



Press Release
GHAI CONSTRUCTION PRIVATE LIMITED (ERSTWHILE GHAI CONSTRUCTION
August 26, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.85	ACUITE BB+ Stable Reaffirmed	-
Bank Loan Ratings	46.15	Not Applicable Withdrawn	-
Bank Loan Ratings	19.50	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	25.35	-	-
Total Withdrawn Quantum (Rs. Cr)	46.15	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘ACUITE BB+’ (read as ACUITE double B Plus) and the short-term rating of ‘ACUITE A4+’ (read as ACUITE A four plus) on the Rs. 25.35 Cr. bank facilities of Ghai Construction Private Limited. The outlook is ‘Stable’.

Further, Acuite has withdrawn its long-term rating on the Rs. 46.15 Cr. bank facilities of Ghai Construction Private Limited without assigning any rating as it is a proposed facility. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of request received from the company.

Rationale for rating reaffirmation

The rating reaffirmation and migration from 'Issuer non cooperating' takes into account the moderate financial risk profile, efficient working capital operations and adequate liquidity position. Further, the rating also draws comfort from the long track of operations of the company with an experienced management. However, the rating remains constrained on account of modest scale of operations, and the company's exposure to intense competition in the construction business.

About the Company

Incorporated in 1995, Ghai Construction Private Limited (Erstwhile Ghai Construction Limited) (GCPL) is a Pune, Maharashtra based company. GCPL's business includes infrastructure constructions of roads, highways, railway tracks and urban infrastructure. The current directors of the company are Mr. Amarjit Singh Prakash Singh Ghai, Mr. Prakashsingh Niranjansingh Ghai, Mr. Rajendersingh Saranjit Singh Ghai, Mr. Prabhkirat Singh Amarjit Singh Ghai and Mr. Gurpreetsingh Prakashsingh Ghai.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of GCPL to arrive at the rating

Key Rating Drivers

Strengths

Established track record of operations and experienced management

Incorporated in the year 1995, GCPL has a long track record of operation of around three decades. The promoters have an experience of more than two decades in the aforementioned industry. 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). Therefore, the company has been able to establish long standing relationship with its client owing to extensive experience of the promoters and timely execution of the project.

Moderate financial risk profile

The tangible net worth of the company increased to Rs. 28.10 Cr. as of March 31, 2025 (Prov.) as against Rs.25.04 Cr. as of March 31, 2024, on account of accretion of profits to reserves. Therefore, with no long-term borrowings, the gearing level stood low at 0.27 times as on March 31, 2025 (Prov.) (0.34 times as on March 31, 2024.). Further, the total outside liabilities/tangible net worth (TOL/TNW) of the company stood healthy at 0.65 times as on March 31, 2025 (Prov.) (0.63 times as on March 31, 2024). The interest coverage ratio also stood healthy at 7.23 times as on March 31, 2025 (Prov.).

Acuite believes that the financial risk profile would improve over the medium term on the back of increasing accruals and in absence of any debt funded capex plan.

Efficient working capital operations

The working capital management of the company is efficient in nature, marked by gross current assets (GCA) of 90 days in FY2025(Prov.) compared to 49 days as of in FY2024. This is primarily due to efficient receivable collection period (10 days in FY2025 (Prov.)) & low inventory days (15 days in FY2025(Prov.)). Further, the creditor days is also moderate at 23 days in FY25 (Prov.). Therefore, the average utilisation of fund-based limits stood moderately low at ~ 64.60% over the last six months ending July 2025.

Weaknesses

Modest scale of operations

While the revenue of the company grew by ~14.53% in FY2025(Prov.) to Rs. 107.79 Cr. from Rs. 94.11 Cr. in FY2024, however, the scale of operations remain modest. Further, as of April 30, 2025, the company had a moderate unexecuted order worth Rs. 175.42 Cr, growth in which shall be a key rating sensitivity. Moreover, the operating profit margin of the company declined and stood at 4.82 % in FY2025(Prov.) as compared to 7.07 % in FY2024, due to increase in sub-contracting expenses in FY2025. As of Q1FY2026, the company has achieved revenue of Rs.26 Cr.

Tender based nature of business

The company deal with government organization and quotes for the contract on tender basis. Also, risk become more pronounced as tendering is based on minimum amount of bidding of contracts. Therefore, the company's ability to successfully bid and win for greater number of large orders will remain a key monitorable. However, the promoter's experience and relationship with the clients mitigates this factor to an extent.

Competitive and fragmented nature of industry

The civil construction industry is marked by the presence of several mid to big size players. Therefore, the company faces competition from the other players in the sectors which can impact its profitability and operations going forward. However, this risk is mitigated to an extent on account of extensive experience of the management in the industry for over two decades.

Rating Sensitivities

- Significant order book growth leading to improvement in the operating performance.
- Any deterioration of its financial risk profile and liquidity position.
- Any elongation of the working capital cycle.

Liquidity Position Adequate

The company has adequate liquidity profile as reflected from its net cash accrual of Rs. 4.50 Cr. in FY2025(Prov.) as against Rs. 0.08 Cr. repayment obligations during the same period. Further, the company is expected to generate

cash accruals in the range of Rs. 5.05 Cr- 5.55 Cr. during FY2026 & FY2027 as against nil repayment obligation. The cash and bank balance of the company stood at Rs. 3.82 Cr. as of March 31, 2025(Prov.). The company reduced its fund-based limits by Rs 7.15 Cr. & non fund-based limits by Rs 20.50 Cr. in FY25. The average utilisation of fund-based limits stood moderately low at ~ 64.60 % over the last six months ending July 2025. The current ratio stood moderate at 1.76 times in FY2025(Prov.).

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	94.11	67.99
PAT	Rs. Cr.	3.90	(7.12)
PAT Margin	(%)	4.15	(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 (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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
25 Nov 2024	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Proposed Long Term Bank Facility	Long Term	18.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Cash Credit	Long Term	8.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
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)

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.	17.50	Simple	ACUITE A4+ Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A4+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.85	Simple	ACUITE BB+ Stable Reaffirmed
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+ Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	46.15	Simple	Not Applicable Withdrawn

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Kirti Berlia Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.