



Press Release
SRI GOPIKRISHNA INFRASTRUCTURE PRIVATE LIMITED
July 03, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	103.63	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	585.37	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	689.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE BBB-**’ (read as **ACUITE triple B minus**) and short-term rating of ‘**ACUITE A3**’ (read as **ACUITE A three**) on the Rs.689.00 crore bank facilities of Sri Gopikrishna Infrastructure Private Limited (SGIPL). The outlook is ‘**Stable**’.

Rationale for the rating

The rating reaffirmation considers the steady operating performance of the company. The rating continues to consider SGIPL’s experienced promoters, established track record and healthy order book position. The rating also factors in moderate financial risk profile marked by healthy net worth, below unity gearing and moderate debt protection metrics along with adequate liquidity position. These strengths are, however, partially constrained by working capital-intensive operations and presence in tender based business with exposure to intense competition.

About the Company

Incorporated in 2007, Sri Gopikrishna Infrastructure Private Limited (SGIPL) based in Telangana, is engaged in the business of engineering, supply, erection, testing & commissioning of Sub-stations and High and Low tension (LT and HT) distribution systems, undertakes underground power cabling, converts LT to HT lines amongst others with recent diversification into water segment as well. SGIPL is registered as contractor with Andhra Pradesh, Assam, Chhattisgarh, Haryana, Karnataka and Maharashtra state electricity boards. Currently the company is managed by Mr. Vijay Kumar Raju Kanumuru, Mr. Venkata Narasimha Soma Raju Kanumuri, Mr. Gopala Raju Kanumuru and Mrs. Neelima Kanumuri.

SGIPL is backwardly integrated with a manufacturing facility at Assam and Chhattisgarh to manufacture Pre-Stressed Concrete (PSC) poles with an installed capacity of 240 poles per day per plant and manufactures poles of 7.5, 8 and 8.5 meter. SGIPL, also has Fabrication workshop with capacity of 5000 MT to manufacture hardware and matching materials.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the SGIPL to arrive at this rating.

Key Rating Drivers

Strengths

Promoters' extensive experience in the industry along with established track record of operations

SGIPL has established presence in executing projects related to power EPC for various state Discoms. Mr. K Gopala Raju, the managing director of SGIPL, has more than 4 decades of experience in the line of civil construction. Mr. K V N Soma Raju, Mr. K Vijay Kumar Raju and Ms. K Neelima are other promoter directors of the company having combined experience of more than 3 decades. Initially, SGIPL worked as sub-contractor for

M/s. Nagarjuna Constructions Company limited (NCC) and executed works worth Rs.230 Cr. in the difficult areas of Assam. Later, from the year 2008- 09 onwards, it started taking orders as independent contractor directly from various State Discoms. Over the years, SGIPL has successfully executed various projects in the far-flung areas like Nagpur & Solapur in Maharashtra, Gulbarga & Mysore in Karnataka, Hisser & Sirsa in Haryana, Chaibasa in Jharkhand, Bemetara in Chhattisgarh, Uttar Pradesh, Bihar, Assam and West Bengal etc. With the promoters' extensive industry experience and timely execution of its past projects, SGIPL has been able to establish long-standing relationship with various discoms in different states. Acuité believes that the promoters' extensive industry experience, established relation with its principal contractors will aid SGIPL's business risk profile over the medium term.

Established and long-standing relationships with key suppliers; order-backed sourcing with presence of price escalation in contract

SGIPL purchases raw materials like transformers, conductor, cables, panel boards, switch controls and boards, etc. from reputed government approved vendors. Thus, as the suppliers are approved by DISCOMs, quality of the product is maintained. As SGIPL is in this business for more than 15 years, it has established and maintained good relationships with various suppliers. Further, as a strategy company gives order to multiple approved suppliers for every project, to avoid dependency on single suppliers. As a strategy, SGIPL procures raw materials required for project only upon confirmation of order. Also, all the contracts are having escalation clauses which shield the company from the raw material price movements and maintain the margins. Acuité believes that established relation with key suppliers, order-backed sourcing and presence of price escalation clauses will lead to better sustenance of the operating margins of the company.

Steady scale of operations albeit improving profitability margins along with healthy order book position

SGIPL's revenues have increased and stood at Rs.400.56 crore in FY2025 (prov.) against Rs.385.37 crore in FY2024 due to healthy execution of orders. The unexecuted order book stood at Rs.919.50 Cr. as of 1st April 2024 to be executed in the next 24-36 months of time. The operating profit increased in absolute terms and stood at Rs 34.00 Crore in FY2025 (prov.) against Rs.29.25 crore in FY2024. Further, the operating margins improved marginally and stood at 8.49 percent in FY2025 (Prov.) as against 7.59 percent in FY2024 on account of the decrease in material expenses. subsequently, the PAT margins stood at 2.16 percent in FY2025(Prov.) as against 1.88 percent in FY2024. Acuité believes that the sustainability in the revenue growth and profitability would remain as key rating monitorable.

Moderate financial risk profile

The financial risk profile of SGIPL is moderate marked by healthy net worth, below unity gearing and average debt protection metrics. The net worth of the company has improved to Rs.281.22 Cr. as on 31 March 2025(prov.) as against Rs.272.44 Cr. as on 31 March 2024 on account of accretion to reserves. Acuité has considered an unsecured loan of Rs.25.00 Cr. as Quasi Equity as the management has undertaken to maintain this amount in the business over the long term. The gearing (debt-equity) stood at 0.61 times as on 31 March 2025 (prov.) as against 0.41 times as on 31 March 2024. The total debt of Rs.172.62 Cr. as on 31 March 2025 (prov.) consists of long-term bank borrowings of Rs.16.03 Cr, unsecured loans from directors of Rs.73.04 Cr and short-term bank borrowings of Rs.83.55 Cr. The interest coverage ratio stood at 1.55 times for FY2025 (Prov.) as against 1.64 times for FY2024 while the DSCR stood at 1.21 times for FY2025 (prov.) as against 1.45 times for FY2024. Acuité believes that the financial risk profile of SGIPL is expected to remain moderate in near to medium term.

Weaknesses

Working capital intensive operations

The operations of SGIPL are working capital intensive marked by high Gross Current Assets (GCA) of 573 days for FY2025 (Prov.) against 480 days for FY2024. The high GCA days are majorly on account of increased debtors which remained elongated at 403 days in FY2025 (Prov.) as against 329 days in FY2024 due to high amount of retention money. Further, the inventory days stood at 131 days for FY2025(Prov.) as against 102 days for FY2024. The creditors stood at 313 days in FY2025(Prov.) as against 271 days in FY2024. The average fund-based utilization for 14 months ending May 2025 stood at ~95 percent and for non-fund-based stood at ~56 percent. Acuité believes that the operations of the company will continue to remain working capital intensive on account of high receivable days over the medium term.

Susceptibility to tender-based operations

Revenue and profitability depend entirely on the ability to win tenders. Entities in this segment face intense competition, thus requiring them to bid aggressively to procure contracts; this restricts the operating margin to a moderate level. Also, given the cyclicity inherent in this industry, the ability to maintain profitability margin through operating efficiency becomes critical. Acuité believes that the company's business profile and financial profile can be adversely impacted on account of presence of stiff competition and has inherent risk of susceptibility to tender based operations.

Rating Sensitivities

Sustain improvement in revenues and profitability
Changes in financial risk profile

Liquidity Position

Adequate

SGIPL has an adequate liquidity position marked by sufficient net cash accruals (NCA) to its maturing debt obligations. The company generated cash accruals in the range of Rs.9-10 Cr during FY2024 to FY2025 against its repayment obligation in the range of Rs.4-5 Cr during the same period. The average fund-based utilization for 14 months ending May 2025 stood at ~95 percent and for non-fund-based stood at ~56 percent. The current ratio stands at 2.15 times as on 31 March 2025(prov.). The company has maintained cash & bank balance of Rs.2.58 Cr as on 31 March 2025(prov.). Acuité believes that the liquidity of the group is likely to remain adequate over the medium term on account of adequate cash accrual over the medium term against repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	400.56	385.37
PAT	Rs. Cr.	8.63	7.26
PAT Margin	(%)	2.16	1.88
Total Debt/Tangible Net Worth	Times	0.61	0.41
PBDIT/Interest	Times	1.55	1.64

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
05 Apr 2024	Bank Guarantee (BLR)	Short Term	253.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	52.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	64.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	28.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	17.00	ACUITE A3 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	95.50	ACUITE A3 (Reaffirmed)
	Dropline Overdraft	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	39.00	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	8.99	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	1.48	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
	Term Loan	Long Term	3.03	ACUITE BBB- Stable (Reaffirmed (Negative to Stable))
06 Jan 2023	Bank Guarantee (BLR)	Short Term	253.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	52.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	64.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	28.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	55.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	16.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	17.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	104.00	ACUITE A3 (Reaffirmed)
	Dropline Overdraft	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	39.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Cash Credit	Long Term	7.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))

	Cash Credit	Long Term	7.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Cash Credit	Long Term	7.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))
	Proposed Long Term Bank Facility	Long Term	5.00	ACUITE BBB- Negative (Reaffirmed (Stable to Negative))

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	253.00	Simple	ACUITE A3 Reaffirmed
Central Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	64.00	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.00	Simple	ACUITE A3 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE A3 Reaffirmed
Central Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE BBB- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	39.00	Simple	ACUITE BBB- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3 Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	52.00	Simple	ACUITE A3 Reaffirmed
Central Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.00	Simple	ACUITE A3 Reaffirmed
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3 Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.37	Simple	ACUITE A3 Reaffirmed
Central Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2028	0.97	Simple	ACUITE BBB- Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Aug 2028	2.46	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2028	5.20	Simple	ACUITE BBB- Stable Reaffirmed
Tamil Nadu Mercantile Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	17 Oct 2029	15.00	Simple	ACUITE BBB- Stable Reaffirmed

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