Rana Construction and Engineers Private Limited

August 24, 2026

Facilities/Instruments@	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	13.75	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable 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 Limited (CareEdge Ratings) has been seeking information from Rana Construction and Engineers Private Limited (RCEPL) to monitor the rating(s) vide e-mail communications dated July 29, 2026, and August 10, 2026, among others and numerous phone calls. However, despite our repeated requests, the company has not provided any information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The rating on RCEPL's bank facilities will now be denoted as **CARE B; Stable; 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.

The rating has been revised on account of non-availability of adequate information thereby leading to uncertainty around credit risk of the company.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on September 25, 2025, the following were the rating strengths and weaknesses:

Key weaknesses

Moderation in financial performance in FY25: The scale of operations of the company in FY25 remained small and moderated compared to FY24 levels, with total operating income of Rs. 30.85 crore in FY25 against Rs. 52.42 crore in FY24. This was primarily due to low revenue visibility from the order book in the previous year with limited inflow of fresh orders. As a result, fixed overheads were spread over a lower revenue base, leading to moderation in profitability and cash accruals. PBILDT and PAT margin stood at 4.31% and 1.88% respectively in FY25 as compared to 4.92% and 2.31% in FY24. In 5MFY26, the company has achieved total operating income of Rs. 10 crore.

Low orderbook position: The o/s order book in hand as on August 31, 2025, stood at Rs. 6.95 crore being 0.23x of total operating income in FY25. This gives low revenue visibility to the company with majority of orders ranging between 12 to 18 months. The company is bidding for orders worth Rs.150 crore and expects to receive Rs.50 crore order.

Working capital intensive nature of operation: The work executed by the firm is tender based, the operations are mostly working capital intensive in nature. The firm needs to furnish earnest money deposits (EMD) @2% of the bid value during the bidding process which leads to funds getting blocked even before the project is awarded. Post award of the contract the firm needs to furnish the performance bank guarantee @ 3% of the contract value (including the earnest money deposit). Moreover, a part of the sales proceeds approximately 6% are also withheld in the form of retention money. Entire retention money is released after project completion and handing over the project. Performance BG is

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.
*Issuer did not cooperate; Based on best available information

released post defect liability period (DLP) of around 5 years. The company receive payment from the department within 15-30 days post raising the invoice.
The company's o/s debtors including EMD and retention deposits has increased from Rs.6.92 crore as on Mar 31, 2024 to Rs.7.05 crore as on Mar 31, 2025. Elongation of average collection cycle from 42 days in FY24 to 52 days in FY25 and average inventory days from 39 days in FY24 to 61 days in FY25 was mainly on account of averaging effect amid dip in total operating income. This led to elongation in operating cycle from 67 days in FY24 to 86 days in FY25. As articulated by the management, the company expects to realize around Rs.1.5 crore of retention money in current FY.

Risk associated with participating in tenders and intense competition in industry: RCEPL operates in a highly competitive construction industry wherein it faces direct competition from various organized and unorganized players in the market given the low barriers to entry. There are number of small and regional players catering to the same market which has limited the bargaining power of the company and has exerted pressure on its margins. The firm receives all of its majority of work orders from government undertakings. The risk arises from the fact that any changes in geo-political environment and policy matters would affect all the projects at large. Furthermore, any changes in the government policy or government spending on projects are likely to affect the revenues of the company. Further, the firm majorly undertakes government projects which are awarded through the tender-based system. This exposes the firm towards risk associated with the tender-based business, which is characterized by intense competition. The growth of the business depends on its ability to successfully bid for the tenders and emerge as the lowest bidder.

Profitability susceptible to volatility in input prices: The major input materials for the entity are boulder, stone chip, stone dust, bricks, sand, cement, steel, bitumen, etc. the prices of which are volatile. Further the orders executed by the entity does not contain price escalation clause for project having tenure of less than one year. This apart, any increase in labour prices will also impact its profitability being present in a highly labour-intensive industry.

Key strengths

Experienced promoters: Mr. Rana Saidur Zaman started its business from the year 2006 and thus has long track record of operations. He looks after the day-to-day operations of the entity along with other technical and non-technical professionals who are having long experience in this industry. He has more than 15 years of experience in civil construction industry.

Satisfactory capital structure and debt coverage indicators: Despite moderation in capital structure of the company, it remained satisfactory with adjusted overall gearing of 0.58x as on March 31, 2025 (0.41x as on March 31, 2024). Furthermore, TD/PBILDT and interest coverage ratio stood at 3.53x and 4.72x respectively in FY25 which was 1.19x and 3.57x in FY24.

Applicable criteria

Information Adequacy Risk and Issuer Non-Cooperation
Definition of Default
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Construction Sector
Infrastructure Sector Ratings

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Rana Construction and Engineers Pvt Ltd (RCEPL) was established in the year 2006 with its office located at Guwahati, Assam. Since its inception, the entity has been engaged in civil construction business in the segment like bridges and roads. Further, the entity is also classified as Class 'A' contractor. The company bags contract from Guwahati Municipal Corporation (GMC), Public Works (Road) Department and Public Works Department (PWD) of state government of Assam.
Mr. Rana Saidur Zaman looks after the day-to-day operations of the entity along with other technical and non-technical professionals who are having long experience in this industry. He has more than 15 years of experience in civil construction industry.

Particular	March 31, 2024 (A)	March 31, 2025 (A)	5MFY26
Total operating income	52.42	30.85	10.0
PBILDT	2.57	1.32	-
PAT	1.21	0.58	-
Overall gearing (times)	0.21	0.31	-
Interest coverage (times)	3.57	4.72	-

A: Audited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple		-	-	-	3.75	CARE B; Stable; ISSUER NOT COOPERATING*
Non-Fund-based - LT-Bank Guarantee	RBI	Simple		-	-	-	10.00	CARE B; Stable; 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 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	Non-fund-based - LT-Bank Guarantee	LT	10.00	CARE B; Stable; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable (25-Sep-25)	1)CARE B+; Stable (04-Sep-24)	-
2	Fund-based - LT-Cash Credit	LT	3.75	CARE B; Stable; ISSUER NOT COOPERATING *	-	1)CARE B+; Stable (25-Sep-25)	1)CARE B+; Stable (04-Sep-24)	-

*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: 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.

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