



Registered Office :
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GARUDA
Construction &
Engineering Limited
CIN NO. L45400MH2010PLC207963

(Formerly Known as Garuda Construction and Engineering Private Limited)

Date: 01-04-2026

To,
BSE Limited
Phiroze Jeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code (BSE): 544271

National Stock Exchange of India Limited
“Exchange Plaza”
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051
Symbol: GARUDA

Dear Sir/Madam,

Sub: Intimation regarding Credit Rating of the Company

Dear Sir(s),

Pursuant to Regulation 30 read with Sub-para (3) of Para (A) of Part (A) of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI LODR Regulations’), as amended, this is to inform that Infomerics Valuation and Rating Private Limited, has assigned Credit ratings to the Company for bank facilities. Details of the Credit ratings are as under:

Facilities	Current Ratings	Rating action
Long Term Bank Facilities/Short Term Bank Facilities	IVR BBB+/ Stable, IVR A2 (IVR Tripple B Plus with Stable Outlook, IVR A Two)	Rating Assigned

Copy of the letter received from the rating agency is attached herewith.

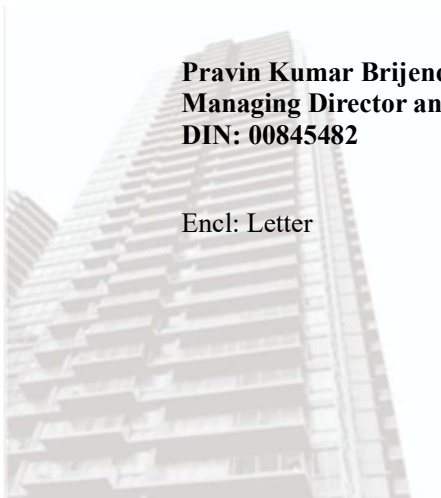
Please note that this information will also be available on the website of the Company at <https://garudaconstructionengineering.com/>

You are requested to kindly take note of the same.

Thanking You,
Yours Faithfully
For **Garuda Construction and Engineering Limited**

Pravin Kumar Brijendra Kumar Agarwal
Managing Director and Chairman
DIN: 00845482

Encl: Letter





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Garuda Construction and Engineering Limited March 30, 2026

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities/Short Term Bank Facilities	75.00	IVR BBB+/ Stable, IVR A2 (IVR Tripple B Plus with Stable Outlook, IVR A Two)	--	Rating Assigned	Simple
Total	Rs. 75.00 (Rupees Seventy-Five crore only)				

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings assigned ratings of IVR BBB+/ Stable, IVR A2 to the bank facilities of Garuda Construction and Engineering Limited. The ratings derive strength from strong and diversified order book, healthy EBITDA and net profitability margin supporting strong cash flows, negligible debt levels and equity raise of Rs.173.85 crore in FY25 due to which capital structure is robust, established track record and experienced promoter. The ratings are constrained by risk of project delays due to delays in obtaining requisite statutory clearances, elongated operating cycle due to high collection period and non –cash consideration for execution of various projects which also leads to high working capital requirements given the time taken to monetise the real estate assets received in lieu of cash.

‘Stable’ outlook is based on the company’s strong order book of Rs.4,336.72 crore as on December 31, 2025, which provides revenues visibility for medium term. Additionally, the company is expected to sustain EBITDA margins in excess of 25% over the medium term along with negligible debt levels which translate into strong leverage and coverage metrics.

Key Rating Sensitivities:

Upward Factors

- Sustained revenue growth while maintaining EBITDA margins at current levels.
- Achieving a significantly higher scale while maintaining low leverage levels would be beneficial for the company.
- Reduction in the overall working capital cycle on a sustained basis.



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Downward Factors

- Any significant decline in revenue and profit margin on a sustained basis.
- Large increase in working capital cycle leading to large debt funding requirements

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Strong and diversified order book

Company has a total order book of Rs. 4,336.72 crore as on 31st December 2025 which is 19.27x of total operating revenue of FY25. Out of the total order book Eternal Building Assets Pvt Ltd (Annual O&M Contract) is Rs. 9.60 crore to be received every year till FY 2032 for Delhi Police headquarters. Out of the total order book, Rs. 2,452.11 crore is expected to be completed till FY28 which is 10.90x of FY25 operating revenue. Orders of Rs. 1,773.76 crores which is 6.83x of FY25 revenue have not commenced as on 31st December 2025 because of pending approvals or pending site handover.

Healthy EBITDA and profitability margin support strong cash flows

Total operating income (TOI) of the company has increased at CAGR of 42.96% during last three financial years to Rs. 225.03 crore in FY25 from Rs. 154.18 crore in FY24 and Rs. 160.69 crore in FY23. The increase in revenue was on the back of higher execution of order book. EBIDTA margins declined to 29.53% in FY25 from 32.30% in FY24 due to increase in contract specific operational costs. However, EBIDTA margin is expected to be in the range of 27%-30% as the company is focussed only on the high margin projects in the projected period from FY25-FY28.

Negligible debt levels and FY25 equity raise support a robust capital structure

The company has historically operated with an almost debt-free balance sheet and is expected to maintain this conservative capital structure over the medium term as well. Total debt has remained negligible, with borrowings of only Rs.0.1 crore as on March 31, 2025, resulting in near-zero gearing and very strong coverage metrics. During FY25, the company strengthened its net worth through an equity raise of Rs.173.85 crore via an initial public issue, with the proceeds utilised towards working capital requirements across ongoing projects. This equity



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infusion completely eliminated the reliance on external borrowings to fund the ongoing projects from October 2024 to August 2025. The company continues to remain debt free as the cash accrual are reinvested to fund working capital.

Accordingly, key capital structure indicators remain comfortable, with overall gearing at nil, Total Outside Liabilities to Adjusted Tangible Net Worth at a low 0.25x at end FY25, and interest coverage remaining very strong. Going forward as well, the company expects to fund its incremental working capital requirements primarily through healthy internal cash accruals, supported by robust operating margins, thereby maintaining minimal dependence on debt and preserving its strong financial risk profile.

Established track record

The company has experience in executing residential, hospitality, and commercial construction projects. In 2015, it completed projects such as the Golden Chariot Vasai Hotel & Spa and the renovation of the Golden Chariot Boutique Hotel in Mumbai. Between 2010 and 2017, its work mainly involved civil construction and related services across Mumbai Metropolitan Region (MMR), Karnataka, and Tamil Nadu, later expanding to residential building contracts in MMR in 2017. A key commercial milestone was completing the Delhi Police Headquarters project on an EPC turnkey basis in April 2021.

Experienced promoter

Pravinkumar Brijendra Kumar Agarwal is the Managing Director and Chairman of the Company. He also holds an MBA degree. He has been associated with the Company since September 21, 2010. He has more than 3 decades of experience in various businesses like Construction & Development, hospitality and management services.

Key Rating Weaknesses

Delay in obtaining a requisite approval statutory clearances may lead to challenges and could adversely impact future projects

Company's ability to commence and execute projects on schedule is highly dependent on obtaining statutory approvals such as commencement certificates, municipal clearances, environmental permissions, land-related NOCs, and RERA approvals. Delays in receiving these clearances can stall project initiation, leading to under-utilization of resources and



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pushing back planned construction timelines. Projects worth Rs. 1,537 crore have not commenced due to non-receipt of commencement certificates. Prolonged approval timelines can further lead to cost escalations, disruption in subcontractor planning, and reduced profitability, especially given the company's asset-light and high-margin business model. Collectively, these factors indicate that statutory approval delays pose a significant challenge and may adversely affect company's project pipeline, cash flows, and future growth visibility.

Elongated operating cycle due to high collection period

The company's operations are inherently working capital intensive given the nature of the building construction industry. The operating cycle has lengthened significantly from 107 days in FY24 to 204 days in FY25, primarily due to higher debtor days. The high debtor period was traditionally supported by high creditors days of 179 days in FY23 and 217 days in FY24 which reduced to 107 days in FY25 as the company used proceeds of the IPO issue to pay its suppliers and contractors in a timely fashion.

Non – Cash consideration for execution of various projects also leads to high working capital requirements

The company's practice of entering into varied contracts where consideration is sometimes monetary and at other times through land monetisation or barter models adds complexity to cash realization. Such non-cash settlement mechanisms delay the conversion of revenue into usable funds, stretching the operating cycle. For 2 projects of Gorakhpur Development Authority the combined contract value is Rs. 1518.60 crores where the company will receive land in lieu of cash payment. Similarly, the company will receive residential flats in case of 3 EPC contracts for contract value of Rs. 190.25 crore. In case of the residential flats the same are in the process of being transferred to the company and registration process is underway. In case of Gorakhpur Development Authority: 2 projects- the company will be allotted 6 acres of land on lease for 99 years with approval for constructing hotel and commercial property. The company has the freedom to sell the tenancy rights on the land on as is basis. However, if the company decides to construct hotel and commercial property, it will entail significant investments by the company before the cash is realised, thereby further stretching the working capital cycle.



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Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Criteria for assigning Rating Outlook](#)

[Complexity Level of Rated Instruments/ Facilities](#)

[Criteria on Default Recognition and Post-Default Curing Period](#)

Liquidity –Adequate

The company has cash and cash equivalent of Rs.30.11 crore as on 31st March 2025. The company has given bank guarantee in favour of Gorakhpur Development Authority of Rs.62.00 crore and The Delhi Metro Rail Corporation of Rs. 1.30 crore. The company has repayment of vehicle loan of Rs. 4 lakhs per year in FY26- FY28. GCA is expected to be in the range of Rs. 113.00 crore to Rs.290.00 crore in FY26-FY28. Current ratio is 4.98x as on 31st March 2025.

About the Firm

Incorporated in 2010, Garuda Construction and Engineering Limited is a fast-growing civil construction Company with over 14 years of execution experience. The Company provides end-to-end EPC solutions covering design, engineering, construction, MEP, finishing, and O&M services.

Financials Standalone:

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	154.18	225.03
EBITDA	49.80	66.45
PAT	36.44	49.80
Total Debt	0.15	0.11
Tangible Net Worth	118.60	331.43
EBITDA Margin (%)	32.30	29.53
PAT Margin (%)	23.59	21.96
Overall Gearing Ratio (x)	0.00	0.00
Interest Coverage (x)	2016	65.54

* As per Infomerics Standard



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Status of non-cooperation with previous CRA: Not Applicable

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating March 30,2026	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Bank Guarantee	Long Term/Short Term	75.00	IVR BBB+/Stable, IVR A2	--	--	--

Name and Contact Details of the Rating Director

Name: Sudarshan Shreenivas Tel: (022) 62396023 Email:sudarshan.shreenivas@infomerics.com
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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics' ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities or to sanction, renew, disburse or recall the concerned bank facilities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Bank Guarantee	-	-	-	75.00	IVR BBB+/Stable, IVR A2

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details

https://infomericsstorage.blob.core.windows.net/uploads/Len_Garuda_Construction_30mar26_b325009e6d.pdf

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.