



Press Release
TEKNOW OVERSEAS PRIVATE LIMITED
July 25, 2025
Rating Reaffirmed and Withdrawn

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|------------------------------------|------------------|-------------------------------------|------------------------------------|
| Bank Loan Ratings | 4.63 | ACUITE BB- Reaffirmed & Withdrawn | - |
| Bank Loan Ratings | 0.52 | Not Applicable Withdrawn | - |
| Bank Loan Ratings | 8.85 | - | ACUITE A4 Reaffirmed & Withdrawn |
| Total Outstanding Quantum (Rs. Cr) | 0.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 14.00 | - | - |

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BB-' (read as ACUITE double B minus)** and the short-term rating of '**ACUITE A4' (read as ACUITE A four)** on the Rs. 13.48 Cr. bank facilities of Teknow Overseas Private Limited (TOPL). The rating has been withdrawn on account of the request received from the issuer along with no objection certificate from the banker.

Further, Acuite has withdrawn its long-term rating on the Rs. 0.52 Cr. bank facilities of Teknow Overseas Private Limited (TOPL) without assigning any rating as it is a proposed facility. The rating has been withdrawn on account of the request received from the issuer.

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for rating

The rating reflects moderate business risk profile, financial risk profile and healthy order book with adequate liquidity. However, the rating is constrained due to intensive working capital operations.

About the Company

New Delhi – Based, Teknow Overseas Private Limited was incorporated in 1991. The company is engaged in the design and civil construction business of Silos, RCC Chimneys, Turbine Generator civil works and Electric Transmission and Distribution Substation. The directors of the company are Mr. Shekhar Gupta, Mr. Madhav Sumant Gupta and Ms. Smita Gupta.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of TOPL to arrive at the rating.

Key Rating Drivers

Strengths

Benefits derived from experienced management

The promoters, Mr. Shekhar Gupta and Mrs. Smita Gupta are highly qualified and carry rich experience of over three decades in the line of business. Mr. Shekhar Gupta who has done his bachelor's in Civil Engineering from

IIT-Delhi is aware about the technicalities and execution of the projects which benefits the company in winning new work orders. On the other hand Mrs. Smita Gupta who is an MBA in finance takes care of the financial intricacies of the projects.

Moderate Revenue and Profitability

The company witnessed a decline in its scale of operations marked by a net operating income of Rs. 26.63 Cr. in FY2025 (prov.) as against Rs. 36.53 Cr. in FY2024 due to the execution on the ongoing orders and no new orders being bagged in FY25. Further, the company has an unexecuted order book position to the tune of Rs. 124.14 Crore approximately as on 3rd July 2025 which provides it revenue visibility over the medium term. Going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitor able. The EBITDA margin of the company stood at 16.36 per cent in FY2025 (prov.) as against 13.64 per cent in FY2024 due to reduction in the raw material procurement. The PAT margin of the company stood at 4.39 per cent in FY2025 (prov.) against 4.13 per cent in FY2024.

Moderate Financial Risk Profile

The financial risk profile of the company is moderate marked by a small net-worth of Rs. 12.35 Crore as on 31st March 2025 (prov.) against Rs. 11.18 Crore as on 31st March 2024 due to small accretion of profits to reserves. Further, the total debt of the company stood at Rs. 10.30 Crore as on 31st March 2025 (prov.) against Rs. 9.55 Crore as on 31st March 2024. The capital structure of the company is comfortable marked by gearing ratio which stood at 0.83 times as on 31st March 2025 (prov.) against 0.85 times as on 31st March 2024. Further, the coverage indicators are reflected by interest coverage ratio and debt service coverage ratio at 4.52 times and 1.67 times respectively as on 31st March 2025 (prov.) against 4.37 times and 2.10 times respectively as on 31st March 2024. The TOL/TNW ratio stood at 1.52 times as on 31st March 2025 (prov.) against 1.58 times as on 31st March 2024 and DEBT-EBITDA stood at 2.21 times as on 31st March 2025 (prov.) against 1.81 times as on 31st March 2024.

Weaknesses

Intensive Working Capital Operations

Company has intensive working capital operations as evident from gross current assets (GCA) of 213 days in FY2025 (prov.) as compared to 115 days in FY2024. Intensiveness of Working capital is on account of high Receivable Days. Debtor days stood at 103 days in FY2025 (prov.) as against 48 days in FY2024. Inventory days stood at 57 days in FY25 (prov.) against 39 days in FY24. Whereas, creditor days stood at 112 days in FY2025 (prov.) against 79 days in FY2024.

Susceptibility to tender-based operations

Revenue and profitability entirely depend on the ability of civil construction companies to win tenders. Also, intense competition among civil contractors prompts players to bid aggressively to bag contracts and thus, restricts the operating margin. Amidst cyclicity inherent in the construction industry, ability to maintain the margin through operating efficiency becomes critical.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The liquidity profile of the company is adequate. The net cash accruals of company stood at Rs. 3.22 Cr. in FY25 (prov.) against the debt repayment of Rs. 1.52 Cr. for the same period. The company has cash & bank position of Rs. 0.06 Cr. and current ratio stood at 1.58 times for FY25 (prov.). The average non-fund based bank limit utilization is at ~76.31% for the 9 months' period ending June 2025 and also company does not rely on short term fund based for working capital requirements.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

| Particulars | Unit | FY 25 (Provisional) | FY 24 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 26.63 | 36.53 |
| PAT | Rs. Cr. | 1.17 | 1.51 |
| PAT Margin | (%) | 4.39 | 4.13 |
| Total Debt/Tangible Net Worth | Times | 0.83 | 0.85 |
| PBDIT/Interest | Times | 4.52 | 4.37 |

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|----------------------------------|------------|-----------------|-----------------------------------------------------------------|
| 18 Jul 2025 | Bank Guarantee (BLR) | Short Term | 8.85 | ACUITE A4 (Reaffirmed) |
| | Working Capital Term Loan | Long Term | 3.80 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| | Term Loan | Long Term | 0.12 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| | Term Loan | Long Term | 0.07 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| | Covid Emergency Line. | Long Term | 0.17 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| | Term Loan | Long Term | 0.07 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| | Term Loan | Long Term | 0.40 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| | Proposed Long Term Bank Facility | Long Term | 0.52 | ACUITE BB- Stable (Upgraded from ACUITE B-) |
| 19 Nov 2024 | Bank Guarantee (BLR) | Short Term | 8.85 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.15 | ACUITE B- (Downgraded & Issuer not co-operating* from ACUITE B) |
| 22 Aug 2023 | Bank Guarantee (BLR) | Short Term | 8.85 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.15 | ACUITE B (Reaffirmed & Issuer not co-operating*) |
| 01 Jun 2022 | Bank Guarantee (BLR) | Short Term | 8.85 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 5.15 | ACUITE B (Reaffirmed & Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Complexity Level | Rating |
|----------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|-------------------------------------|
| Canara Bank | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 8.85 | Simple | ACUITE A4 Reaffirmed & Withdrawn |
| Canara Bank | Not avl. / Not appl. | Covid Emergency Line. | 19 Aug 2021 | Not avl. / Not appl. | 19 Jun 2026 | 0.17 | Simple | ACUITE BB- Reaffirmed & Withdrawn |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 0.52 | Simple | Not Applicable Withdrawn |
| Canara Bank | Not avl. / Not appl. | Term Loan | 30 Mar 2022 | Not avl. / Not appl. | 30 Mar 2027 | 0.07 | Simple | ACUITE BB- Reaffirmed & Withdrawn |
| Canara Bank | Not avl. / Not appl. | Term Loan | 12 Mar 2024 | Not avl. / Not appl. | 12 Mar 2029 | 0.40 | Simple | ACUITE BB- Reaffirmed & Withdrawn |
| Canara Bank | Not avl. / Not appl. | Term Loan | 21 Jul 2022 | Not avl. / Not appl. | 21 Jul 2027 | 0.12 | Simple | ACUITE BB- Reaffirmed & Withdrawn |
| Canara Bank | Not avl. / Not appl. | Term Loan | 10 Nov 2023 | Not avl. / Not appl. | 10 Nov 2028 | 0.07 | Simple | ACUITE BB- Reaffirmed & Withdrawn |
| Canara Bank | Not avl. / Not appl. | Working Capital Term Loan | 28 Jun 2021 | Not avl. / Not appl. | 28 Jun 2028 | 3.80 | Simple | ACUITE BB- Reaffirmed & Withdrawn |

Contacts

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|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
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About Acuité Ratings & Research

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