

August 25, 2023

Madhucon Projects Limited: Continues to remain under issuer non-cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	425.00	425.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Term Loan	52.05	52.05	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term-Non-Fund Based-Others	648.00	648.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long-Term-Unallocated Limits	194.75	194.75	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non-Fund Based-Others	80.20	80.20	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	1400.00	1400.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term and short-term rating of Madhucon Projects Limited in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D/[ICRA]D: ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance, Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Policy on Default Recognition Construction

Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Originally incorporated in 1990 as Madhu Continental Constructions Private Limited and subsequently converted into a listed public limited company in March 1995, Madhucon Projects Limited (MPL) is primarily engaged in the road construction and irrigation projects business. MPL was promoted by Mr. N Seethaiah and Mr. N Krishnaiah. It is currently engaged predominantly in construction of roads and irrigation projects.

Key financial indicators

Standalone	FY2021	FY2022
Operating Income (Rs. crore)	546.82	722.72
PAT (Rs. crore)	-215.58	-33.81
OPBDIT/OI (%)	-0.3%	-0.9%
PAT/OI (%)	-39.4%	-4.7%
Total Outside Liabilities/Tangible Net Worth (times)	3.60	3.62
Total Debt/OPBDIT (times)	-491.96	-128.12
Interest Coverage (times)	-0.11	-1.47

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2020	
					25-August-2023	22-June-2022	22-April-2021	14-Jan-2020	
1	Fund Based-Cash Credit	Long Term	425.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	
2	Fund Based-Term Loan	Long term	52.05	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	
3	Non-Fund Based- Others	Long term	648.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	
4	Unallocated Limits	Long Term	194.75	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	
5	Short Term-Non-Fund Based- Others	Short term	80.20	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based-Cash Credit	Simple
Fund Based-Term Loan	Simple
Non-Fund Based-Others	Simple
Unallocated Limits	Not Applicable
Short Term-Non-Fund Based-Others	Very 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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Cash Credit	-	-	-	425.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Fund Based-Term Loan	-	-	-	52.05	[ICRA]D; ISSUER NOT COOPERATING
NA	Non-Fund Based-Others	-	-	-	648.00	[ICRA]D; ISSUER NOT COOPERATING
NA	Unallocated Limits	-	-	-	194.75	[ICRA]D; ISSUER NOT COOPERATING
NA	Short Term-Non-Fund Based-Others	-	-	-	80.20	[ICRA]D; ISSUER NOT COOPERATING

Source: Madhucon Projects Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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