



**Press Release**  
**LANARSY INFRA LIMITED**  
**September 23, 2025**  
**Rating Assigned**

| Product                            | Quantum (Rs. Cr) | Long Term Rating                | Short Term Rating    |
|------------------------------------|------------------|---------------------------------|----------------------|
| Bank Loan Ratings                  | 40.00            | ACUITE BBB-   Stable   Assigned | -                    |
| Bank Loan Ratings                  | 60.00            | -                               | ACUITE A3   Assigned |
| Total Outstanding Quantum (Rs. Cr) | 100.00           | -                               | -                    |
| Total Withdrawn Quantum (Rs. Cr)   | 0.00             | -                               | -                    |

**Rating Rationale**

Acuite has assigned long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B Minus**) on Rs.40 crore bank facility and short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on Rs.60 crore bank facility of Lanarsy Infra Limited(LIL). The Outlook is '**Stable**'.

**Rationale for Rating:**

Lanarsy Infra Limited (LIL) has exhibited steady improvement in operational and financial performance in FY2025 as compared to previous year, marked by a 40.70% surge in revenue to Rs.171.46 crore from Rs.121.86 crore in FY2024 primarily driven by timely execution of orders. Despite operating in a competitive environment that necessitates low-margin bidding to secure orders, LIL managed to improve its EBITDA margin to 6.04% in FY 2025 from 5.40% in FY2024. PAT margin also rose to 3.63% in FY2025 from 1.96% in FY2024. The company's strong order book of Rs.784.41 crore as of 31st August 2025 with an OB/OI ratio of 4.57x ensures healthy revenue visibility. Despite an increase in total debt to Rs.48.56 crore in FY 2025 from Rs.32.15 crore in FY 2024 primarily driven by an increase in short-term debt, the financial risk profile remains moderate, supported by stable gearing at 0.66x, healthy coverage indicators (ICR at 4.42x and DSCR at 3.58x), and promoter-backed unsecured loans of Rs.28.94 crore. Working capital management shows improvement yet remains intensive, with GCA days decreasing to 379 days in FY 2025 from 466 days in FY 2024, primarily driven by debtor days improving to 145 days in FY 2025 from 218 days in FY 2024. However, other current assets rose to Rs.62.36 crore in FY 2025 from Rs.48.92 crore in FY 2024, contributing to stretched GCA days, largely due to an increase in retention money. Liquidity remains adequate in FY 2025, underpinned by net cash accruals of Rs.6.43 crore, the absence of major long-term debt repayment obligations, and strong promoter support. Acuite expects stability in the company's financial and operational profile over the medium term.

**About the Company**

Lanarsy Infra Limited (LIL), headquartered in Bangalore and incorporated in 2011, is a specialized EPC contractor in the civil infrastructure domain of the electrical sector. Founded and promoted by Mr. B Padmaja, who serves as the CEO, the company focuses exclusively on government projects, offering comprehensive end-to-end solutions for power distribution and transmission sector.

**Unsupported Rating**

Not Applicable.

**Analytical Approach**

Acuite has considered the standalone approach on the basis operational and financial risk profile of Lanarsy Infra Limited (LIL).



## Strengths

### Experienced management and established track record of operations

The company has a long track record of over a decade in the electrical infrastructure with an established track record of project execution. Currently the company is managed by Mr. Padmaja Bayyavarapu, Mr. Vasubabu Maddisetty and Mr. Maddisetty Naga Dhana Lakshmi, who has been associated with this industry for over a decade. Acuite believes that the experience of the promoters over the years have helped the Company in building healthy relationship with customers and suppliers which reflects in the healthy order book and timely execution of the same.

### Improvement in Operational Performance:

LIL has recorded improvement in operational and financial performance in FY 2025, with revenue increasing by 40.70% to Rs.171.46 crore from Rs.121.86 crore in FY 2024, primarily driven by timely execution of orders across key states such as Uttar Pradesh, Jharkhand, Bihar, and Chhattisgarh. As of August 31, 2025, LIL has already recorded Rs.70.46 crore in turnover and holds an outstanding order book of Rs.784.41 crore, translating to a healthy OB/OI ratio of 4.57x, which ensures strong revenue visibility. Despite operating in a competitive environment that necessitates low-margin bidding to secure orders, LIL managed to improve its EBITDA margin to 6.04% in FY 2025 from 5.40% in FY 2024. Further, PAT margin, which rose to 3.63% in FY 2025 from 1.96% in FY 2024, largely due to the absence of prior period tax liabilities that had adversely impacted profitability in the previous fiscal year. Acuite believes that LIL's operating performance will continue to strengthen, backed by the robust order pipeline and revenue traction in 5MFY25.

### Moderate Financial Risk Profile:

The financial risk profile of the company is moderate marked by net-worth of Rs. 73.80 crore as on 31st March'2025 as compared to Rs.67.57 Crore as on 31st March 2024. The increase in the net-worth is on an account of internal accruals. The Total Debt of the Company increased to Rs.48.56 crore in FY 2025 from Rs.32.15 crore in FY 2024 driven by increase in short term debt. The debt structure comprises of interest free USL from directors of Rs. 28.94 crore, Short term debt of Rs. 19.62 crore in FY 2025. Despite increase in total borrowing their gearing stood stable at 0.66 times in FY 2025 as compared to 0.48 times in FY 2024. Further, the coverage indicators of the company reflected by interest coverage ratio and debt service coverage ratio which stood at 4.42 times and 3.58 times in FY2025 as against 5.61 times and 3.18 times respectively in FY 2024. The TOL/TNW ratio of the company 1.64 times as on 31st March 2024 as compared to 1.37 times in FY 2024. NCA/TD ratio stood at 0.13 times in FY 2025 as against 0.08 times in FY 2024. Debt to EBITDA stood at 4.41 times as on 31st March'2025. Acuite believes that financial risk profile of the company is expected to remain in the same range in near to medium term in the absence of any long-term debt.

## Weaknesses

### Intensive Working Capital Management albeit slight improvement:

LIL's working capital operations remain intensive but show signs of improvement, as evidenced by a reduction in Gross Current Asset (GCA) days to 379 days in FY2025 from 466 day in FY 2024, primarily driven by better management of debtors and inventory. Debtor days, though still stretched, improved significantly to 145 days in FY 2025 from 218 days in FY 2024, influenced by customer payment terms and a high concentration of year-end sales. 49% of annual revenue was booked in Q4, with 25% in March 2025 alone. The proportion of debtors over 180 days dropped from 20% as on March 31, 2025, to 7% by August 31, 2025, reflecting improving receivable management. Inventory days also improved to 99 days in FY2025 from 105 days in FY2024. Subsequently, creditor days also improved to 185 days in FY 2025 from 367 days in FY 2024 mainly on account of better collection efficiency in FY 2025 and thus the payment to their suppliers. However, other current assets rose to Rs.62.36 crore in FY 2025 from Rs.48.92 crore in FY 2024, contributing to stretched GCA days, largely due to mainly an increase in retention money receivables. Acuite believes that with continued focus on inventory and receivable monitoring, LIL's working capital cycle is expected to improve further over the near to medium term.

### Order book Concentration:

A substantial 61% of the company's order book is tied to Jharkhand Bijli Vitran Nigam Limited (JBVNL), reflecting a pronounced customer concentration risk. This reliance on single state utility not only exposes the company to regional economic and policy fluctuations but also heightens vulnerability to operational disruptions in changes in payment cycles by JBVNL. Acuite believes that diversifying the client base could mitigate this risk and enhance long-term stability.

## Rating Sensitivities

1. Timely Execution and bagging of new orders
2. Working capital management especially debtor cycle

**Liquidity Position****Adequate**

The company's liquidity position remains adequate, supported by healthy net cash accruals of Rs.6.43 crore as on March 31, 2025, against negligible debt repayment obligations, reflecting a debt-free capital structure in the near to medium term. Although the current ratio moderated to 2.06x in FY25 from 2.80x in FY24, it still indicates a comfortable level of short-term solvency. The average bank limit utilization for the fund based stood at 89% for six months, ending as on Aug'25 and for non-fund base stood at 67% for six months ending as on Mar'25. Additionally, promoter support remains strong, with unsecured loans amounting to Rs.28.94 crore as of March 31, 2025. Acuité expects LIL's liquidity to remain stable over the medium term, backed by steady cash accruals, continued promoted support, and the absence of major long-term debt obligations.

**Outlook: Stable****Other Factors affecting Rating**

None.

## Key Financials

| Particulars                   | Unit    | FY 25 (Actual) | FY 24 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 171.46         | 121.86         |
| PAT                           | Rs. Cr. | 6.23           | 2.38           |
| PAT Margin                    | (%)     | 3.63           | 1.96           |
| Total Debt/Tangible Net Worth | Times   | 0.66           | 0.48           |
| PBDIT/Interest                | Times   | 4.42           | 5.61           |

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

None

### 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](http://www.acuite.in).

### Rating History :

Not Applicable.

## 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. | 18.00             | Simple           | ACUITE A3   Assigned            |
| Canara Bank         | Not avl. / Not appl. | Bank Guarantee (BLR)               | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 12.00             | Simple           | ACUITE A3   Assigned            |
| Union Bank of India | Not avl. / Not appl. | Bank Guarantee/Letter of Guarantee | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 15.00             | Simple           | ACUITE A3   Assigned            |
| Union Bank of India | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 10.00             | Simple           | ACUITE BBB-   Stable   Assigned |
| Canara Bank         | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 10.00             | Simple           | ACUITE BBB-   Stable   Assigned |
| Canara Bank         | Not avl. / Not appl. | Cash Credit                        | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 10.00             | Simple           | ACUITE BBB-   Stable   Assigned |
| Not Applicable      | Not avl. / Not appl. | Proposed Cash Credit               | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 10.00             | Simple           | ACUITE BBB-   Stable   Assigned |
| Not Applicable      | Not avl. / Not appl. | Proposed Letter of Credit          | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 15.00             | Simple           | ACUITE A3   Assigned            |

## Contacts

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

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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