

August 08, 2025

Max Infra (I) Private Limited: Ratings reaffirmed; outlook revised to Positive from Stable

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund based – Cash credit	110.00	110.00	[ICRA]A- (Positive); Reaffirmed and outlook revised to Positive from Stable
Long-term/ Short-term – Non-fund based – Working capital facilities	800.10	800.10	[ICRA]A- (Positive)/[ICRA]A2+; Reaffirmed and outlook revised to Positive from Stable
Long-term – Fund based – Term loan	33.02	33.02	[ICRA]A- (Positive); Reaffirmed and outlook revised to Positive from Stable
Total	943.12	943.12	

*Instrument details are provided in Annexure-I

Rationale

The revision in outlook to Positive factors in the expectation of sustenance of the improvement in financial profile of Max Infra (I) Private Limited (MIIL) witnessed in FY2025 (as per provisional financials), with leverage (TOL/TNW) of 0.9 times as on March 31, 2025, against 1.5 times as on March 31, 2024. The interest coverage improved to 5.1 times in FY2025 from 4 times in FY2024, supported by reduction in debt and mobilisation advances. The receipt of stuck receivables from the Government of Andhra Pradesh and retention money from Rail Vikas Nigam Limited (RVNL) resulted in an improved liquidity position. The rating considers MIIL's adequate scale of operations with revenues of Rs. 1,687.2 crore in FY2025, which is expected to cross Rs. 1,720 crore in FY2026, driven by a healthy order book of Rs. 4,871.4 crore as on June 30, 2025. ICRA notes the reputed client profile such as RVNL and National Highway Authority of India (NHAI), which together accounted for around 92% of its revenues in FY2025 and 84% of the order book as on June 30, 2025, resulting in a faster cash conversion cycle and timely receipt of payments. The share of revenues from these projects is likely to remain high in the medium term. MIIL's strong operational track record in executing tunnelling works for irrigation and railway projects is likely to support its operations.

The ratings are, however, constrained by the sizeable equity commitment of ~Rs. 170 crore over FY2026-FY2027 towards two under-construction build-operate-transfer (BOT) hybrid annuity mode (HAM) road projects. Any significant increase in equity commitments due to addition of new HAM projects or cost escalations adversely impacting its liquidity position would remain a key rating monitorable. The company is exposed to execution risk, as ~44% of the order book is in the initial stages of execution (0-10%) as on June 30, 2025, and is largely contributed by the newly awarded projects. Going forward, its ability to complete the projects in a timely manner, without any cost overruns, will remain a monitorable. ICRA notes the stiff competition in the industry and tendering nature of the business, which could put pressure on new order inflows and its exposure to sizeable contingent liabilities in the form of bank guarantees, mainly for contractual performance, retention money and mobilisation advances. Nevertheless, ICRA draws comfort from its execution track record and absence of invocation of guarantees in the past.

The Positive outlook reflects ICRA's opinion that MIIL will be able to sustain the improvement in its financial profile and liquidity position, supported by healthy execution of the order book and timely receipt of payments from its key customers.

Key rating drivers and their description

Credit strengths

Healthy revenue growth during past four years; scale of operations expected to sustain in the medium term – MIIL's revenues increased to Rs. 1,687.2 crore in FY2025 from Rs. 753.21 crore in FY2022, supported by healthy order execution of projects from RVNL and NHAI, which together contributed to ~86% of revenues in FY2025. Further, the company achieved billings of Rs. 405 crore in Q1 FY2026 and is estimated to achieve revenues of more than Rs. 1,720 crore in FY2026, aided by adequate order book position and healthy execution across key projects. The operating margins remained healthy at above 13% levels for the past 5 years, owing to majority of revenues from the tunnelling projects where margins are higher and are expected to remain at above 13% levels in the medium term.

Adequate order book profile and reputed client – MIIL's order book stood at Rs. 4,871.4 crore as on June 30, 2025, which provides adequate revenue visibility. Further, tunnel works accounted for 84% of the outstanding order book as on June 30, 2025 (increased from 24% as on March 31, 2020) and contributed to 86% of FY2025 (increased from 19% in FY2020) revenues. Further, these projects are being executed for reputed clients like RVNL and NHAI, resulting in a low counterparty credit risk. The share of revenues from these Central Government projects contributed to more than 85% of the revenues during the past four years and is likely to remain high in the medium term, supporting low cash conversion cycle amid timely receipt of payments.

Improved financial risk profile – The leverage marked by TOL/TNW improved to 0.9 times as on March 31, 2025, from 1.5 times as on March 31, 2024, on account of reduction in debt, mobilisation advances and creditors. This is supported by the release of old receivables from the Government of Andhra Pradesh and retention money from RVNL in FY2025. Owing to reduced debt levels, the interest coverage improved to 5.1 times in FY2025 from 4.0 times in FY2024 and is expected to remain at above 4.5 times in the medium term due to healthy operating margins and low leverage levels.

Credit challenges

Sizeable equity commitments towards BOT-HAM projects – The company has entered into developmental business with receipt of two HAM projects from the NHAI and entails sizeable equity commitment Rs. 250 crore towards two BOT under-construction projects, wherein it has already infused ~Rs. 140 crore as on June 30, 2025. The balance is expected to be infused over FY2026-FY2027 and MIIL is adequately placed to infuse the equity in a timely manner. However, any significant increase in equity commitments due to addition of new HAM projects or cost escalations would remain a key rating monitorable.

High geographical concentration and moderate execution risks – The company's order book is concentrated with top three states (Andhra Pradesh, Uttarakhand and Himachal Pradesh) together contributing to 81% of the order book as on June 30, 2025. However, most of these projects are from Central Government agencies like NHAI and RVNL. The satisfactory progress across all the ongoing projects mitigates the risk to an extent. Around 44% of the order book is in the nascent stages of execution (less than 10% of execution) resulting in moderate execution risk. Nevertheless, most of these projects have been received in the past six months and the billing is expected to improve in the near term, supporting its revenues.

Stiff competition in the construction industry and sizeable non-fund-based exposure – MIIL is exposed to the cyclicity inherent in the construction industry and intense competition in the tender-based contract award system, resulting in the risk of volatility in order inflows, revenues, and pressure on profit margins. However, its long presence and established relationships with the clients provide comfort. Most of the contracts have the provision for price variation of key raw materials such as cement and steel, which protects the profitability to an extent. It is also exposed to sizeable contingent liabilities in the form of BGs of ~Rs. 610 crore as on June 30, 2025, mainly towards performance guarantee, mobilisation advances and retention money. Nonetheless, ICRA draws comfort from MIIL's healthy execution track record and absence of invocation of guarantees in the past.

Liquidity position: Adequate

MIIIL's liquidity is adequate, driven by the timely receipt of payments from its key customers. The average utilisation of fund-based limits is moderate at 70% over the past six months ending May 2025, providing adequate cushion in the working capital facilities. The liquidity position is supported by the flexibility in release of retention monies from RVNL projects against submission of BGs and sufficient cushion in non-fund based limits. The company has debt repayment obligations of ~Rs. 56.28 crore, and equity investments of ~Rs. 110 crore in FY2026, which can be adequately met from the estimated cash flow from operations.

Rating sensitivities

Positive factors – ICRA may upgrade MIIIL's ratings if the company demonstrates a significant improvement in its liquidity position with a healthy cushion in cash credit limits and if the interest coverage improves to more than 4.5 times on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is a significant decline in revenues or an increase in the working capital cycle adversely impacting the liquidity position. Moreover, an increase in equity commitment towards BOT/developmental project, which could materially impact liquidity position will be a credit negative. Specific credit metrics that could result in a rating downgrade include TOL/TNW greater than 1.8 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Construction Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has done limited consolidation of HAM special purpose vehicles (SPVs) factoring in the equity commitments and support towards meeting any cash flow mismatches. Refer Annexure II

About the company

Max Infra (I) Private Limited (erstwhile Max Infra (I) Limited) was formed by the merger of Max Infratech (India) Private Limited and UAN Raju Infrastructure Limited (URIL) in November 2009. Max Infratech (India) Private Limited (MIPL) had worked on projects in areas such as earth dams, masonry dams, barrages, major canal works and open-cast mining works. Incorporated in January 1999, UAN Raju Infrastructure Limited (UANRIL) had worked in earthworks for high embankments, deep cut rock excavation as well as rail and road formation tunnels, including large rock excavations and concrete lining bridges viaducts. UAN Max Infra Limited was renamed as Max Infra (I) Limited in April 2012 and later renamed to Max Infra (I) Private Limited on October 10, 2022. The entity has over two decades of expertise in irrigation and tunnel works. The company was promoted by Mr. BVVSN Raju and Dr. Phani Kumar.

Key financial indicators

	FY2024	FY2025*
Operating income	1484.8	1687.2
PAT	92.6	130.1
OPBDIT/OI (%)	13.5%	14.5%
PAT/OI (%)	6.2%	7.7%
Total outside liabilities/Tangible net worth (times)	1.5	0.9
Total debt/OPBDIT (times)	1.2	0.8
Interest coverage (times)	4.0	5.1

Source: Annual report, Company, ICRA Research; All ratios are as per ICRA's calculations; Amount in Rs. crore; *Provisionals

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	FY2026			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	August 08, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long Term	110.00	[ICRA]A-(Positive)	Nov 08, 2024	[ICRA]A-(Stable)	Nov 20, 2023	[ICRA]A-(Stable)	Oct 26, 2022	[ICRA]A-(Stable)
				-	-	-	-	Nov 11, 2022	[ICRA]A-(Stable)
Non-fund based – Working capital facilities	Long Tem/Short Term	800.10	[ICRA]A-(Positive)/[ICRA]A2+	Nov 08, 2024	[ICRA]A-(Stable)/[ICRA]A2+	Nov 20, 2023	[ICRA]A-(Stable)/[ICRA]A2+	Oct 26, 2022	[ICRA]A-(Stable)/[ICRA]A2+
				-	-	-	-	Nov 11, 2022	[ICRA]A-(Stable)/[ICRA]A2+
Fund based – Term loan	Long Term	33.02	[ICRA]A-(Positive)	Nov 08, 2024	[ICRA]A-(Stable)	Nov 20, 2023	[ICRA]A-(Stable)	Oct 26, 2022	[ICRA]A-(Stable)
				-	-	-	-	Nov 11, 2022	[ICRA]A-(Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund based – Cash credit	Simple
Long-term/ Short-term – Non-fund based – Working capital facilities	Very Simple
Long-term – Fund based – Term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Fund based – Cash credit	-	-	-	110.00	[ICRA]A- (Positive)
NA	Long-term/ Short-term – Non-fund based – Working capital facilities	-	-	-	800.10	[ICRA]A- (Positive)/ [ICRA]A2+
NA	Long-term – Fund based – Term loan	FY2021	-	FY2026	33.02	[ICRA]A- (Positive)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Eastern Ghats Highway Project Pvt. Ltd	50.00%	Limited Consolidation
CUMBUM Expressway Private Limited	100.00%	Limited Consolidation

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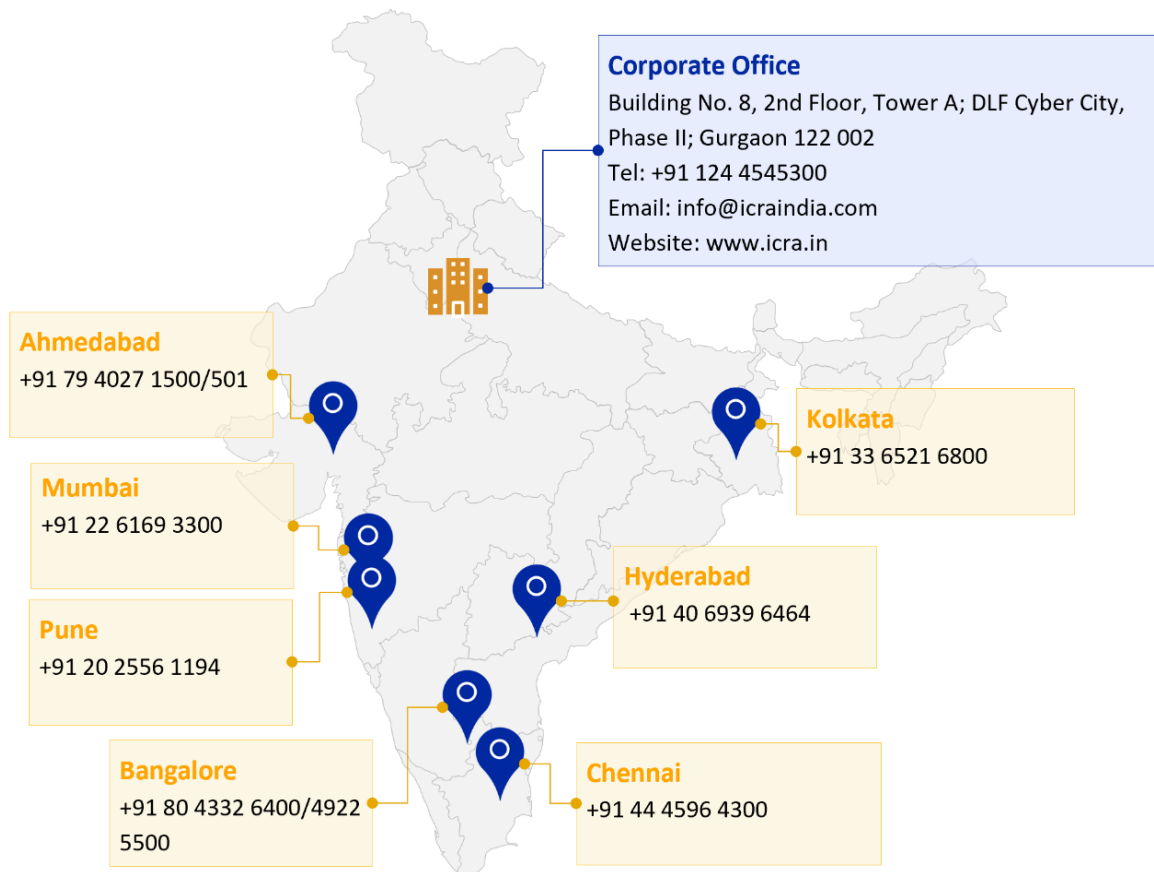
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