



## Press Release

### Universal Agency Ramgarh Private Limited

April 02, 2025

#### Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facility	4.50	IVR BB+/ Stable (IVR Double B plus with Stable Outlook)	-	Rating assigned	<a href="#">Simple</a>
Short-term Bank Facilities	28.50 (including proposed limit of 0.50)	IVR A4+ (IVR A Four plus)	-	Rating assigned	<a href="#">Simple</a>
	<b>33.00</b> (Rs. Thirty-three 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

The ratings assigned to the bank facilities of Universal Agency Ramgarh Private Limited (UARPL) derives comfort from its experienced promoters, healthy order book position, reputed client profile, leading to low counterparty risk and moderate financial risk profile. These rating strengths are partially offset by relatively small scale of operation, regional concentration risk and tender-based nature of operations in intensely competitive civil construction industry.

The outlook assigned on the long-term rating is Stable on the back of sustained improvement in business and financial risk profile, experienced promoters and favourable demand outlook in the overall industry.

#### Key Rating Sensitivities:

##### Upward Factors

- Continuous inflow of orders with improvement in scale of operations, profitability and cash accruals.
- Improvement in the capital structure and debt protection metrics on a sustained basis.

##### Downward Factors

- Moderation in the scale of operations and/or deterioration in profit margin impacting the liquidity.



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- Moderation in the capital structure and/or coverage indicators.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Experienced promoters**

The company is promoted by Mr. Uma Shankar Singh, who has extensive experience in the construction of road projects in Bihar and Jharkhand. His longstanding industry presence has facilitated the establishment of robust relationships with government agencies, thereby enhancing the company's credibility and order book visibility. The company is engaged in civil construction and is a well-known name in the road construction projects based in Bihar and Jharkhand.

- **Healthy order book position**

As of January 31st, 2025, the company's unexecuted order book stood at Rs. 293.46 crore, representing approximately 5.11 times its FY24 (refers to period April 1st, 2023, to March 31st, 2024) revenues. This substantial order book provides strong revenue visibility for the near to medium term. Notably, a significant majority (76%) of the unexecuted orders are slated for completion by December 2025, ensuring a steady revenue stream. Furthermore, as of January 31st, 2025, the company had bids outstanding for tenders valued at Rs. 445.14 crore, providing a potential pipeline for future growth.

- **Reputed client profile, leading to low counterparty risk**

The company's customer base consists entirely of reputed government entities which includes National Highway Authority of India (NHAI), Ministry of Road Transport & Highways (MoRT&H), NH Division, and Road Construction Department (RCD). Thus, the counterparty credit risk is absolutely minimal or rather nil.

- **Moderate financial risk profile**

The financial risk profile remained moderate marked by comfortable gearing levels and debt protection metrics. The net worth of the company stood at Rs. 26.38 crore as on 31st March 2024 as against Rs. 24.38 crore as on 31st March 2023, on account of accretion of reserves. The overall gearing ratio slightly increased to 0.41x as on March 31, 2024, from 0.34x as on March 31, 2023, on account of increase in bank borrowings. Total indebtedness marked by TOL/TNW improved to 0.59x as on March 31, 2024, from 0.78x as on March 31, 2023, with



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the decline in creditors. Total Debt to GCA stood improved as well at 2.83x years in FY24. The debt protection metrics stood comfortable marked by Interest Coverage Ratio of 5.11x, and Debt Service Coverage Ratio of 2.01x in FY24.

### Key Rating Weaknesses

- **Relatively small scale of operation**

Scale of operations of the company continues to remain relatively small. In FY24, topline of the company witness ~3% degrowth and stood at Rs. 57.44 crore comparing to FY23 (refers to period April 1st, 2022, to March 31st, 2023) due to delay in receiving necessary approvals. However, in 10MFY25 (refers to period April 1st, 2024, to January 31st, 2025), the company has registered a topline of Rs. 60.14 crore, registering an y-o-y growth of 74.02%. Infomerics believes that significant improvement in the scale of operations will be a key rating factor going forward.

- **Regional concentration risk**

UARPL is predominantly working in the state of Bihar and Jharkhand, and towards a few government departments. The company has thus a high degree of geographical concentration. However, long standing working experience of the promoters in this segment imparts comfort.

- **Tender-based nature of operations in intensely competitive civil construction industry**

The company mostly works in government projects. All these orders are tender based, and the revenues are dependent on the company's ability to bid successfully for these tenders and complete the works within the envisaged timeline and cost. Profitability margins come under pressure because of competitive nature of the industry. However, the promoters' long standing industry experience mitigates this risk to great extent.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Infrastructure Companies.](#)

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



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[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

### **Liquidity – Adequate**

UARPL has earned gross cash accrual of Rs. 3.85 crore in FY24. Further, the company is expected to earn gross cash accruals in the range of ~ Rs. 6 - 9 crore as against its debt repayment obligation around ~ Rs. 1 - 2 crore during FY25-27. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. Moreover, the current ratio was comfortable at 3.21x as on March 31, 2024. The average fund-based utilisation for the twelve months ended January 2025, remained moderate at ~46% indicating adequate liquidity cushion. Additionally, as on March 31, 2024, the company has Rs. 3.37 crore of cash and cash equivalents which brings additional liquidity comfort to the business.

### **About the Company**

Universal Agency Ramgarh Private Limited (UARPL), a Jharkhand-based entity, was incorporated in 2013 by Mr. Uma Shankar Singh. The company specializes in civil construction and a sub-contractor, with a primary focus on road infrastructure development projects in Bihar and Jharkhand. UARPL secures its projects through a competitive tender bidding process, partnering with various government agencies, public sector undertakings, and reputable private sector players. Notably, the company has established a strong track record of collaboration with prominent government entities, including the National Highway Authority of India (NHAI), Ministry of Road Transport & Highways (MoRT&H), NH Division, and Road Construction Department (RCD). The company's day-to-day operations are majorly looked after by Mr. Uma Shankar Singh, Mr. Dipankar Singh along with a team of experienced professionals.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	59.50	57.44



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EBITDA	5.98	4.94
PAT	2.29	2.10
Total Debt	8.20	10.92
Tangible Net Worth	24.38	26.38
EBITDA Margin (%)	10.05	8.60
PAT Margin (%)	3.84	3.61
Overall Gearing Ratio (x)	0.34	0.41
Interest Coverage (x)	5.67	5.11

\* 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 (Year 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
1.	Cash Credit	Long Term	4.50	IVR BB+/ Stable	-	-	-
2.	Bank Guarantee	Short Term	28.00	IVR A4+	-	-	-
3.	Proposed Bank Guarantee	Short Term	0.50	IVR A4+	-	-	-

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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





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### 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
Cash Credit	-	-	-	-	4.50	IVR BB+/ Stable
Bank Guarantee	-	-	-	-	28.00	IVR A4+
Proposed Bank Guarantee	-	-	-	-	0.50	IVR A4+

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Universal-Agency-Ramgarh-2apr25.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](http://www.infomerics.com).