

July 09, 2026

MSLR Private Limited: Rating assigned

Summary of rating action

| Instrument* | Current rated amount (Rs. crore) | Rating action |
|---------------|-------------------------------------|-----------------------------|
| Issuer Rating | - | [ICRA]BB (Stable); assigned |
| Total | - | |

*Instrument details are provided in Annexure II

Rationale

The assigned rating factors in the extensive experience of MSLR Private Limited (MSLR) as an engineering, procurement, and construction (EPC) contractor for the construction of buildings and roads, along with a long track record of successful project execution. Additionally, the firm is a registered contractor for the Central Public Works Department (CPWD), Madhya Pradesh Public Works Department (MPPWD), Haryana State Warehousing Corporation (HSWC) and Madhya Pradesh Police Housing and Infrastructure Development Corporation Limited (MPPHC), which helps in securing incremental work orders from these reputed clients. ICRA further notes the company's operating income (OI) rose to Rs. 242.2 crore in FY2026 (provisional) from Rs. 159.7 crore in FY2025, primarily due to an increase in the order execution value. Going forward, the firm's turnover is expected to remain stable. As on March 31, 2026, it had an unexecuted order book of around Rs. 497 crore, equivalent to nearly twice its FY2026 OI, thereby supporting its business profile by providing adequate revenue visibility over the near-to-medium term.

The rating is, however, constrained by MSLR's moderate financial risk profile, characterised by its leveraged capital structure, driven by a modest net worth base of Rs. 32.2 crore as on March 31, 2026, and its high dependence on external borrowings. The company's liquidity profile remains weak, reflected in the limited cushion available under its working capital facilities. ICRA further notes that it had significant encumbered fixed deposit receipts (FDRs) of around Rs. 50 crore as on March 31, 2026, primarily maintained against additional bank guarantees for contractual performance. A substantial portion of these FDRs was funded through short-term liabilities, thereby increasing the company's refinancing dependence and constraining its financial flexibility. The rating is also constrained by its high geographical concentration risk, with the majority of its order book concentrated in Madhya Pradesh, and elevated client concentration risk, with a significant proportion of orders derived from a limited number of counterparties. Further, the rating factors in the fragmented and intensely competitive nature of the construction industry, which could exert pressure on profitability.

The Stable outlook on the [ICRA]BB+ rating reflects ICRA's expectation that MPC will maintain its strong growth trajectory, supported by timely and efficient execution of its existing order book and its demonstrated ability to secure new orders.

Key rating drivers and their description

Credit strengths

Long-standing experience of promoters in the construction sector – MSLR benefits from the extensive experience of its promoters, who have been associated with the construction and infrastructure development sector for over two decades. Over the years, the promoters have successfully executed projects for government departments and agencies like CPWD, MPPWD, HSWC and MPPHC, developing strong relationships with key stakeholders, including government authorities, consultants, subcontractors and suppliers.

Adequate order book position providing medium-term revenue visibility – MSLR's business profile is supported by its adequate order book position, which provides healthy medium-term revenue visibility. As on March 31, 2026, the company had an unexecuted order book of around Rs. 497 crore, equivalent to nearly twice its FY2026 OI, thereby providing adequate revenue visibility over the near to medium term.

Credit challenges

Moderate financial risk profile and weak liquidity position – MSLR's financial risk profile remains moderate, characterised by leveraged capital structure on account of a limited net worth base of Rs. 32.2 crore as on March 31, 2026, and high dependence on external borrowings for funding working capital requirements. The company's total external debt increased to around Rs. 80 crore as on March 31, 2026, resulting in a gearing of approximately 2.6 times, compared to lower levels in the previous year. It has witnessed a significant rise in debt levels in FY2026, primarily due to the hike in the working capital requirements. This margin money for the heightened BG requirements has also resulted in a constrained liquidity profile in FY2026, which were primarily funded through short-term liabilities, thereby increasing refinancing dependence. Going forward, the company's ability to improve its liquidity profile through reduction in encumbered funds and the maintenance of adequate financial flexibility will remain key monitorables from a credit perspective.

High client and geographical concentration risk – MSLR remains exposed to high geographical concentration risks, with almost the entire unexecuted order book of the company derived from projects located in Madhya Pradesh as on March 31, 2026. Any adverse developments in the region could have a disproportionate impact on the firm's revenue streams and cash flows. MSLR also exhibits elevated client concentration risk, with a sizeable share of its order book being derived from a limited number of government counterparties. For instance, projects awarded by a state PWD accounted for around 50% of the outstanding order book as on March 31, 2026, increasing the company's dependence on the timely release of work orders, project approvals, certifications and payments from the said customer.

Intensely competitive construction segment – MSLR operates in the highly fragmented and intensely competitive construction industry, where competition remains elevated owing to a large number of organised and unorganised players. The construction sector is characterised by relatively low entry barriers in certain segments, resulting in aggressive bidding by market participants, particularly for government-funded projects. This exposes the company to the risk of lower profitability in order to maintain order inflows and market share.

Liquidity position: Stretched

The company's liquidity is expected to remain Stretched, primarily on account of the nearly full utilisation of its sanctioned fund and non-fund based bank lines over the recent period (last six months ending on March 2026) and the significant amount of funds staying encumbered in the form of fixed deposits. It has witnessed a substantial increase in FDR balances in FY2026, largely towards FDR requirements for additional bank guarantees, resulting in a sizeable portion of its liquidity being locked in non-operational assets. The company has capital expenditure (capex) plans of Rs. 10-12 crore for FY2027 and FY2028, which are expected to be funded by new equipment loans. Further, it has high debt repayment obligations of Rs. 20-22 crore in FY2027, exerting further pressure on cash flows. Nevertheless, the company is in the process of securing incremental non-fund based limits of around Rs. 20 crore, which are likely to release a portion of the existing FDRs and provide some relief to its liquidity profile. However, until a meaningful reduction in encumbered funds and moderation in utilisation levels are achieved, its liquidity profile is expected to remain stretched.

Rating sensitivities

Positive factors – MSLR's rating may be upgraded in case of strengthening of net worth and improvement in liquidity position, while maintaining the scale and earnings on a sustained basis.

Negative factors – Pressure on the rating could arise if the company's scale and earnings decline significantly, leading to a deterioration in its debt protection metrics on a sustained basis. Further, any significant stretch in the working capital cycle or

any large debt-funded capex, resulting in a deterioration in the company's liquidity and financial risk profile, could also result in a rating downgrade.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Corporate Credit Rating Methodology Construction |
| Parent/Group support | Not Applicable |
| Consolidation/Standalone | Standalone |

About the company

The business was originally established in 2005 as a proprietorship under the name of Mahendra Singh and was subsequently converted into a private limited company in 2018. The company operates as a registered civil construction contractor, undertaking a diverse range of infrastructure projects including roads, bridges and construction of buildings such as schools, hospitals, hostels, universities and office complexes. Its operations are exclusively focussed on government projects executed under Central and state government schemes, and it is registered with key authorities such as CPWD, MPPWD, HSWC and MPPHC.

Key financial indicators (audited)

| MSPL (standalone) | FY2025 | FY2026* |
|--|--------|---------|
| Operating income (OI) | 159.7 | 242.2 |
| PAT | 6.4 | 16.8 |
| OPBDIT/OI | 8.2% | 13.2% |
| PAT/OI | 4.0% | 6.9% |
| Total outside liabilities/Tangible net worth (times) | 3.4 | 3.5 |
| Total debt/OPBDIT (times) | 4.1 | 3.0 |
| Interest coverage (times) | 4.7 | 5.7 |

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

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

| Current rating (FY2027) | | | | Chronology of rating history for the past 3 years | | | | | |
|-------------------------|-----------|-------------------------|-------------------|---|--------|--------|--------|--------|--------|
| | | | | FY2026 | | FY2025 | | FY2024 | |
| Instrument | Type | Amount rated (Rs crore) | July 09, 2026 | Date | Rating | Date | Rating | Date | Rating |
| Issuer Rating | Long term | - | [ICRA]BB (Stable) | - | - | - | - | - | - |

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

| Sr. no. | Instrument | FSR |
|---------|--|--|
| 1 | Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities) | SEBI |
| 2 | Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities) | MCA |
| 3 | Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | SEBI |
| 4 | Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | SEBI |
| 5 | Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*) | RBI |
| 6 | Listed Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 7 | Unlisted Commercial Paper and NCDs with original maturity less than 1 year | RBI |
| 8 | Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) | RBI |
| 9 | External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings | RBI |
| 10 | Certificates of Deposit | RBI |
| 11 | Fixed Deposits raised by NBFCs, Banks, HFCs, FIs | RBI |
| 12 | Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs | MCA |
| 13 | Inter Corporate Deposits/Loans extended by Corporates | MCA |
| 14 | Listed Security Receipts | SEBI |
| 15 | Unlisted Security Receipts | RBI |
| 16 | Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*) | Investor-side Regulator such as IRDAI, PFRDA (%) |

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

| Sr. no. | Activity name | FSR |
|---------|---|------|
| 1 | Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs) | SEBI |
| 2 | Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs | SEBI |
| 3 | Independent Credit Evaluation (ICE) | RBI |
| 4 | Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs) | RBI |
| 5 | Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities)) | SEBI |
| 6 | Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities)) | MCA |
| 7 | Credit Rating of Borrowing programme | (@) |

| | | |
|----|--|------|
| 8 | Issuer Ratings | (#) |
| 9 | Monitoring Agency | SEBI |
| 10 | Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs) | NA |

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI’s grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---------------|----------------------|
| Issuer Rating | Not Applicable |

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 II: Instrument details

| ISIN | Instrument name | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|-----------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA | Issuer Rating | NA | NA | NA | 0.00 | [ICRA]BB (Stable) |

Source: Company

Annexure III: List of entities considered for consolidated analysis – Not applicable

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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.

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