khurana & his son Mr. Amit Khurana, who possess vast experience in the infrastructure industry. The promoters are ably supported by team of experienced professionals for timely execution of the projects. The Madhav group has demonstrated strong project execution capability in both road & solar segment. The promoter group has demonstrated track record of arranging funds through monetization of solar power/ non-core assets, recovery of advances and infusion of unsecured loans to cater its debt obligations and incremental working capital requirements of MIPL.

Key weaknesses

Working capital intensive nature of operations with moderate debt coverage indicators

MIPL's operations are working capital intensive, as reflected in high GCA days at around 267 days as on March 31, 2025 (PY: 314 days) owing to sizeable amount of margin money extended for bank guarantees and security deposits, apart from regular working capital requirement. Debt coverage indicators also stood moderate marked by PBILDT interest coverage and Total Debt to Gross Cash Accruals (TD/GCA) of 2.48x (PY: 2.25x) and 7.82x (PY: 5.57x) respectively as on March 31, 2025.

CareEdge Ratings expects MIPL's capital structure and debt coverage indicators to improve in the medium term with scheduled repayment of long-term debt along with accretion of profits to reserves. Further, CareEdge Ratings expects MIPL's working capital intensity to remain high with continued focus of the company on acquiring orders in the solar segment.

Geographically concentrated orderbook

MIPL's orderbook continued to remain geographically concentrated in Madhya Pradesh and Gujarat, forming around 93% of its orderbook (PY: 89%), exposing MIPL to any adverse changes in government policies/political upheavals in the region. Out of its total orderbook, around 32% are slow moving and around 58% are at a nascent stage of execution. Delay in project execution is primarily attributable to counterparties for providing RoW and pre-requisite clearances.

Presence in a highly fragmented and competitive construction industry

MIPL is a mid-sized player operating in intensely competitive construction industry, wherein projects are awarded on the basis of relevant experience of the bidder, financial capability, and most attractive bid price. The competitive intensity is on account of the presence of large number of contractors resulting in aggressive bidding which restricts the margins. However, thrust of the government on infrastructure development is expected to augur well for construction players such as MIPL in the medium term.

Liquidity: Adequate

MIPL's liquidity stood adequate as marked by sufficient cushion in fund-based limits and improvement in the gross cash accruals for meeting scheduled LT debt repayment obligations. Going forward, MIPL has long term debt repayment obligations of Rs.22-24 crore (FY26-FY27) which is expected to be met out of its GCA, with improved order visibility and expected sustained margins. Over last three years, company has reduced its long-term debt through asset monetisation.

Average month-end utilization of fund-based limits averaged at around 67% for the past 12 months ended May 2025 while the same for non-fund-based limits averaged at 72% for the past 12 months ended April 2025. Further, MIPL's operating cycle improved to 82 days as on March 31, 2025 (PY: 127 days), primarily on account of scale effect. As on March 31, 2025, MIPL had free cash and bank balance of Rs.43.16 crore (apart from lien marked FDR of Rs.64.14 crore).

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Solar Power Projects](#)

[Short Term Instruments](#)
About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Vadodara-based MIPL (erstwhile known as Myraj Consultancy Limited) is an in-house EPC arm of the Madhav group promoted by Mr. Ashok Khurana and his son Mr. Amit Khurana. MIPL is also a developer-cum-operator for solar power projects and undertakes O&M of road, solar and hydro power projects of the Madhav group. The promoters of MIPL were the erstwhile promoters of MSK Projects India Ltd (MSK), which was subsequently taken over by the Welspun group [now known as Welspun Enterprises Limited].

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	358.03	572.21	84.44
PBILDT	46.75	59.93	14.63
PAT	18.70	26.99	6.94
Overall gearing (times)	0.74	1.14	NA
Interest coverage (times)	2.25	2.48	2.15

A: Audited UA: Unaudited NA: Not Available; 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		-	-	-	50.00	CARE BBB; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	450.20	CARE BBB; Stable / CARE A3
Term Loan-Long Term		-	-	September, 2029	35.05	CARE BBB; Stable

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	50.00	CARE BBB; Stable	-	1)CARE BBB; Stable (10-Sep-24)	1)CARE BBB-; Stable (07-Aug-23)	1)CARE BBB-; Stable (28-Sep-22)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	450.20	CARE BBB; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3 (10-Sep-24)	1)CARE BBB-; Stable / CARE A3 (07-Aug-23)	1)CARE BBB-; Stable / CARE A3 (28-Sep-22)
3	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn (28-Sep-22)
4	Term Loan-Long Term	LT	35.05	CARE BBB; Stable	-	1)CARE BBB; Stable (10-Sep-24)	1)CARE BBB-; Stable (07-Aug-23)	1)CARE BBB-; Stable (28-Sep-22)
5	Term Loan-Short Term	ST	-	-	-	-	-	1)Withdrawn (28-Sep-22)

LT: Long term; ST: Short term; LT/ST: Long term/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 - LT/ ST-BG/LC	Simple
3	Term Loan-Long Term	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 for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Kalpesh Ramanbhai Patel Director CARE Ratings Limited Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in	Vipin Bardia Associate Director CARE Ratings Limited Phone: 079-40265671 E-mail: Vipin.bardia@careedge.in
	Chinmay Soni Lead Analyst CARE Ratings Limited E-mail: Chinmay.Soni@careedge.in

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**