

Maruti Infracreation Private Limited

September 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	12.00 (Enhanced from 7.00)	CARE BBB-; Positive	Reaffirmed; Outlook revised from Stable
Long Term / Short Term Bank Facilities	101.00 (Enhanced from 61.00)	CARE BBB-; Positive / CARE A3	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in the ratings assigned to the bank facilities of Maruti Infracreation Private Limited (MIPL) considers its healthy revenue visibility with lower counterparty risk, comfortable capital structure and debt coverage indicators and its adequate liquidity profile. MIPL's ratings continue to derive strength from the vast experience of the promoters along with an established track record of the entity in executing small and mid-sized roads, bridges and civil construction projects.

The above rating strengths are, however, partially offset by MIPL's moderate scale of operations along with moderate profitability, working capital intensive nature of operations, sizable equity commitments associated with its Hybrid Annuity Model (HAM) project, geographical and segmentally concentrated order book, and its presence in an intensely competitive and fragmented construction industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in total operating income (TOI) above Rs.350 crore, while maintaining its prevailing profit before interest, lease rentals, depreciation and tax (PBILDT) margin on sustained basis.

Negative factors

- Decline in scale of operations below Rs.150 crore and/or moderation in PBILDT margins below 7%.
- Deterioration in adjusted overall gearing above 3x on account of corporate guarantee given to SPV on a sustained basis.
- Any delays in project execution impacting the financial performance and liquidity position of the company.

Analytical approach: Standalone; factoring in corporate guarantee extended by MIPL to its special purpose vehicle (SPV) Maruti Dharoi Bridge Private Limited (MDBPL). Equity commitment of the project-phase SPV and support required in its operational phase has also been factored in MIPL's analysis.

Outlook: Positive

Positive outlook is considering expected sustainable growth in MIPL's scale of operations, while maintaining profitability, backed by healthy orderbook on engineering, procurement and construction (EPC) basis. However, the outlook may be revised to 'Stable' in case of lower-than-envisaged growth in MIPL's revenue or deteriorating capital structure and debt protection metrics.

Detailed description of key rating drivers:

Key strengths

Experienced promoters

The principal promoter of MIPL, Jitendrabhai Patel has an extensive experience of more than three decades in the construction industry and is instrumental in making strategic decisions for MIPL. He is a qualified Civil Engineer with a Diploma. He is supported by his sons Varun Patel and Jay Patel, also directors of MIPL. Varun Patel has more than a decade of experience in the industry and looks after the company's tender bidding and financial aspects. The management is supported by efficient technical professionals for managing the company's overall operations.

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

Healthy revenue visibility in medium term with limited counter party credit risk

MIPL's order book stood at Rs.839.32 crore (incl. GST) as on March 31, 2025, and has also been awarded two L1 projects amounting to Rs.104.18 crore (incl. GST) in Q1FY26. This translates to an order book-to-sales ratio of ~3.20x based on the total operating income (TOI) of FY25, indicating healthy revenue visibility in the medium term. MIPL's order book is primarily from government entities and departments, with the remaining portion from reputed private players, resulting in limited counterparty credit risk. Further, all contracts in the order book include a built-in price escalation clause, which provides partial protection against risks arising from adverse price movements of major inputs such as raw materials. This protection is important given the absence of annual price or volume contracts with approved raw-material suppliers.

Comfortable capital structure and debt coverage indicators though expected increase in debt levels

MIPL's capital structure remained comfortable marked by overall gearing of 0.29x at FY25 end (FY24 end: 0.41x) with moderate net worth base of Rs.71.08 crore as on March 31, 2025 (Rs.57.66 crore as on March 31, 2024). TOL/TNW also stood comfortable at 0.59x as at FY25 end (0.57x as at FY24 end). However, adjusted overall gearing stood moderate at 2.20x as on March 31, 2025 against 0.41x as on March 31, 2024, on account of corporate guarantee of Rs.136.04 crore extended to it SPV MDBPL. Further, total debt is envisaged to increase with scale up of operations, though capital structure is envisaged to remain below unity in the near-to- medium term.

MIPL's debt coverage indicators also remained comfortable marked by PBILDT interest coverage of 7.99x in FY25 (3.12x in FY24) and Total debt to GCA (TD/GCA) of 1.20 years in FY25 (3.34 years in FY24).

Key weaknesses

Growing albeit moderate scale of operations alongwith moderate profitability

During FY25, though MIPL's TOI grew by 143%, it remained moderate at Rs.250.04 crore against Rs.103.08 crore in FY24. The growth is on account of execution pace for two projects sublet by PSP Projects Limited (PPL; rated CARE A+; Stable/ CARE A1+) alongwith other projects. During Q1FY26, MIPL booked sales of Rs.61.46 crore, and for FY26 TOI is expected at Rs.350 crore owing to healthy orderbook position and expected completion of two PPL projects alongwith execution of other small projects. MIPL's operating margin remained moderate marked by PBILDT margin and PAT margin of 9.24% and 5.36%, respectively, during FY25 (11.37% and 4.68%, respectively, during FY24).

GCA for FY25 stood at Rs.16.95 crore as against Rs.7.11 crore in the previous year. CareEdge Ratings expects MIPL's scale of operations to grow in FY26 on back of an adequate order book position.

Working capital intensive nature of operations

MIPL's operations are working capital intensive, considering the nature of industry owing to sizeable amount of margin money extended for bank guarantees and security deposits, apart from regular working capital requirement.

However, Gross Current Asset (GCA) days decreased to 98 days as on March 31, 2025, compared to 234 days as on March 31, 2024 (265 days as on March 31, 2023). This improvement is primarily attributable to a reduction in the collection period to 46 days as on March 31, 2025, from 176 days as on March 31, 2024 (174 days as on March 31, 2023). This reduction is due to an improved customer profile, with the order book comprising projects from government entities, departments, and other reputed private players, including PPL. This shift also mitigates counterparty default risk. MIPL extends a credit period of 15–20 days. Inventory holding stood at 12 days as at FY25 end, (69 days as at FY24 end). As a result, the overall operating cycle improved significantly to 40 days at the end of FY25, from 182 days at the end of FY24.

The sustainability of GCA days over the medium term remains critical from a credit rating perspective.

Sizeable equity commitments in HAM project

MIPL has been awarded with a HAM project amounting to ~Rs.235 crore (excl. GST) in FY25 from MoRTH Dharoi Gujarat, for which it has equity commitments of Rs.40.79 crore till FY27 towards its wholly owned subsidiary MDBPL. This is envisaged to be met from internal accruals and infusion of funds by promoters in form of unsecured loans. Till July 31, 2025, MIPL has already infused Rs.3.05 crore in MDBPL towards its equity commitment. Further, MIPL has extended corporate guarantee amounting Rs.136.04 crore towards MDBPL.

Considering pending availability of right of way and pending committed investments, timely availability of funds shall remain crucial from a credit perspective.

Geographical and segmental concentration of order book

MIPL's order book remains geographically concentrated largely in Gujarat by 97% and remaining in Madhya Pradesh by 3% each of the outstanding orderbook as on June 30, 2025. Geographical concentration of the order book exposes MIPL to adverse changes in political environment or policy matters of the states that would affect all projects at large. The order book is segmentally concentrated in construction of bridges and roads by 64% and 30% respectively. MIPL is favourably placed for execution of

projects in Gujarat, where it has established in-house managerial resources and local knowledge which generally required for smooth execution of projects, given its strong base.

Presence in fragmented and intensively competitive construction industry

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

Liquidity: Adequate

MIPL's liquidity remains adequate, marked by a sufficient cushion in the form of gross cash accruals vis-à-vis debt repayment obligations, along with moderate utilisation of working capital limits, positive cash flow from operations, and a healthy free cash and bank balance.

The average utilisation of fund-based and non-fund-based working capital limits remained moderate at ~54% and ~82%, respectively, for the 12 months ended June 2025. During FY25, MIPL reported gross cash accruals of Rs.16.95 crore (PY: Rs.7.11 crore) against debt repayment obligations of Rs.4–5 crore during FY26–FY28.

As of March 31, 2025, the company had a free cash and bank balance of Rs.22.64 crore (PY: Rs.4.29 crore), excluding lien-marked fixed deposits of Rs.10.74 crore (PY: Rs.4.60 crore). With significant collections and an increase in trade payables, MIPL reported positive cash flow from operations of Rs.35.78 crore in FY25 (26.89 crore in FY24).

Going forward, with the expected growth in scale of operations, the company's working capital requirements are also envisaged to increase. To meet this, the company has availed enhancement in its working capital limits (fund and non-fund based).

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Gujarat-based MIPL initially commenced operations in 2013 as a partnership firm under the name of Maruti Infracon Company with Ram Patel, Jitendra Patel and Akshay Patel as its key partners. It was subsequently converted into private limited company in November 2015. Currently, MIPL is managed by Jitendra Kumar Patel, and his sons Varun Patel and Jay Patel. The company is involved in construction activities, mainly comprising construction, operation, and maintenance of roads, highways and bridges works. MIPL has a status of 'AA' class contractor from Government of Gujarat (GoG) for execution of road projects indicating eligibility to bid for contracts of any amount. MIPL majorly works in Gujarat and Madhya Pradesh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	103.08	250.04	61.46
PBILDT	11.72	23.12	NA
PAT	4.83	13.41	NA
Overall gearing (times)	0.41	0.29	NA
Interest coverage (times)	3.12	7.99	NA

A: Audited UA: Unaudited; 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	12.00	CARE BBB-; Positive
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	101.00	CARE BBB-; Positive / CARE A3

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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	101.00	CARE BBB-; Positive / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (05-Sep-24)	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (10-Oct-23)	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (26-Aug-22)
2	Fund-based - LT-Cash Credit	LT	12.00	CARE BBB-; Positive	-	1)CARE BBB-; Stable (05-Sep-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (10-Oct-23)	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (26-Aug-22)

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

LT: Long 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-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 for clarifications.

Contact us

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