



Press Release

L N Malviya Infra Projects Private Limited

July 2, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	25.00	IVR BBB+/ Stable (IVR triple B plus with Stable outlook)	IVR BBB/ Stable (IVR triple B with Stable outlook)	Rating upgraded	Simple
Short Term Bank Facilities	175.00* (includes proposed facility of 15.50)	IVR A2 (IVR A Two)	IVR A3+ (IVR A Three Plus)	Rating upgraded	Simple
Total	200.00 (INR Two hundred crore only)				

*(The letter of credit facility rated in the previous year amounting Rs. 40.00 crore has been withdrawn based on No Due Certificate from HDFC Bank and at the request of the company and is in line with Infomerics' policy on withdrawal)

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of L N Malviya Infra Projects Private Limited (LNMIPPL) considers the common management team and business & financial linkages between LNMIPPL and its group company, Highway Engineering Consultants (HEC). Infomerics has taken a combined view of these entities referred together as "Group".

Infomerics has upgraded the ratings assigned to the bank facilities of LNMIPPL on the back of sustained increase in topline and profit which continued in FY25 (provisional) (refers to period April 1st, 2024, to Mar 31, 2025) and a healthy order book position, diversified services and reputed clientele. The rating also derives comfort from experienced promoters and a comfortable capital structure and satisfactory debt protection metrics. However, these rating strengths are partially constrained due to intense competition in the engineering consultancy business, vulnerability to macro-economic scenario and sectoral concentration risks and partnership nature of HEC which carries risk of capital withdrawal.



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The long-term rating outlook is Stable on the account of extensive experience of promoters in providing a vast range of engineering and project consultancy services along with a strong order book position.

Infomerics has also withdrawn the outstanding short-term rating of 'IVR A3+' assigned to the letter of credit facility amounting Rs. 40.00 crore with immediate effect. The letter of credit facility has been withdrawn based on No Due Certificate received from HDFC Bank and at the request of the company and is in line with Infomerics policy on withdrawal. Link to the withdrawal policy is provided below.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals and liquidity.
- Improvement in the capital structure with improvement in debt protection metrics

Downward Factors

- Decline in operating income and/or moderation in profitability impacting the debt coverage indicators
- Elongation in the operating cycle impacting the liquidity on a sustained basis

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Sustained increase in topline and profit which continued in FY25 (provisional)**

Total operating income (TOI) of the group has increased at a CAGR of ~22% over from FY22 (refers to period April 1st, 2021, to Mar 31, 2022) to FY25 (prov) on account of higher execution of orders. In FY25 (prov) TOI was Rs. 461.10 up ~22% y-o-y due to higher execution of orders. EBITDA margin of the group remained satisfactory at ~22-23.5% over the past four fiscal years. Owing to the increase in revenue, EBITDA and PAT level has also increased over the years. EBITDA was Rs. 107.93 crore up 29.13% y-o-y in FY25 (prov) while PAT was Rs. 71.86 crore up 23.04% y-o-y. Gross cash accruals have also improved over the and remained healthy at Rs. 75.55 crore in FY25 (prov) compared with Rs. 61.83 crore in FY24 (refers to period April 1st, 2023, to Mar 31, 2024). Going forward, Infomerics expects an increase in topline and profit given a healthy order book position.



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- **Healthy order book position, diversified services and reputed clientele**

The Group has a healthy order book position of ~Rs.997.98 crore (Rs. 841.53 crore for LNM as on and Rs. 156.45 crore for HEC as on May 30, 2025) translating to ~2.16 times of FY2025 (prov) total operating income, which provides near-term revenue visibility. The entire outstanding order book position of the company is from various government authorities such as NHAI, MORTH, Jal Nigam, Indian Railways and various state government's public work department thus mitigating counter party credit risk to a large extent. The Group has specialization across a diverse range of infrastructure consulting like pre-feasibility studies, feasibility studies, site investigations, project planning, detailed engineering design, project management services and construction supervision. The average duration of the projects is in the range of 12-48 months. Furthermore, majority of the outstanding order book position of the company has price escalation clause.

- **Experienced promoters**

The promoters of the entities, Mr. Laxmi Narayan Malviya and Mr. Satya Narayan Malviya have extensive experience of over two decades in the engineering consultancy services industry and have worked with reputed clients like NHAI and MPRDC.

- **Comfortable capital structure and satisfactory debt protection metrics**

The capital structure of the group remained comfortable as on the past three account closing dates. The overall gearing ratio was 0.36 times as on March 31, 2025 (prov) compared with 0.63 times as on Mar 31, 2024, and 0.42 times as on March 31, 2023, on account of decline in total debt as on March 31, 2025 (prov). Total Debt/ EBITDA stood at 0.92 times as on March 31, 2025 (prov) (1.53 times as on March 31, 2024). The decline in total debt was due to decline in bank borrowings. The debt coverage indicators as depicted by ISCR stood satisfactory at 7.38x in FY25 (prov) compared with 8.06x in FY24 and DSCR was 3.16 times in FY25 (prov) compared with 6.63x in FY24. Total Debt/ EBITDA stood at 0.92 times as on March 31, 2025 (prov) (1.53 times as on March 31, 2024).

A. Key Rating Weaknesses

- **Intense competition in the engineering consultancy business**

The entities procure orders through competitive bidding. With multiple players in the independent engineering consultancy services segment, the entities face stiff competition,



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which could constrain their ability to procure new orders. LNMIPPL is has undertaken EPC projects, which exposes the entity to inherent risks in the EPC segment. Its ability to win and successfully execute orders while sustaining its margins and improving its overall liquidity position will be a key monitorable.

- **Vulnerability to macro-economic scenario and sectoral concentration risks**

Road and highway projects constituted nearly 60% of the unexecuted order book exposing the entities to sectoral concentration risk. Nevertheless, the LNMIPPL has diversified into EPC segment with a water supply project. This will help in diversifying its revenue over the medium to long term.

- **Partnership nature of HEC carries risk of capital withdrawal**

HEC, being a partnership firm, remains exposed to the risk of capital withdrawal which could impact its capital structure.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the business and financial risk profiles of L N Malviya Infra Projects Private Limited and Highway Engineering Consultants. This is because these companies have common management, business and financial linkages. List of companies considered for consolidation/combined analysis is given at Annexure 4.

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of assigning Rating Outlook](#)

[Policy of default recognition](#)

[Criteria on complexity](#)

[Policy on withdrawal of ratings](#)

[Consolidation of companies](#)

Liquidity – Adequate

The liquidity position of the Group is expected to remain satisfactory in the near to medium term marked by adequate cushion in expected accruals of ~Rs.89-134 crore as against its minimal repayment obligations of Rs. 6.77-6.85 crore during FY26-FY28. However, the



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average working capital limit utilization was ~91% during the past twelve months ending May 2025, leaving the entities with a little liquidity buffer.

About the company

L N Malviya Infra Projects Private Limited was established in year 2005 in the name of M/s L N Malviya – Contractor and Consultant and incorporated in year 2010 in the name of M/s. L N Malviya Infra Projects Private Limited Located out of Bhopal, the company is a civil engineering consultancy with the aim of participating in the infrastructure development of the nation by providing professional engineering consultancy services. LNMIPPL has recently diversified in the EPC segment, with orders from Madhya Pradesh Jal Nigam. The scope of work involves setting up of rural drinking water pipelines under National Jal Jeevan Mission.

Financials (Standalone):

(Rs. crore)		
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	326.60	401.72
EBITDA	71.34	94.16
PAT	47.74	59.72
Total Debt	112.64	84.62
Tangible Net Worth (adjusted)	165.76	225.48
EBITDA Margin (%)	21.84	23.44
PAT Margin (%)	14.46	14.83
Overall Gearing Ratio (x) (adjusted)	0.68	0.38
Interest Coverage (x)	8.75	7.70

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: As per PR dated May 28, 2025, Brickwork Ratings continued to keep the ratings in the non-cooperating category due to non-cooperation from the client.

As per PR dated March 20, 2025, ICRA has moved the ratings to the Issuer Not Cooperating category due to non-cooperation from the client.

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 June 27, 2024	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Cash Credit	Long Term	25.00	IVR BBB+/Stable	IVR BBB/Stable	-	-
2.	Bank Guarantee	Short Term	165.00*	IVR A2	IVR A3+	-	-
3.	Overdraft	Short Term	10.00	IVR A2	IVR A3+		
4.	Letter of Credit	-	-	Withdrawn	IVR A3+	-	-

**Includes proposed bank guarantee of Rs. 15.50 crore*

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (formerly Infomerics Valuation & Rating Pvt Ltd) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	25.00	IVR BBB+/ Stable
Bank Guarantee 1	-	-	-	75.00	IVR A2
Bank Guarantee 2	-	-	-	74.50	IVR A2
Proposed Bank Guarantee	-	-	-	15.50	IVR A2
Overdraft	-	-	-	10.00	IVR A2
Letter of Credit	-	-	-	-	Withdrawn

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-LN-Malviya-2july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis:

Name of the company/Entity	Combined Approach
L N Malviya Infra Projects Private Limited	Full Combined
Highway Engineering Consultants	Full Combined



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

