

Madhav Infra Projects Limited

October 08, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	450.00 (Reduced from 450.20)	CARE BBB; Stable / CARE A3+	Upgraded from CARE BBB; Stable / CARE A3
Long-term bank facilities	RBI	81.99 (Reduced from 85.05)	CARE BBB; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Upgrade in the short-term rating assigned to bank facilities of Madhav Infra Projects Limited (MIPL) reflects improvement in the company's liquidity profile with better operating cash flows despite significant payments to creditors, which, and sufficient headroom in overall gearing to raise incremental debt, has overall improved its financial flexibility.

Ratings continue to draw strength from MIPL's satisfactory order book despite geographical concentration and extensive experience of its promoters, who have demonstrated continued support for the company's operations. Ratings also consider MIPL's moderate scale of operations, healthy profitability profile, and moderate capital structure, despite relatively moderate debt coverage indicators.

However, the rating strengths are constrained by working capital intensive operations, profitability susceptible to volatile input costs, and the company's presence in the highly competitive and fragmented construction industry. Ratings also take cognisance of MIPL's sizeable equity commitments towards its road and solar power special purpose vehicles (SPVs) in FY27 (FY refers to April 01 to March 31), which are expected to be funded through the company's internal accruals, availment of unsecured loans, and recoupment of investments made in group entities.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations to above ₹600 crore while maintaining its prevailing profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin on a sustained basis.
- Efficient working capital management resulting in reduction in total outside liabilities to tangible net worth (TOL/TNW) below unity and gross current assets days below 200 days on a sustained basis.

Negative factors

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

Analytical approach: Standalone

Outlook: Stable

The 'Stable' rating outlook reflects CARE Ratings Limited (CareEdge Ratings)'s expectation that MIPL will continue to benefit from vast experience of its promoters in the construction industry and maintain its financial risk profile in the near-to-medium term.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Moderate scale of operations and profitability

The company's total operating income (TOI) stood at ₹447.57 crore in FY26 (PY: ₹572.21 crore). Moderation in scale was mainly due to delay in commencement of work in two major engineering, procurement and construction (EPC) projects. Despite this, PBILDT margin stood satisfactory at 12.32% in FY26 (PY: 10.47%) with controlled procurement costs.

In Q1FY27, MIPL reported TOI of ₹57.35 crore (₹84.44 crore in Q1FY26). With expected pick-up in execution of a few newly awarded projects in the coming quarters, CareEdge Ratings expects MIPL's scale of operations to improve in FY27 against FY26, with the company maintaining a satisfactory operating margin.

Moderate capital structure

The company's capital structure improved in FY26, with an overall gearing (including letter of credit-backed creditors) of 0.68x as on March 31, 2026 (Against 1.14x as on March 31, 2025), and total outside liabilities to tangible net worth (TOL/TNW) of 0.90x as on March 31, 2026 (PY: 1.43x), supported by reduced scale and better operating cash flows. This indicates sufficient gearing headroom available with the company to raise additional debt.

Overall gearing adjusted for group exposure (investments and corporate guarantees) stood moderate at 1.16x as on March 31, 2026 (1.96x as on March 31, 2025). With the company's expansion in independent power producer (IPP) projects through subsidiaries, the same is expected to increase, though remain moderate.

MIPL's net worth stood moderate at ~₹273.21 crore (PY: ₹247.07 crore) as on March 31, 2026.

Adequate revenue visibility

As on June 30, 2026, MIPL had an outstanding orderbook of ~₹998.64 crore, translating into moderate revenue visibility of ~2.23x of FY26 TOI. Post the last review, MIPL was awarded two new projects worth ₹388 crore in the solar segment, apart from the company being L1 in the third project amounting to ₹115 crore.

MIPL's orderbook is segmentally diversified, with segment-wise proportions comprising solar (48%), roads (28%), railway overbridges (21%), and others (3%). Most work orders are from government entities, including urban local bodies, state governments, and central government undertakings, which translate into moderate counterparty credit risk for MIPL.

Experienced promoter group with demonstrated track record of support

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

Key weaknesses

Working capital intensive nature with moderate debt coverage indicators

Inherent to the EPC industry, MIPL's operations are working capital-intensive, as reflected in high gross current assets days of ~299 days in FY26 (PY: 267 days) owing to the sizeable amount of margin money extended for bank guarantees and security deposits, apart from regular working capital requirements.

Debt coverage indicators also stood moderate, marked by PBILDT interest coverage and total debt to gross cash accruals (TD/GCA) of 2.89x (PY: 2.48x) and 5.27 years (PY: 7.82 years), respectively, as on March 31, 2026.

CareEdge Ratings expects MIPL's working capital intensity to remain high with the scaling up of the company's operations. However, capital structure and debt coverage indicators are expected to remain moderate in the medium term, supported by scheduled repayment of long-term debt, accretion of profits to reserves, and healthy profitability.

Geographically concentrated orderbook

MIPL's orderbook continued to remain geographically concentrated, with ~96% of the orders to be executed in Madhya Pradesh and Gujarat (PY: 93%). This exposes MIPL to adverse changes in government policies or political upheavals in these regions, though the company's longstanding presence in the regions also aids execution.

Around 25% of the orders are slow-moving (with delays primarily attributable to availability of right of way and regulatory clearances), and ~39% orders are newly awarded and at nascent stages of execution. Consequently, timely execution of these orders shall remain crucial from a credit perspective.

Presence in a highly fragmented and competitive construction industry, and profitability susceptible to volatile input costs

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

The company's profitability remains susceptible to volatile input costs in both solar and road projects. However, most orders on hand, excluding solar power projects, have a built-in inflation index-linked price escalation clause, which mitigates this risk to an extent.

Liquidity: Adequate

MIPL's liquidity stood adequate as marked by sufficient cushion in fund-based limits with improved cash flow from operations (CFO) to ₹32.41 crore in FY26 (compared to negative ₹2.72 crore in FY25). Going forward, MIPL has Long-term debt repayment obligations of ₹16-₹22 crore (FY27-FY28), which are expected to be met from its gross cash accruals (GCA), backed by scaling up of company's operations and expected sustained profit margins.

Utilisation of fund-based limits remained moderate, averaging at 62% for 12 months ended June 2026. Average utilisation of non-fund-based limits also stood moderate at 72% in the same period.

As on March 31, 2026, MIPL had free cash and bank balance of ₹15.86 crore (apart from lien-marked fixed deposit receipts [FDRs] of ₹65.85 crore), which is expected to partly aid the equity commitments in SPVs. Total funding requirement in SPVs (solar and road) stands at ~₹60 crore for FY27, which is expected to be met from available liquidity, apart from recoupment of investments made in group entities and unsecured loans. Power purchase agreements (PPAs) for these SPVs are largely executed, indicating low off-take risk, though project implementation risk remains.

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](#)

[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 Ashok Khurana and his son 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. MIPL's promoters were 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, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	572.21	447.62	57.35
PBILDT*	59.93	55.16	11.00
Profit after tax (PAT)	26.99	26.13	4.47
Overall gearing (x)	1.14	0.68	0.58
Interest coverage (x)	2.48	2.89	2.47

A: Audited; UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and taxation

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	50.00	CARE BBB; Stable
Non-fund-based - LT/ST-BG/LC	RBI	Simple	-		-	-	450.00	CARE BBB; Stable / CARE A3+
Term Loan-Long Term	RBI	Simple	-		-	30-06-2031	31.99	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	50.00	CARE BBB; Stable	-	1)CARE BBB; Stable (18-Aug-25)	1)CARE BBB; Stable (10-Sep-24)	1)CARE BBB-; Stable (07-Aug-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	450.00	CARE BBB; Stable / CARE A3+	-	1)CARE BBB; Stable / CARE A3 (18-Aug-25)	1)CARE BBB; Stable / CARE A3 (10-Sep-24)	1)CARE BBB-; Stable / CARE A3 (07-Aug-23)
3	Term Loan-Long Term	LT	31.99	CARE BBB; Stable	-	1)CARE BBB; Stable (18-Aug-25)	1)CARE BBB; Stable (10-Sep-24)	1)CARE BBB-; Stable (07-Aug-23)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: 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 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	Nikita Akhilesh Goyal Associate Director CARE Ratings Limited Phone: 079-40265670 E-mail: nikita.goyal@careedge.in
	Arpita Alax Christian Assistant Director CARE Ratings Limited E-mail: Arpita.Christian@careedge.in

About us:

Established in 1993, CareEdge 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, CareEdge 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, CareEdge 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. CareEdge 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 CareEdge Ratings 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

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

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