



Press Release

Ghanaram Infraengineers Private Limited

June 03, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	26.00	IVR BBB-/Stable [IVR Triple B Minus with Stable Outlook]	IVR BBB-/Stable [IVR Triple B Minus with Stable Outlook]	Rating Reaffirmed	Simple
Short Term Bank Facilities	104.00	IVR A3 [IVR A Three]	IVR A3 [IVR A Three]	Rating Reaffirmed	Simple
Total	130.00	[Rupees One Hundred and Thirty 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 reaffirmed its rating assigned to the bank facilities for the long-term facilities to IVR BBB- with stable outlook and short-term facilities to IVR A3 of Ghanaram Infraengineers Private Limited (GIPL).

The ratings have been reaffirmed on account of experienced promoters and improved profitability. The ratings also continues to draw support from comfortable capital structure. However, these rating strengths are partially offset by decline in scale of operations along with tender driven nature of business in highly fragmented & competitive nature of operation and susceptibility of operating margin to volatile input prices. Further ratings also remains constrained by the higher amount of contingent liabilities amounting to Rs. 74.45 Crore on account of income tax demand, the outcome of which is yet to be assessed.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Infomerics believes that GIPL will continue to benefit from its experienced promoters and will be supported by a healthy order book status.

Infomerics Ratings has principally relied on the standalone provisional financial results of GIPL up to 31 March 2025 (refers to period April 1st, 2024, to March 31st, 2025) and projected financials for FY2026 (refers to period April 1st, 2025, to 2 March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:



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Upward Factors

- Timely execution of awarded projects and sustained growth in scale of operations with improvement in profitability.
- Improvement in the operating cycle leading to improvement in liquidity

Downward Factors

- Moderation in scale of operations with moderation in profitability.
- Deterioration in capital structure and any stretch in working capital cycle.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced promoters with long track record of operations**

The founder of the company, Mr. Ghanaram, established the company for execution of civil works related to infrastructure development. His son Mr. Shyam Sundar Singh and Mr. Bishan Singh have also joined the company. Mr. Ghanaram have an experience of 50 years in the civil construction industry. This has given them an understanding of the dynamics of the market enabling them to establish market position, leading to a healthy order inflow as reflected in the order book. GIPL has an unexecuted order book of Rs. 396.39 crore as on 31st March 2025, reflecting the revenue visibility in short to medium term. The unexecuted order book is 1.74 times of provisional turnover achieved in FY25.

- **Improved profitability**

The EBITDA margin improved by 214 bps from 9.12% in FY24 to 11.26% FY25 on account of higher margins earned in orders executed. The PAT of the company also moderated from Rs. 15.29 Crore in FY24 to Rs. 12.97 Crore in FY25. PAT margin improved by 51 bps from 5.17% in FY24 to 5.68% in FY25. The GCA moderated to Rs.18.60 Crore in FY25 from Rs. 21.13 Crore in FY24 mainly because of decline in profits.

- **Comfortable capital structure**

The ATNW improved from Rs. 350.08 Crore as on March 31, 2024, to Rs. 363.04 Crore as on March 31, 2025, due to accretion of profits to reserves. The overall gearing



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of the company stood comfortable at 0.22x as on March 31, 2025 (against 0.19x as on March 31, 2024). TOL/ATNW stood at 0.29x as on March 31st, 2025, moderated from 0.28x as on March 31st, 2024. Total debt to GCA deteriorated from 3.20x as March 31, 2024, to 4.30x as on March 31, 2025 on account of higher utilisation of working capital limits as on balance sheet date along with decrease in profits. The debt protection metrics are moderate with interest coverage at 14.21x in FY25 as against 14.57x in FY24. DSCR stood comfortable at 8.63x in FY25. Total Debt to GCA moderated to 4.30x in FY25 from 3.20x in FY24 on account of higher utilisation of bank borrowings as on balance sheet date.

B. Key Rating Weaknesses

- **Decline in scale of operation**

The total revenue of the company has deteriorated by 21.21% i.e., from Rs 292.84 Crore in FY24 to Rs 227.79 Crore in FY25, on account of lower execution of civil contracts. The EBITDA moderated marginally to Rs. 25.65 Crore in FY25 (Provisional) as against Rs. 26.71 Crore in FY24.

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

Execution risks for newly awarded projects in a timely manner will be key to achieving growth in revenues and profits. Business certainty is dependent on the ability to successfully bid for the tenders as the entire business is tender based. The service sector in which the company operates is fragmented with numerous players in the organised as well as the unorganised sector leading to competition in the business.

- **Susceptibility of operating margin to volatile input prices**

The raw material & labour (including sub-contracting) cost forms the majority chunk of the total cost of sales for the last three years. As the raw material prices & labour (including subcontracting) costs are volatile in nature, the profitability of the company is subject to fluctuation in raw material prices & labour (including sub-contracting) costs. However, the presence of an escalation clause (for raw materials) in most of the contracts protects the margin to an extent.

- **Exposure to sizeable contingent liability:**



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The company's financial risk profile is limited due to a significant contingent liability recorded in its books, as noted in the FY24 audit report on account of Income Tax Demand which is pending before CIT appeal. As of March 31, 2024, the estimated contingent liabilities amounted to Rs 74.45 crore.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure 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 company has an adequate liquidity profile marked by sufficient cushion in gross cash accruals vis-a-vis its debt obligations. Gross cash accrual for FY 26 - 28 is estimated at Rs. 26.23 crore to Rs. 37.06 crore with repayment liability of Rs. 1.86 crore to Rs. 1.06 crore of term loan during this period. The company's bank limits are utilised to an extent of 8.14% for last 12 months ended April 2025, indicating sufficient utilization cushion. The current ratio and quick ratio of the company stood at 3.56x and 3.47x respectively as on March 31, 2025. The operating cycle of the company stood at 75 days as on March 31, 2025, against 54 days as on March 31, 2024. The unencumbered cash and bank balance as on March 31, 2025, stood at Rs. 6.77 Crore.

About the Company

Ghanaram Infraengineers Pvt. Ltd. previously known as M/s Ghanaram Engineers & Contractors, is engaged in civil engineering and construction. Their experience in the field is more than two decades. Later on the Company was converted into a Private Limited Company and known as "Ghanaram Infraengineers Pvt. Ltd." GIPL is engaged in civil construction works, such as construction of dams, canals, irrigation works and other allied works. GIPL is owned & managed by Mr. Ghanaram and his two sons Mr. Bishan Singh and Mr. Shyam Sunder Singh and family.



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Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	292.84	227.79
EBITDA	26.71	25.65
PAT	15.29	12.97
Total Debt	67.55	79.92
Adj. Tangible Net Worth	350.08	363.05
EBITDA Margin (%)	9.12	11.26
PAT Margin (%)	5.17	5.68
Overall Gearing Ratio (x)	0.19	0.22
Interest Coverage (x)	14.57	14.21

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Vide press release dated October 28, 2024, Crisil Ratings Limited have kept the ratings under non-cooperation category on account of non-submission of relevant information.

Any other information: Not applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			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
				June 03, 2025	-	March 29, 2024	-
1.	Fund Based Limits	Long Term	26.00	IVR BBB-/Stable	-	IVR BBB-/Stable	-
2.	Non - Fund Based Limits	Short Term	104.00	IVR A3	-	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.

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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
Long Term Facility – Overdraft	-	-	-	-	26.00	IVR BBB-/Stable
Short Term Facility – Bank Guarantee	-	-	-	-	90.00	IVR A3
Short Term Facility - Proposed	-	-	-	-	14.00	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-ghanaram-june25.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.