



**Press Release**  
**Ghai Construction Private Limited (Erstwhile Ghai Construction Limited)**  
**November 25, 2024**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	31.50	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	40.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	71.50	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

\* The issuer did not co-operate; based on best available information.

**Rating Rationale**

Acuite has downgraded its long-term rating to ‘ACUITE BB+’ (read as ACUITE double B plus) from ‘ACUITE BBB-’ (read as ACUITE triple B minus) and its short-term rating to ‘ACUITE A4+’ (read as ACUITE A four plus) from ‘ACUITE A3’ (read as ACUITE A three) on the Rs.71.50 Cr. bank facilities of Ghai Construction Private Limited (Erstwhile Ghai Construction Limited) (GCPL). The rating downgrade is on account of information risk.

**Rationale for Rating**

Acuite had sent repeated reminders to the company for sharing critical information and documents for surveillance of the ratings. But despite multiple requests, the company has remained non-cooperative in providing required information. The rating is now flagged as “Issuer Not-Cooperating” and is based on the best information available.

**About the Company**

Ghai Construction Private Limited (Erstwhile Ghai Construction Limited) (GCPL) is a Pune, Maharashtra based company incorporated in the year 1995 as a public limited company. Now, the company is converted into private limited company as on July 01, 2021. The directors of the company are Mr. Prakash Singh Ghai, Mr. Amarjit Singh Ghai, Mr. Rajendersingh Ghai, Mr. Prabhkirat Singh Ghai and Mr. Gurpreet Singh Ghai. The company is a government approved contractor enlisted as a 'Category-I' contractor with Central Public Works Department (CPWD) and Class-A Contractor with the Public Works Department (PWD). GCPL's business includes infrastructure constructions like Roads, Highways, Railway Tracks and Urban Infrastructure.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as “Issuer not cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

#### **Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon

### **Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	85.12	67.99
PAT	Rs. Cr.	3.90	(7.12)
PAT Margin	(%)	4.58	(10.47)
Total Debt/Tangible Net Worth	Times	0.34	0.92
PBDIT/Interest	Times	4.00	(0.09)

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

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

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Aug 2023	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A3 (Downgraded from ACUITE A3+)
	Cash Credit	Long Term	8.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
	Proposed Long Term Bank Facility	Long Term	18.50	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
	Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Downgraded from ACUITE BBB   Stable)
17 Jun 2022	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB   Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB   Stable (Reaffirmed)
24 Mar 2021	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.50	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	6.00	ACUITE BBB   Stable (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BBB   Stable (Reaffirmed)

## 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.	25.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A3 )
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A4+   Downgraded   Issuer not co-operating* ( from ACUITE A3 )
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB- )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.50	Simple	ACUITE BB+   Downgraded   Issuer not co-operating* ( from ACUITE BBB- )

\* The issuer did not co-operate; based on best available information.

## 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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