

Suyog Gurbaxani Funicular Ropeways Limited

April 07, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	78.00	CARE BBB-; Stable	Assigned
Long-term / Short-term bank facilities	2.00	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to bank facilities of Suyog Gurbaxani Funicular Ropeways Limited (SGFRL) continue to derive strength from experienced promoters and established operational track record of its ropeway project. Ratings also in the company's healthy operating margins and stable cash flows supported by its presence at a well-established pilgrimage location.

However, strengths are constrained by modest scale of operations, stretched working capital cycle due to high unbilled receivables from the Haji Malang project, and moderate debt coverage indicators. Ratings are further constrained by exposure to operational and safety risks inherent in ropeway operations, and liquidity, which depends on timely realisation of receivables.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in total operating income (TOI) beyond ₹75 crore while sustaining current profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins of 40% on sustained basis.
- Addition of new ropeways leading to increase in operational performance and improvement in financial performance such as total debt to gross cash accruals (TD/GCA) below 3x.

Negative factors

- Deterioration in profitability levels leading to a decline in total debt to PBILDT beyond 5x on a sustained basis.
- Unfortunate accident in the ropeway posing a concern on the company's credibility.
- Non-renewal of leases and consequent impact on the company's operations.
- Delays in timely realisation of receivables pertaining to the Haji-Malang project.

Analytical approach: Standalone

Outlook: Stable

The "stable" outlook on long-term ratings reflect CARE Ratings Limited's (CareEdge Ratings') belief that the company will continue to benefit from its experienced promoters with established track record of operations in the industry.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and established track record of operations

Incorporated in 2010, SGFRL is promoted by Rajkumar Gurbaxani, who has an experience of over three decades in the industry. SGFRL benefits from the track record of strong support of its promoters, who have substantial experience in specialising in the design, construction, and operation of cable railway systems. Their established track record strengthens SGFRL's credit profile, reflecting their capability to manage challenges and maintain business stability. Promoters have extended financial support for the company's operations, which helps mitigate risks and contributes to the company's long-term sustainability.

Healthy operating margins, despite being susceptible to business mix

The company reported healthy operating margins, supported by its build, operate and transfer (BOT) based ropeway operations, which have a high operating leverage. However, margins exhibited moderation in FY25, with PBILDT margin at 33.04% (FY24: 34.18%), primarily due to higher contribution from engineering, procurement, and construction (EPC) activities, which are inherently lower margin in nature. Variation in recent years is primarily attributable to the company executing EPC work for the 'Haji Malang' project for its group entity, Supreme Suyog Funicular Ropeways Private Limited. The EPC segment inherently operates at significantly lower margins, affecting overall profitability profile. Profitability improved in H1FY26, with PBILDT margin

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

at 41.53%, driven by increased contribution from high-margin operational income. Going forward, margins are expected to remain healthy with completion of EPC activities; however, absolute profit levels may moderate due to absence of EPC revenues.

Strategic location driving stable cash flows

SGFRL's funicular ropeway at the Saptashrungi Devi Temple in Nashik benefits from a high-footfall pilgrimage destination, with average daily visitors exceeding 5,800, ensuring robust and recurring demand. The funicular system—India's first—replaces a 1–2 hour, 510-step climb with a 3-minute ride, greatly improving accessibility and convenience for devotees. The site's integrated ecosystem, including two 60-seater funicular coaches (1,200 passengers/hour), a shopping complex, parking facilities, accommodation, and food courts, supports multiple ancillary revenue streams beyond ticketing. The long-term BOT concession (operational until 2030) and an annual tariff escalation mechanism further strengthen revenue visibility. With its strategic location, enhanced visitor experience, and strong pilgrimage-driven footfall, the project is positioned to continue generating predictable, long-term cash flows for SGFRL.

Key weaknesses

Modest scale of operations

SGFRL's scale of operations remains modest, with revenues declining to ₹53 crore in FY25 from ₹63.12 crore in FY24, primarily due to a lower contribution from EPC segment income—from ₹40.63 crore in FY24 to ₹29.71 crore in FY25. The company's revenue profile is characterised by a relatively small operational base, with dependence on a single operational ropeway asset and non-recurring EPC income. The company expects ~₹30 crore of revenue from the EPC segment in FY26, and a marginal increase in revenue from ropeway operations. However, in FY27, revenues are projected to moderate due to completion of ongoing EPC project, resulting in a reduced operational scale. Limited scale constrains the company's bargaining power, restricts economies of scale, and exposes operations to volatility in orders and raw material availability. The modest size and moderate capital base also limit financial flexibility and the ability to absorb business shocks, though this is partially offset by the stable, cash-flow-generating nature of the ropeway operations.

Going forward, revenues are expected to moderate post completion of EPC activities, with the business largely dependent on BOT-based ropeway operations. Modest scale limits financial flexibility and the ability to absorb business risks. Improvement in scale through addition of new projects and diversification of revenue streams will remain key rating sensitivities.

Stretched working capital cycle due to unbilled receivables in the Haji-Malang Project

The company has significant unbilled revenue from EPC execution for the Haji Malang project, with unbilled receivables of ~₹84 crore as on September 30, 2025. This resulted in a stretched working capital cycle, as reflected in receivable days of 382 days in FY25 (PY: 120 days). Receivables are largely from a group entity, leading to a timing mismatch between revenue recognition and cash realisation. While it is expected to be realised in the near term, delay in billing or receipt could exert pressure on liquidity. Accordingly, timely conversion of unbilled revenue into cash flows remains a key monitorable. As a result, receivable days stood at 382 days in FY25 (PY: 120 days). Accordingly, timely conversion of unbilled EPC revenue into cash flows remains a key monitorable, with direct implications for SGFRL's liquidity and overall financial stability.

Moderate debt coverage indicators

The company's debt coverage indicators remain moderate, with DSCR expected to remain around unity levels in the medium term. Interest coverage ratio improved and stood at 6.35x in FY25 (PY: 3.02x) while TD/GCA improved and stood moderate at 5.83x (PY: 7.12x). However, limited cushion in debt servicing ability exposes the company to risks arising from delay in realisation of receivables or shortfall in cash flows. Improvement in coverage indicators through sustained cash flow generation and reduction in debt levels remains critical from a credit perspective.

Exposure to operational and safety risks

The company's operations are exposed to safety and operational risks inherent in ropeway projects, where disruption or accident could impact operations, resulting in potential revenue loss and reputational impact. However, the company established maintenance protocols, including periodic inspections and audits, and is supported by an experienced technical team for operations and maintenance. The company has also obtained insurance coverage for its ropeway operations to mitigate such risks.

Liquidity: Adequate

SGFRL's liquidity profile is supported by stable cash flows from its operational BOT ropeway asset, with GCA of ₹14.77 crore in FY25. However, liquidity remains constrained by scheduled debt repayment obligations in the medium term, with repayments of ~₹16 crore in FY27 and ~₹21 crore in FY28. The company's cash flow from operations remained lower-than-accruals in FY25, primarily due to working capital absorption considering elevated unbilled revenue from EPC execution, leading to a timing mismatch between revenue recognition and cash realisation. The company had negligible free cash and liquid investments as on

March 31, 2025. Current ratio stood comfortable at 2.41x as on March 31, 2025; which is largely supported by unbilled revenue. The company has debt service reserve account (DSRA) equivalent to ~three months of debt servicing. Overall, liquidity is assessed as adequate, supported by stable operating cash flows, despite near-term pressure due to repayment obligations and dependence on timely realisation of receivables.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport infrastructure	Road assets–toll, annuity, hybrid-annuity

SGFRL is a BSE-listed infrastructure development company engaged in development, operation and maintenance of funicular ropeway systems under BOT framework, primarily through Public–Private Partnership (PPP) arrangements with government authorities. The company’s core business involves development of ropeway-based mobility infrastructure at pilgrimage and high-footfall tourist destinations. SGFRL currently operates the Funicular Ropeway System at Saptashrungi Gad Temple, at Vani, Nashik, Maharashtra, which is a prominent religious destination witnessing steady year-round footfall with seasonal peaks during Navratri festivals.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	63.12	53.01	27.19
PBILDT*	21.58	17.52	11.29
Profit after tax (PAT)	5.59	8.69	5.58
Overall gearing (x)	NM	NM	NM
Interest coverage (x)	3.02	6.35	5.64

A: Audited UA: Unaudited NM: Not Meaningful; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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-Term Loan		-	-	May-2030	78.00	CARE BBB-; Stable
Fund-based-LT/ST		-	-	-	2.00	CARE BBB-; Stable / CARE A3

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 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Term Loan	LT	78.00	CARE BBB-; Stable				
2	Fund-based-LT/ST	LT/ST	2.00	CARE BBB-; Stable / CARE A3				

LT: Long 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-Term Loan	Simple
2	Fund-based-LT/ST	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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

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