



Press Release

Ganesh Infraworld Limited

January 29, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	47.00 (includes proposed facility of Rs.7.35 Cr)	IVR BBB/ Stable (IVR triple B with Stable Outlook)	-	Rating assigned	Simple
Short Term Bank Facilities	3.00	IVR A3+ (IVR A three plus)	-	Rating assigned	Simple
Total	50.00 (INR fifty crores 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 Ganesh Infraworld Limited (GIL) derives strength from healthy order book position indicating revenue visibility. The rating also favourably factors in the above average financial risk profile and efficient working capital management of the company. However, these rating strengths are constrained due to modest scale of operations, tender driven nature of business in highly fragmented & competitive operating scenario and contract execution risk.

The outlook of GIL is expected to remain stable on account of healthy order book position indicating revenue visibility in the medium term.

Key Rating Sensitivities:

Upward Factors

- Significant and sustained growth in scale of operations with improvement in profitability and cash accruals
- Improvement in the capital structure and debt protection metrics on a sustained basis
- Managing working capital requirements efficiently leading to improvement in the operating cycle with improvement in liquidity.



Press Release

Downward Factors

- Decline in the revenue and/ or profits leading to an overall deterioration in the financial risk profile of the company.
- Moderation in capital structure and/or coverage indicators
- Elongation in the operating cycle with moderation in liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Healthy order book position indicating revenue visibility**

The company has a healthy unexecuted order book of Rs.664.98 Cr, as on November 30, 2024. that is to be executed within a span of 18-24 months, which is around 2.29x the current revenue of FY2024 (refers to the period from April 1, 2023, to March 31, 2024), thus providing revenue visibility in near to medium term.

- **Above average financial risk profile**

The capital structure of the company had remained comfortable with its satisfactory net worth base supported by its low reliance on external debt. The tangible net worth (TNW) of the company improved to Rs.37.50 Cr as on March 31, 2024, from Rs.15.15 Cr as on March 31, 2023, due to accretion of reserves. Gearing of the company stood comfortable at 0.82x times as on March 31, 2024, as against 0.47x as on March 31, 2023. However, the Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood high at 1.76x as on March 31, 2024, as against 1.82x as on March 31, 2023. The debt protection metrics of GIL stood comfortable marked by Interest Coverage Ratio at 21.40x as on March 31, 2023, and Debt Service Coverage Ratio at 17.21x as on March 31, 2023. Further, the total debt/EBITDA stood comfortable at 1.35x as on March 31, 2024. Going forward, the financial risk profile of the company will remain above average with no major debt funded capex plans.

- **Efficient working capital management**

The working capital management of the company is efficient marked by the operating cycle, which stood at 27 days as on 31st March 2024 as compared to 29 days as on 31st March 2023. The operating cycle of the company is predominantly driven by the low debtor and inventory level during the same period. The debtor period stood at 42 days as on 31st March 2024 as compared



Press Release

to 52 days on 31st March 2023. Further, the inventory holding stood at 9 days as on 31st March 2024 as compared to 7 days as on 31st March 2023. The working capital management of the company will remain at similar levels over the medium term owing to the nature of the industry.

Key Rating Weaknesses

- **Modest scale of operations**

The company registered a y-o-y growth of ~117.49% in its total operating income from Rs. 290.34 crore in FY2024 (refers to period April 1st, 2023, to Mar 31, 2024) to Rs. 133.49 crore in FY2023 (refers to period April 1st, 2022, to Mar 31, 2023), driven by speedy execution of projects with healthy order book. However, the company has achieved sales of Rs. 222.73 crore in H1FY25 (refers to period April 1st, 2024, to September 30, 2024) (Provisional) as compared to Rs.94.52 crore in H1FY24 (refers to period April 1st, 2023, to September 30, 2023), depicting a growth of ~135.64%. Infomerics notes that the company is expected to achieve a growth in the topline during FY2025 (FY25 refers to the period from April 1, 2024, to March 31, 2025), which is likely to result in a significant increase in the profits of the company as well. The increase in the topline and profits will be a key rating determinant going forward

- **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 through tenders floated by the departments. Economic vulnerability in developing markets, delay in payments from the Government, project execution risk and fluctuating input costs are the key business risk faced by the company in the sector.

- **Contract execution risk**

The company is exposed to project execution risk of the pending order book, owing to the uncertainties in the EPC business. The ability of the company to execute the projects without delay would be a key rating monitorable.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)



Press Release

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

[Criteria of assigning rating outlook](#)

[Policy on default recognition](#)

[Complexity level of rated Instruments/Facilities](#)

Liquidity– Adequate

The company has adequate liquidity position marked by sufficient net cash accruals which stood at Rs.17.21 Cr as on March 31, 2024, as against no such long-term debt repayment over the same period. The cash and bank balances of the company stood at Rs.5.33 Cr as on March 31, 2024. Further, the current ratio stood moderate at 1.55x as on March 31, 2024, and the Quick Ratio also stood comfortable at 1.55x as on March 31, 2024. Further, the average fund-based limit utilisation remains moderate at around 26.02 per cent over the twelve months ended October 2024. Going forward, the company will maintain adequate liquidity position due to steady net cash accruals.

About the Company

Incorporated in 2024, Ganesh Infracore Limited (GIL) is engaged in civil construction work for buildings, roads, railways and water infrastructure projects in West Bengal, Bihar, Uttar Pradesh, Chhattisgarh, Maharashtra, New Delhi, Telangana, Odisha and Jharkhand. Currently, the company is managed by Mr. Vibhoar Agrawal and Ms. Rachita Agrawal, who are actively involved in the day-to-day operations of the company. The promoters had started their construction activities in the form of a partnership firm under the name of Ganesh International in 2017 and the constitution was changed on 13th February 2024, to Ganesh Infracore Private Limited and further the constitution was changed on 1st June 2024, under its current name. The listing happened on 6th December 2024.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	133.49	290.34
EBITDA	7.61	22.72
PAT	5.21	15.54
Total Debt	7.09	30.72
Tangible Net Worth	15.15	37.50
EBITDA Margin (%)	5.70	7.82
PAT Margin (%)	3.86	5.33
Overall Gearing Ratio (x)	0.47	0.82



Press Release

Interest Coverage (x)	11.30	21.40
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* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	35.65*	IVR BBB/ Stable	-	-	-
2.	Term Loan	Long Term	4.00**	IVR BBB/ Stable	-	-	-
3.	Proposed fund-based facility	Long Term	7.35	IVR BBB/ Stable	-	-	-
4.	Derivatives	Short Term	3.00	IVR A3+	-	-	-

*WCDL of Rs.28.50 crore is a sublimit of Cash Credit

*Bank Guarantee of Rs.20.00 crore is a sublimit of Cash Credit

*Letter of Credit of Rs.20.00 crore is a sublimit of Cash Credit

**DLOD of Rs.4.00 crore is a sublimit of Term Loan

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About Infomerics:

Infomerics Valuation and Rating Private 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.



Press Release

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: 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	-	-	-	-	35.65*	IVR BBB/ Stable
Term Loan	-	-	-	April, 2030	4.00**	IVR BBB/ Stable
Proposed fund- based facility	-	-	-	-	7.35	IVR BBB/ Stable
Derivatives	-	-	-	-	3.00	IVR A3+

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**DLOD of Rs.4.00 crore is a sublimit of Term Loan

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Ganesh-Infraworld-29jan25.pdf>

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

Annexure 4: List of companies considered for consolidated 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