

G Ramamoorthi Constructions India Private Limited

March 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	25.00	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from G Ramamoorthi Constructions India Private Limited (GRCIPL) to monitor the rating vide e-mail communications dated January 8, 2025, February 11, 2025 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on GRCIPL's bank facilities will now be denoted as **CARE BB; Stable/CARE A4; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by G Ramamoorthi Constructions India Private Limited (GRCIPL) with CARE's efforts to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile. The ratings assigned to bank facilities of G Ramamoorthi Constructions India Private Limited (GRCIPL) continue to be constrained by small scale of operations, profitability margins are susceptible to fluctuation in raw material prices, elongated operating cycle, highly competitive and tender based industry. However, the ratings continue to derive strength from comfortable capital structure, experienced promoters and long track record of operations.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 04, 2024, the following were the rating strengths and weaknesses (Updated for information available from Registrar of Companies)

Key weaknesses

Small scale of operations with moderate and concentrated order book position

The scale of operations remains small albeit increased to Rs 89.15 crores in FY24 (refers to the period April 01 to March 31) from Rs. 81.13 crores in FY23. The company had a moderate orderbook of Rs. 132.95 crores (1.64x of FY23's revenue) as on December 31, 2023, compared to Rs. 117.20 crores (1.57x of FY22's revenue) as on February 15, 2024. The order book of the company was geographically concentrated within regions of Tamil Nadu, making the company susceptible to changes in the economic and socio-political scenarios in the state

Profitability margins susceptible to fluctuation in raw material prices

The raw material is the major cost driver and the prices of the same are volatile in nature therefore the cost base remains exposed to any adverse price fluctuations in the prices of cement, sand, steel, bitumen being major cost components amongst all materials. Accordingly, the profit margins of the firm are susceptible to fluctuation in raw material prices. The PBILDT margin stood relatively moderate in the range of 3.63% to 5.35% over last three years ended FY24.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Highly fragmented industry

GRCIPL operates in a highly fragmented and competitive industry having a presence of a large number of medium-sized players. Also, the presence of big-sized players with an established track record and network results in intense competition in the industry.

Key strengths

Experienced promoters with long track record of operations:

Mr. G Ramamoorthi, promoter is a B E (Civil) graduate and has more than three decades of experience in the civil construction industry, resulting into established customer base and helps to seek regular orders from existing customers who are majorly corporate groups involved in real estate.

Comfortable capital structure:

The capital structure of the company remained comfortable with overall gearing of 1.00x as of March 31, 2024, albeit moderated from 0.43x as of March 31, 2022. The interest coverage stood comfortable at 1.73x in FY24 (PY: 2.07x).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

G Ramamoorthi & Co established in the year 1991 and promoted by Mr. G Ramamoorthi in Coimbatore, Tamil Nadu. Later in 2008, the firm was converted into private limited, and name of the entity changed to current nomenclature i.e. G Ramamoorthi Constructions India Private Limited (GRCIPL). The company is engaged in construction of residential, industrial, and commercial buildings in Tamil Nadu. The company undertakes projects from individuals and private organizations.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	74.63	81.13	89.15
PBILDT	2.71	3.36	4.77
PAT	0.84	0.64	0.82
Overall gearing (times)	0.43	0.82	0.82
Interest coverage (times)	2.55	2.07	1.73

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

ICRA Limited conducted a review based on the best available information and classified GRCIPL as 'Issuer Not Cooperating' vide press release dated January 08, 2024. The reason provided by ICRA is non furnishing of information required for undertaking review.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	15.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	25.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Bank Overdraft	LT	15.00	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (04-Mar-24)	1)CARE BB+; Stable (06-Mar-23)	1)CARE BB+; Stable (04-Jan-22)
2	Non-fund-based - ST-Bank Guarantee	ST	25.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+ (04-Mar-24)	1)CARE A4+ (06-Mar-23)	1)CARE A4+ (04-Jan-22)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Sandeep P Director CARE Ratings Limited Phone: 914428501002 E-mail: sandeep.prem@careedge.in Naveen S Associate Director CARE Ratings Limited Phone: 914224502305 E-mail: naveen.kumar@careedge.in Azad Krishnakumar Analyst CARE Ratings Limited E-mail: Azad.krishnakumar@careedge.in
---	--

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,
please visit www.careedge.in**