Press Release

Markolines Infra Limited

November 19, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long term Bank Facilities	6.00	IVR BBB-/RWDI (IVR Triple B minus with rating watch with developing implications)	IVR BBB-/Stable (IVR Triple B minus with stable outlook)	Rating reaffirmed and placed on watch with developing implications	Simple
Long term Bank Facilities	0.67	IVR BBB-/RWDI (IVR Triple B minus with rating watch with developing implications)	--	Rating assigned and placed on watch with developing implications	Simple
Long Term/Short Term Bank Facilities	13.00 (enhanced from 9.00)	IVR BBB-/RWDI/ IVR A3/RWDI (IVR Triple B minus with rating watch with developing implications and IVR A three with rating watch with developing implications)	IVR BBB-/Stable IVR A3 (IVR Triple B minus with stable outlook and IVR A three)	Rating reaffirmed and placed on watch with developing implications	Simple
Total	**19.67**	**(Rs. Nineteen crore and sixty-seven lakh only)**			

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

Infomerics has placed the rating of Markolines Infra Limited (MIL) under Rating Watch with Developing Implications (RWDI) following the proposed scheme of amalgamation its group company, Markolines Pavement Technologies Limited (MPTL), as disclosed MPTL's BSE intimation. The scheme is subject to various approvals from BSE, SEBI and other concerned authorities. Infomerics will continue to monitor the developments in this regard.

The rating reaffirmation/assigned continues to factor in the company's strong capital structure and net worth, healthy revenue growth and comfortable profitability, long-standing relationships with reputed clients, and experienced promoter with an established operational track record. However, the ratings remain constrained by the company's elongated working capital cycle, dependence on availability of requisite manpower, and the emerging threat from increasing adoption of electronic and automated tolling systems.

Key Rating Sensitivities:

Upward Factors

- Healthy diversification in business profile
- Significant and sustained improvement in revenue & profitability while maintaining robust debt protection metrics

Downward Factors

- Any decline in revenue and profitability and/or deterioration in working capital cycle leading to deterioration in debt protection metrics and liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Strong capital structure and net worth

The company's capital structure improved and remained strong, with an overall gearing of 0.10x and TOL/ATNW of 0.68x as on March 31, 2025 (0.15x and 1.37x, respectively, as on March 31, 2024). The improvement was primarily supported by an equity infusion of Rs. 13.70 crore and nil utilisation of working capital limits. The capital structure is expected to remain comfortable over the medium term, supported by healthy cash accruals, low reliance on external borrowings, and the absence of any major debt-funded capex plans.

Healthy revenue growth and comfortable profitability:

The company's revenue grew by 13.54% to Rs. 131.73 crore in FY25 (Rs. 116.02 crore in FY24), driven by higher order execution across toll operations and routine maintenance segments. The growth was supported by contract renewals from existing clients and the addition of new projects from reputed customers. Profitability remained comfortable, with

EBITDA and PAT margins of 11.94% and 9.09%, respectively, in FY25 (FY24: 12.55% and 8.97%), with the marginal moderation in operating margin attributable to higher manpower and compliance costs. During H1 FY26, the company reported revenue of Rs. 65.29 crore with an improved EBITDA margin of 14.18%, reflecting better operating efficiency and a favourable project mix. Profitability is expected to remain healthy, supported by a stable order book, recurring contracts, and continued focus on cost optimisation.

Long-term relationships with reputed clientele

MIL has long-term relationships with its clientele, which helps with repetitive orders. Some of its long-standing and repetitive customers comprise Cube Highways and Infrastructure Private Limited, Highway Concession One Private Limited, Macquire Asset Management, Nxt Infra, Gorakhpur Infrastructure Co Ltd, Gujarat Road and Infrastructure Company Limited etc.

Experienced Promoter coupled with long track record of operations

incorporated in, 2005, MIL has been engaged in supplying of manpower to the toll operations, route patrolling and incident management, and routine maintenance. Currently it is promoted by Sanjay Patil, Vijay Oswal and Karan Atul Bora and they have collective experience of more than four decades. This long-standing promoters' experience and expertise in the industry has enabled the company to establish a healthy relationship with its customers.

Key Rating Weaknesses

Elongated working capital cycle

The working capital cycle remained elongated to 62 days in FY25 (FY24: 64 days), primarily on account of higher collection days to 77 from 85 in FY24. The collection period remains relatively high as counterparties are infrastructure players and payment cycles are subject to multi-level verification and certification of services. However, the risk is partly mitigated by the strong counterparty credit profile.

Dependence on availability of requisite manpower

MIL's operations remain manpower-intensive, exposing the company to risks related to the availability and retention of skilled personnel. With a workforce of over 3000+ employees and the specialized nature of its services, continuous training is essential, and high attrition can disrupt operations. The company relies on hiring local manpower through referrals and walk-ins, making its business dependent on the steady availability of trained and reliable personnel.

Threat from toll operations through electronic medium

The Government of India's shift toward automated toll collection through FASTag and the planned transition to satellite-based tolling in the medium term may significantly reduce the requirement of manpower at toll plazas. This poses a risk to the company's operating profile, as its business model is dependent on manpower-based toll management services.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Service Sector Companies.

Financial Ratios & Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition and post default curing period

Complexity Level of Rated Instruments/Facilities

Policy for placing ratings on Rating Watch

Liquidity – Adequate

The liquidity of the company remained adequate marked by sufficient expected gross cash accruals for the minimal debt repayment from FY26 to FY28. Further, the average utilisation of the working capital borrowings of last 12 months ended at August 2025 stood at ~38.00% only. The current ratio and quick ratio stood comfortable at 2.20x and 2.20x respectively as on March 31, 2025. Also, the cash and cash equivalents stood at Rs. 9.20 crore as on Sep 30, 2025, leading to adequate liquidity of MIL.

About the Company

Incorporated in 2005, MIL was engaged in the business of toll operations, route patrolling, road maintenance, and staffing toll booths. It was converted to Public Limited company on 25 July 2024.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	116.02	131.73
EBITDA	14.56	15.74
PAT	10.44	12.06
Total Debt	2.96	4.21
Tangible Net Worth	19.73	41.75
EBITDA Margin (%)	12.55	11.94
PAT Margin (%)	8.97	9.09
Overall Gearing Ratio (x)	0.15	0.10
Interest Coverage (x)	16.70	14.74

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information:

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned
					Date: Oct 18, 2024		
1.	GECL	Long Term	0.67	IVR BBB-/RWDI	--	--	--
2.	Cash Credit	Long Term	6.00	IVR BBB-/RWDI	IVR BBB-/Stable	--	--
3.	Bank Guarantee	Long Term/Short Term	13.00	IVR BBB-/RWDI/IVR A3/RWDI	IVR BBB-/Stable; IVR A3	--	--

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and 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.

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.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
GECL	--	--	--	Mar 2026	0.67	IVR BBB- /RWDI
Cash Credit	--	--	--	Revolving	6.00	IVR BBB- /RWDI
Bank Guarantee	--	--	--	--	13.00	IVR BBB- /RWDI/IVR A3/RWDI

Annexure 2: Facility wise lender details
https://infomericstorage.blob.core.windows.net/uploads/len_markolines_nov25_405f5c267f.pdf

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

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.