Rating Rationale

13 Aug 2025

Mahadev Prestressed Products Pvt Ltd

Brickwork Ratings Withdraws the rating for the Bank Loan Facilities of Rs. 15.50Crs. and assigns the long-term & Short-term Ratings of "BWR BB+/Stable and BWR A4+" for the bank loan facilities of Rs.39.41 Cr. of Mahadev Prestressed Products Pvt Ltd.

Particulars:

Instruments	Amount Rs Cr.		Tenure	Rating	
	Previous	Present		Previous (09Jun2025)	Recommendation
Fund Based					
Cash Credit-Sanctioned	5.50	0.00	Long Term	BWR B-/Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**
Cash Credit-Sanctioned	0.00	12.50		-	**Assignment / BWR BB+/Stable**
WCTL-ECLGS-outstanding	0.00	0.41			**Assignment / BWR BB+/ Stable**
Sub Total	*5.50*	***12.91***			
Non Fund Based					
Bank Guarantee (Inland) -Sanctioned	0.00	**15.00**	Long Term	-	**Assignment / BWR BB+/Stable**
Bank Guarantee -Sanctioned	0.00	**1.50**	Short Term	-	**Assignment / BWR A4+**
Bank Guarantee -Sanctioned	8.00	**0.00**		BWR A4/Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	**Withdrawal**
LC -Sanctioned	2.00	**0.00**			
LC (Inland/Import) -Sanctioned	0.00	**10.00**		-	**Assignment / BWR A4+**
Subtotal	*10.00*	***26.50***			
Grand Total	15.50	**39.41**	**(Rupees Thirty Nine Crores and Forty One lakhs Only)**		

*Please refer to BWR website **www.brickworkratings.com/** for definition of the ratings
** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings Withdraws the rating for the Bank Loan Facilities of Rs. 15.50 Crs. and assigns the long-term & Short-term Ratings of "BWR BB+/Stable/BWR A4+" for the bank loan facilities of Rs. 39.41 Cr. of Mahadev Prestressed Products Pvt Ltd.

The Rating has factored, inter alia, the experienced management with long track record of operations, well-established customer and supplier portfolio with healthy order book position and Improvement in scale of operations. However, the rating is constrained by fluctuations in raw material prices, High degree of revenue concentration, Tender based and Working capital intensive operations. Going forward, the ability of the company to Improve their operational scale, profitability, strengthen liquidity and credit profile would be the key rating sensitivities.

The rating outlook has been assigned as "Stable" as BWR believes that Mahadev Prestressed Products Pvt Ltd., business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The terms of sanction of the rated facilities include standard covenants normally stipulated for such facilities.

KEY RATING DRIVERS

Credit Strengths-:

- **Extensive experience and support of the promoters :** The company was incorporated in 1991 and has an operational track record over 3 decades. The promoters' extensive industry experience and deep understanding of market dynamics have played a key role in driving business growth, and this is expected to continue supporting the company's risk profile moving forward.
- **Moderate financial risk profile :** The company generated a revenue and profit in Rs. 131.09cr and Rs. 4.31 cr in Prov FY25 as compared to Rs. 97.19 cr and Rs. 3.75cr in FY24 respectively. The company's tangible net worth increased to Rs. 25.8cr in Prov FY25 compared to Rs. 21.49cr in FY24. The Total Debt/TNW improved to 1.18x in provFY25 compared to 1.87x in FY 24.The debt protection metrics ISCR and DSCR stood at 2.96x and 1.28x in Prov FY25 compared to 2.21x and 1.36x. The stability and growth in the ISCR and DSCR shows the strength and ability of the company to repay their financial obligations.

Credit Risks-:

- **Working capital intensive operations :** The company is currently experiencing high inventory holding periods, and any delays in receivables could impact its cash conversion cycle. As the company primarily executes tender-based orders from entities such as SWR Hubli, KPTCL, and GESCOM, there is a possibility of delays in approvals, which may in turn affect timely revenue recognition.
- **Tender based business operations :** The business operations being tender-based carries inherent risks, primarily stemming from the uncertainty of revenue. Since tenders are competitive, there is limited visibility into competitors strategies and pricing, which can create unpredictability in the winning bid outcomes. Additionally not securing all the bids that the company participates also carries potential risk in the timely implementation of various

contracts. However, the risk is mitigated to an extent as the management has been in the business for over a long time and has a healthy order book position. Further, the company faces competition from other established players in the market.

- **Exposure to fluctuations in raw material prices and lowest-bidder-based tendering system :** Key raw materials such as cement, steel, and concrete aggregates constitute a major portion of production costs. These materials are subject to frequent market fluctuations influenced by global commodity trends, supply chain disruptions, and seasonal demand. In addition, The contracts are fixed-price and awarded through competitive bidding, manufacturers often lack the flexibility to pass on increased costs to customers which can erode the profit margins of the company.
- **Concentration risk :** The company exposed to high degree of revenue concentration, the top two customers accounted for 75% of the total revenue of Rs. 131.09crore. This indicates a significant dependency on a limited customer base exposing the company to concentration risk.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone performance of Mahadev Prestressed Products Pvt Ltd. BWR has applied its rating methodology.

RATING SENSITIVITIES

Positive:

- Improvement total operating income (TOI) above Rs 200.00 cr while achieving operating and net margin over 5% and 3% on a sustained basis.
- Sustenance of gearing below 2x.
- Sustenance of a healthy financial risk profile along with healthy order book flow, timely execution of orders and operating cash accruals supporting comfortable debt metrics along with healthy liquidity levels.

Negative:

- More than 10% deviation between provisional FY25 and Audited FY25 financials.
- Decline in total operating income more than 10% and operating and net margin falling below 5% and 3%.
- Any deterioration in overall gearing above 2x on a sustained basis.

LIQUIDITY INDICATORS - Adequate

The company has cash and bank balance of 0.29cr in Prov FY25 compared to Rs.0.14cr in FY24. The current ratio of the company stands at 1.34x in FY24 and 1.22x in Prov FY25. The company's average utilization of cash credit is 87.31% during the last ten months. The current portion of long term debt is Rs. 1.64cr in FY24 and Rs. 2.56cr in Prov FY26. The net cash accruals is 6.30 Cr in Prov FY25 compared to Rs. 5.43cr in FY24. ISCR and DSCR of the company stands 2.96x and 1.28x in Prov FY25 compared to 2.21x and 1.36x in FY24. Taking all the above points into consideration the company's liquidity position is defined as adequate.

COMPANY's / FIRM' PROFILE

Mahadev Prestressed Products Pvt Ltd was incorporated in 1991 . It is a unit of S B Patil Group which is headed by Mr. Basavaraj G Patil, Mr. Chandrakanth B Patil and Mr. Kailash B Patil. The company is mainly engaged in manufacturing PSC line sleepers, turnouts sleepers and special sleepers. The company is RDSO (Research Design and Standards Organisation) approved with a

installed capacity of 20,000No's /Month including turnouts and special sleeper. The company has also diversified its operation into electrical turnkey projects.

Macro Economic Indicator	Sector	Industry	Basic Industry
Industrials	Capital Goods	Industrial Manufacturing	Railway Wagons

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY 22 - 23	FY 23 - 24	FY 24 - 25*
Result Type		**Audited**	**Audited**	**Provisional**
Operating Revenue	Rs.Crs.	87.24	97.19	131.09
EBITDA	Rs.Crs.	8.72	8.75	9.68
PAT	Rs.Crs.	3.82	3.75	4.31
Tangible Net Worth	Rs.Crs.	17.74	21.49	25.8
Total Debt / Tangible Net Worth	Times	1.77	1.87	1.18
Current Ratio	Times	1.25	1.34	1.22

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:
No Ratings assigned by Other Credit Rating Agencies.

ANY OTHER INFORMATION:
NONE

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal & suspended]

Facilities	Current Rating (2025)			2025		2024		2023	
Type	**Tenure**	**Amount (Rs.Crs.)**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund Based	LT	0.00	Withdrawn	09Jun 2025	BWR B-/Stable (Continues to be in ISSUER NOT COOPERATING * category/ Reaffirmed)	11 Mar 2024	BWR B-Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	09 Mar 2023	BWR B Stable (Continues to be in ISSUER NOT COOPERATING * category/ Downgraded)
Fund Based	LT	12.91	BWR BB+ /Stable/ Assignment	-	-	-	-	-	-
Non Fund Based	LT	15.00	BWR BB+ /Stable/ Assignment	-	-	-	-	-	-
Non Fund Based	ST	0.00	Withdrawn	09Jun 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffi	11 Mar 2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	09 Mar 2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Down

					rmed)				graded)
Non Fund Based	ST	11.50	Assignment /BWR A4+	-	-	-	-	-	-

Hyperlink/Reference to applicable Criteria

- General Criteria
- Approach to financial ratios
- Short Term Debt
- Manufacturing Company
- BWR Withdrawal Policy

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Mahadev Prestressed Products Pvt Ltd

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the instrument*
1	Axis Bank	CC Limit- Sanctioned	10.00	-	10.00	Simple##
2	Axis Bank	WCTL-ECLGS-outstanding	0.41	-	0.41	Simple##
3	Axis Bank	BG (Inland)- Sanctioned	15.00	-	15.00	Simple##
4	Axis Bank	LC (Inland/Import) - Sanctioned	-	10.00	10.00	Simple##
5	Canara Bank	CC Limit- Sanctioned	2.50	-	2.50	Simple##
6	Canara Bank	BG - Sanctioned	-	1.50	1.50	Simple##
TOTAL			**27.91**	**11.50**	**39.41**	
(Rupees Thirty Nine Crores and Forty One lakhs Only)						

***For more information visit: www.brickworkratings.com/download/ComplexityLevels.pdf**

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

NIL

ANNEXURE III

List of entities consolidated

NIL

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