

Anusha Projects Private Limited

March 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	39.00	CARE BBB; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	199.00	CARE A3+; ISSUER NOT COOPERATING*	Rating 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 Anusha Projects Private Limited (APPL) to monitor the rating(s) vide e-mail communications dated October 03, 2024, to March 07, 2025, 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 Anusha Projects Private Limited bank facilities will now be denoted as CARE BBB; Stable / CARE A3+; 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 rating(s).

The last rating assigned to Anusha Projects Private Limited considered strength from experienced promoters with an established track record in the construction sector, growing and healthy order book position with a strong counterparty with low credit risk (orders received from Ministry of Road Transport and Highway (MoRTH) and National Highways and Infrastructure Development Corporation Ltd (NHIDCL)), comfortable capital structure and debt coverage indicators, and satisfactory operating cycle. However, ratings were tempered by decline in scale of operations in FY23, geographically concentrated order book position, continuous reliance on subcontractors, profitability susceptible to fluctuations in input prices, and fragmented construction sector with tender-based operations and execution challenges.

Analytical approach: Standalone

Outlook: Stable

The Stable Outlook reflects CARE Ratings Limited's (CARE Ratings) expectation that APPL's operational and financial performance will continue to derive benefits from their experienced promoters and long track record of operations.

Detailed description of key rating drivers:

At the time of last rating on April 01, 2024, the following were the rating strengths and weaknesses (updated for the information available from MCA)

Key strengths

Experienced promoters with an established track record in the construction sector

APPL is a closely held company managed by the promoter A Jalandar Reddy, who has around 30 years of experience in the construction industry. In 1986, the promoter commenced operation by taking up small road projects in his capacity and eventually formed Jalandar Construction Company in 1995 and Anu Tech Constructions in 1999 to bid for and take up larger works. Over the years, the promoter has built strong associations with several large and reputed players in the market and has been garnering repeat orders.

Long and established track record of operations

APPL was incorporated in September 2002, and has almost two decades of operation in the civil construction industry. Over the years, the company developed itself from a small contractor, executing relatively simple earthworks and other civil works for the state government to executing large ticket-size orders for central government entities. APPL is registered as a prime contractor with the Government of Odisha under the superclass category and with the Government of Telangana under the special class category. It is eligible to bid for infrastructure projects from central and state government entities up to a single project worth ₹700 crore. APPL has successfully executed several orders across Odisha, Telangana, Chhattisgarh, and Jammu and Kashmir.

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

Growing and healthy order book position and strong counterparties with low credit risk

The company has a satisfactory order book of ₹1590.74 crore as on February 29, 2024, as against ₹848.64 crore as on January 31, 2023. This translates into an order book to gross billing ratio of 7.26x, which provides revenue visibility in the medium-to-long term. The company has added four fresh orders in FY24, of which, three are in Assam and one in Meghalaya. Most work orders are from MoRTH and NHIDCL, which represent strong counterparty with low credit risk. Government of India funded Telangana projects include MoRTH, Central Roads Fund and National Academy of Construction.

Comfortable capital structure and debt coverage indicators

The company's capital structure remained satisfactory, marked by below unity overall gearing of 0.59x as on March 31, 2024, (PYE: 0.63x). Improvement in overall gearing is primarily due to increase in net worth from Rs. 93.81 crores in FY23 to Rs. 119.73 crores. However, there was an increase in total debt from ₹58.65 in FY23 to ₹70.37 crore in FY24. The debt-coverage indicator, PBILDT-interest coverage improved to 6.45x due to significant increase in PBILDT on absolute level. On absolute levels, the PBILDT increased from ₹35.15 crore in FY23 to ₹67.93 crore in FY24, on the other hand the finance cost increased from ₹6.00 crore in FY23 to ₹10.54 crore in FY24. The total debt to GCA also improved to 1.35x in FY24 from 2.32x in FY23 majorly on account of increase GCA level from ₹25.26 crore in FY23 to ₹52.02 crore in FY24.

Satisfactory operating cycle

The company's operating cycle continues to be satisfactory and improved from 39 days in FY23 to 7 days in FY24 considering improvement in collection days from 52 days in FY23 to 22 days in FY24. This is mainly due to a significant increase in turnover for the financial year FY24

Key weaknesses

Modest scale of operations despite healthy profitability margins in FY22

The company reported a TOI of ₹487.37 crore in FY24 which is 1.22x higher as against ₹219.05 crore in FY23. On the profitability front, PBILDT increased by about 93% to ₹67.93 crore in FY24. Although, the PBILDT margin witnessed deterioration and remained at 13.94% in FY24 as against 16.05% in FY23. Profit after taxes (PAT) levels improved to ₹26.28 crore in FY24 from ₹10.49 crore in FY23 and PAT margin improved and stood at 5.39% as compared to 4.79% in FY23.

Geographically concentrated order book position

Majority order book comprises works from the roads segment, leading to sectoral concentration risk. Historically, the company's operations have been focused in the northeast, with Assam, Mizoram, and Meghalaya followed by eastern/southern regions including Telangana and Odisha. However, with new orders bagged by APPL in Assam, the order book is geographically concentrated with Assam being highest at 58%, Telangana at 18%, Meghalaya at 11%, Andhra Pradesh at 7%, Odisha at 4%, at and Mizoram at 1%. The sector's outlook is positive and the progress over the last few years with significant development in the road segment and orders are proportionately spread across multiple states. Timely receipt of requisite approvals and bill realisations is critical for the company to complete the project within envisaged costs and timelines.

Gradual increase in asset base, however, reliance on sub-contracting continues to remain high

Raw material cost and sub-contracting cost forms major portion of the total cost of sales for APPL. Concrete, sand, steel, and cement are major inputs for construction entities, prices of which are volatile. All contracts have a price escalation clause, which is linked to WPI Index. The presence of a price variation clause for every order undertaken by APPL mitigates risk of raw material price fluctuation. In FY23, while the raw material expense continued to remain stable, sub-contracting expenses as a percentage of cost of sales decreased to 23% (FY22: 30%). In general, the company subcontracts works, which require high quantum of manpower.

Liquidity: Adequate

APPL's liquidity continued to remain adequate, characterised by sufficient cushion available from GCA of around ₹25.26 crore in FY23 against scheduled long-term debt repayment of ₹29.51 crore in FY24. In FY23, the operating cycle remained comfortable at 39 days (28 days in FY22) because of strong operational performance, healthy collection efficiency. Furthermore, average utilisation of fund-based and non-fund-based limits remained moderate at around 26.76% and 73.92% respectively in 12-months ending February 2024. This provides sufficient headroom to meet incremental working capital requirement as execution of multiple new projects is commencing parallelly. Furthermore, unencumbered cash and bank balance stood at ₹19.57 crore as on March 31, 2023. Unencumbered cash and bank balance stood at ₹23.52 crore as on February 29, 2024

Assumptions/Covenants: Not Applicable

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

Applicable criteria

[Definition of Default](#)

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

[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

APPL, incorporated in September 2002, has been promoted by A Jalandar Reddy, based in Hyderabad, Telangana. The company is engaged in executing civil work with work orders majorly comprising widening, strengthening, and reconstructing roads for National Highways and other State roads across districts in Telangana, Nagaland, Mizoram, Odisha, and Assam.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	312.76	219.05	487.37
PBILDT	40.30	35.15	67.93
PAT	15.83	10.49	26.28
Overall gearing (times)	0.47	0.63	0.59
Interest coverage (times)	8.57	5.85	6.45

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

Status of non-cooperation with previous CRA: Not Applicable

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-Cash Credit		-	-	-	16.00	CARE BBB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	30-09-2024	23.00	CARE BBB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	199.00	CARE A3+; 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-Cash Credit	LT	16.00	CARE BBB; Stable; ISSUER NOT COOPERATING*	1)CARE BBB; Stable (01-Apr-24)	1)CARE BBB; Stable (04-Apr-23)	1)CARE BBB; Stable (05-Apr-22)	-
2	Non-fund-based - ST-Bank Guarantee	ST	199.00	CARE A3+; ISSUER NOT COOPERATING*	1)CARE A3+ (01-Apr-24)	1)CARE A3+ (04-Apr-23)	1)CARE A3+ (05-Apr-22)	-
3	Fund-based - LT-Term Loan	LT	23.00	CARE BBB; Stable; ISSUER NOT COOPERATING*	1)CARE BBB; Stable (01-Apr-24)	1)CARE BBB; Stable (04-Apr-23)	1)CARE BBB; Stable (05-Apr-22)	-

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

LT: Long term; ST: Short term; LT/ST: Long term/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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	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.

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About us:

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Disclaimer:

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