

## Vikran Engineering Limited

January 28, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term / Short-term bank facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* and withdrawn
Long-term bank facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB-; Stable; ISSUER NOT COOPERATING* and withdrawn
Short-term bank facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE A4; ISSUER NOT COOPERATING* and withdrawn

Details of instruments/facilities in Annexure-1.

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

### Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BB-; Stable / CARE A4' Issuer Not Cooperating (pronounced as Double B Minus; Outlook: Stable/ A Four) assigned to bank facilities of Vikrant Engineering Limited (VEL) with immediate effect. This action has been taken at the request of VEL and a 'No Objection Certificate' received from the bank that has extended the facilities rated by CareEdge Ratings.

Ratings consider the constraints related to the company's stretched working capital cycle reflected in high gross current asset days and high levels of utilisation of working capital limits of the company in the 12 months ended June 2025.

However, ratings continue to draw comfort from the experienced management and long track record of operations and the well diversified order book of the company.

**Analytical approach:** Standalone

### Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' opinion that the entity will continue to benefit from the experience of promoters in the industry and its established track record of operations.

### Detailed description of key rating drivers:

At the time of last rating action on July 02, 2025, the following were the rating strengths and weaknesses (updated for audited financials for FY25 [FY refers to April 01 to March 31]).

### Key weakness

#### Stretched working capital

Though there has been improvement in operating income, the gross current asset days remained stretched at 517 days in FY25 (PY: 430 days in FY24). The average maximum utilisation of the fund-based and non-fund-based limits was high at 97.54% and 83.3%, respectively, in the 12 months ended June 2025.

### Key strengths

#### Well-diversified order book

The rating derives strength from the outstanding order book of ₹2,412 crore, which translates to 2.63x total operating income (TOI) of FY25 thus providing medium-term revenue visibility for the company. Segment-wise, the order book is diversified, with power infrastructure and distribution accounting for 43.87%, followed by water infrastructure at 31.02%, and electric high-voltage projects at 23.18%; the balance is from railway projects. VEL has 44 orders in hand, with the top 10 orders constituting 71.8% of the total unexecuted order book. These risks are mitigated by the healthy track record of execution and the promoters'

<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

experience of over three decades in similar lines of business. Any delay in implementation of projects will affect the overall revenue visibility of the company and remains a key monitorable.

### Geographical and sector diversification

Over the years, VEL has successfully expanded its business and diversified its operations into several states. Geographically, the company's order book is concentrated in Uttar Pradesh (29.02%), followed by Madhya Pradesh (22.63%), Karnataka (11.67%), and Andhra Pradesh (11.07%); share is below 5% for other states.

### Rich experience of promoters in Transmission & Distribution Industry (Power Sector)

VEL is promoted by experienced promoters who have decades of experience in the power transmission and distribution segment and have held senior management positions in reputed companies.

### Liquidity: Stretched

VEL's average maximum utilisation of the fund-based and non-fund-based limits was high at 97.54% and 83.3%, respectively, in the 12 months ended June 2025. The cash flow from operations remained negative and deteriorated to ₹147.79 crore negative in FY25 (FY24: ₹57.81 crore negative). Lastly, unencumbered cash and cash equivalents amounted to ~₹2.5 crore at FY25 (FY24: ₹0.08 crore).

**Assumptions/Covenants:** Not applicable

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

### Applicable criteria

[Withdrawal Policy](#)

[Financial Ratios – Non financial Sector](#)

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

[Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Policy on Default Recognition](#)

[Infrastructure Sector Ratings](#)

[Construction Sector](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating of Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

VEL, erstwhile Ratnagiri Financial Advisory Private Limited, was incorporated in 2008. Rakesh Markhedkar and his family acquired the company in November 2014 and rechristened it VEEPL. The company is presently engaged in executing power transmission lines, substations and distribution projects up to 400 kV voltage level on engineering, procurement, and construction (EPC) basis. Recently, the company has diversified into the water infra segment focusing on distribution system, village pipe network, intake well, water treatment plant and the railway segment offering civil works, track laying, overhead electrification, and signalling and telecommunication.

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)
Total operating income	785.95	915.85
PBILDT*	134.09	157.91
Profit after tax (PAT)	74.85	77.82
Overall gearing (x)	0.64	0.64
Interest coverage (x)	3.95	3.08

A: Audited Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation, and tax

**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		-	-	-	0.00	Withdrawn
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit		-	-	-	0.00	Withdrawn

#### 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	-	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (02-Jul-25)	1)CARE BB+ / CARE A4+; ISSUER NOT COOPERATING * (05-Apr-24)	-	1)CARE BBB-; Stable / CARE A3 (03-Mar-23)
2	Fund-based - LT-Cash Credit	LT	-	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (02-Jul-25)	1)CARE BB+; ISSUER NOT COOPERATING * (05-Apr-24)	-	1)CARE BBB-; Stable (03-Mar-23)
3	Non-fund-based - ST-Letter of credit	ST	-	-	1)CARE A4; ISSUER NOT COOPERATING * (02-Jul-25)	1)CARE A4+; ISSUER NOT COOPERATING * (05-Apr-24)	-	1)CARE A3 (03-Mar-23)

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

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-Bank Guarantee	Simple
3	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge 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

<b>Media Contact</b>  Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b>  Maulesh Desai Director <b>CARE Ratings Limited</b> Phone: +91-79-4026 5656 E-mail: <a href="mailto:maulesh.desai@careedge.in">maulesh.desai@careedge.in</a>
<b>Relationship Contact</b>  Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a>	Prasanna Krishnan Associate Director <b>CARE Ratings Limited</b> Phone: +91-120-4452014 E-mail: <a href="mailto:prasanna.krishnan@careedge.in">prasanna.krishnan@careedge.in</a>
	Samta Singh Yadav Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:samta.yadav@careedge.in">samta.yadav@careedge.in</a>

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