



Press Release

Generic Engineering Construction and Projects Limited

July 18, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	53.00	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	-	Rating Assigned	Simple
Short Term Bank Facilities	90.00	IVR A4+ (IVR A Four Plus)	-	Rating Assigned	Simple
Proposed Long Term Bank Facilities	10.00	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	-	Rating Assigned	Simple
Proposed Short Term Bank Facilities	7.00	IVR A4+ (IVR A Four Plus)	-	Rating Assigned	Simple
Total	160.00 (Rupees One Hundred Sixty Crore 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 Ratings has assigned rating to the bank facilities of Generic Engineering Construction and Projects Limited (GECPL) which derive strength from improved operating profile, comfortable capital structure, healthy order book position and experienced promoters. However, these rating strengths are partially offset by working capital intensive, tender driven nature of business, geographical concentration risk and exposure to competitive segment and inherent risk in nature of business.

The ratings have been assigned a stable outlook as the GEPCL benefits from experienced promoters and stable growth with better revenue visibility.



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Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of operations along with improvement in profitability on a sustained basis.
- Improvement in working capital cycle leading to improvement in the liquidity position of the company on a sustained basis.

Downward Factors

- Decline in scale of operations and profitability impacting the liquidity position and debt protection metrics of the company.
- Low orders inflow or delay in execution of projects.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Improved Operating Profile**

GECPL's total operating income has improved by 4% on y-o-y basis to Rs.302.02 crore in FY25 (period refers to 01st April 2024 to 31st March 2025) (P.Y.: 289.36 crore), mainly on account of steady execution of orders. Further, EBITDA margins as well PAT margins have improved at 12.01% and 3.91% respectively in FY25 (P.Y.: 9.68% and 3.80%), mainly on account of better realisation. Infomerics expects GECPL revenue to grow at steady pace over FY26-FY28 with strong order book and profitability is expected to remain at the current levels with stable cost.

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

GECPL's capital structure as derived by overall gearing ratio and TOL/TNW ratio remained at comfortable levels at 0.22x and 0.65x respectively as on March 31, 2025. (vis-à-vis 0.28x and 0.84x respectively as on March 31, 2024) due to lower utilization of working capital limits and stable accretion of profits to reserves. Debt protection metrics has also remained comfortable with interest coverage ratio which stood at 2.73x in FY25 (FY24:



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2.82x) and total debt/NCA has improved and stood at 2.12 years in FY25 (FY24: 3.53 years).

- **Healthy order book position**

The company has a healthy unexecuted order book of Rs.1247.84 crore as on March 31, 2025, which is ~4 times of its FY25 total operating income. Out of Rs.1247.84 crore of orders in hand Rs.848.06 crore i.e.~68% is for private real estate players and remaining Rs.399.78 crore i.e. ~32% is for government entities. The duration of orders are between 12 months to 3 years.

- **Experienced promoters with demonstrated execution capability in civil construction business**

GECPL has over three decades of long track record in the industry and the Managing Director, Mr. Manish Patel, possesses more than three decades of experience in the industry along with other promoters who are also having adequate experience in the construction and EPC industry. The promoters are actively involved in the day-to-day affairs of the company, ably supported by a well experienced second line of executives.

Key Rating Weaknesses

- **Working capital intensive nature of operations**

GECPL's working capital has remained elongated with the net operating cycle stood at 132 days in FY25 (A) (P.Y. 131 days) due to high collection days which stood to 144 days in FY25 (A) (P.Y.: 128 days). The company majorly deals with government-based entities wherein it receives the payment in 60-90 days after completion of work. In addition, outstanding debtors are high as on March 31st, 2025, mainly due to year end billing. However, GECPL manages its working capital cycle by availing credit period from its suppliers as it has a long-standing relationship with majority of its suppliers. Creditor days stood at 121 days in FY25 (FY24: 112 days).



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- **Tender driven nature of business in highly fragmented & competitive operating scenario**

The domestic infrastructure works sector is highly crowded with presence of many players with varied statures & capabilities due to which profitability margins come under pressure. Further, the company receives its work orders from government departments and reputed private players through tenders floated by the departments. Economic vulnerability in developing markets, delays in payments from the Government, project execution risk and fluctuating input costs are the key business risks faced by the company in the sector.

- **Geographical concentration risk**

The company undertakes construction work for building across commercial, residential, industrial, health and leisure and institutional buildings. The concentration of major order book in the state of Maharashtra exposes GECPL's growth prospects to the macro and socio-political upheavals in the region. Consequently, any unrest in this state may hamper the performance of the company.

Analytical Approach: Standalone Approach

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The liquidity position of the company remains adequate as cash accruals are expected to remain sufficient to meet the repayment obligations. The free cash and cash equivalents balance stood at Rs.4.51 crore as on March 31, 2025, while average working capital utilisation for the 12 months ended March 2025 remained high at ~94%. Current ratio stood at 2.05x as on March 31, 2025 (P.Y.: 1.72x).



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About the Company

Generic Engineering Construction and Projects Limited was incorporated in 1994. GEPCL is in the business of civil construction and infrastructure development. GECPL is in the business of civil construction and infrastructure development. GECPL undertakes civil construction work for building across commercial, residential, industrial, health and leisure and institutional buildings

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	289.36	302.02
EBITDA	28.02	36.27
PAT	11.14	12.13
Total Debt	67.67	57.62
Tangible Net Worth	239.84	263.80
EBITDA Margin (%)	9.68	12.01
PAT Margin (%)	3.80	3.91
Overall Gearing Ratio (x)	0.28	0.22
Interest Coverage (x)	2.82	2.73

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security / Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
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1.	Cash Credit	Long Term	53.00	IVR BB+/ Stable	--	--	--
2.	Bank Guarantee	Long Term	90.00	IVR A4+	--	--	--
3.	Proposed Cash Credit	Short Term	10.00	IVR BB+/ Stable	--	--	--
4.	Proposed Bank Guarantee	Short Term	7.00	IVR A4+	--	--	--



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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] (Infomerics) 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.

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Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	53.00	IVR BB+/ Stable
Bank Guarantee	-	-	-	-	90.00	IVR A4+
Proposed Cash Credit	-	-	-	-	10.00	IVR BB+/ Stable
Proposed Bank Guarantee	-	-	-	-	7.00	IVR A4+

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Generic-Engineering-18july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated 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.