Press Release

Annu Projects Limited
March xx, 2026

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	49.00 (Increased from Rs. 25 crore)	IVR BBB/ Stable (IVR Triple B with stable Outlook)	IVR BBB/ Stable (IVR Triple B with stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	151.00 (Increased from Rs.125 crore)	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Reaffirmed	Simple
Total	**200.00**	**Rupees Two Hundred 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 Valuation and Rating Limited (IVR) has reaffirmed the long-term rating at IVR BBB with Stable Outlook and short-term rating at IVR A3+ for the bank loan facilities of Annu Projects Limited (APL).

The rating reaffirmation of APL continues to factor improved topline of the company supporting sustained profitability, though margins moderated slightly in FY25 compared to FY24, besides the company continues to have comfortable financial risk profile having low gearing & comfortable debt protection metrics and healthy order book position, inclusion of annual maintenance contracts (AMC) further enhances revenue visibility in the short to medium term. In addition to that, rating continues to derive comfort from experienced of the management in the same line of business. However, these rating strengths remain constrained by elongated debtors, orders/project execution risk & tender-based nature of business & competition.

The stable outlook indicates a low likelihood of rating change in the medium term. IVR believes that the APL's business & financials risk profile will be maintained over the medium term supported by o/s healthy order book position which provides revenue visibility in medium term and continuation of comfortable financial risk profile.

IVR has principally relied on the standalone audited financial results of APL up to 31 March 2025 (refers to 1 April 2024 to 31 March 2025), & projected financials from FY26 to FY28 (refers to 1 April 2025 to 31 March 2028), and publicly available information/clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Sizeable/sustained improvement in the operating revenue while sustained profitability and debt protection metrics, along with adequate liquidity.
- Efficient management of working capital leads to shorten of debtor period and maintaining operating cycle below 120 days on sustained basis

Downward Factors

- Moderation in operating income & o/s order book resulting in lower cash accruals.
- Declin in profitability thereby impacting the debt protection indicators leading to ISCR below 1.5x on sustained basis and/ or sizeable capital expenditure affecting the financial risk profile like gearing & liquidity profile of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters:

The company has long track record of operations, the promoters are well experience in the same line of business i.e., key promoters viz. Mr. Sanjay Kumar Sarraf, Mr. Kr Sharma & Mr. Prem Nivas Pandey have more than 2 decades of experience.

Improved revenue & healthy order book position:

The company has modest scale operations, however total operating revenue (TOI) has shown consistent growth over the years, having CAGR of ~18% for the last period FY22-FY25. The company registered annual growth of ~ 17% in FY25 i..e TOI (excluding other income) improved from Rs 153.53 crore in FY24 to Rs 180.07 crore in FY25. The company registered revenue of Rs 89.58 crore in 9MFY26 (Rs 87.01 crore in 9MFY25) whereas majority of orders and key milestones/AMC are expected to be completed by March 2026. The company has order book position of Rs 1300.09 crore as on 28 Feb,2026 i.e. 7.22x of FY25 TOI, besides that the company has two L1 orders are in process of ~Rs 150 crore, provides the revenue visibility in short to medium term. The company regularly bids for new projects to increase its order book position.

Comfortable financial risk profile

The capital structure of the company continues to be comfortable with overall gearing & TOL/TNW ratio of 0.18x (PY: 0.23x) and 0.91 in FY25 (PY: 1.22x) respectively. The company's debt protection metrics are healthy, marked by interest service coverage ratio of 8.27x in FY25 (PY: 8.51x) & debt service coverage ratio of 4.09x in FY25(PY: 3.81x), besides Debt/EBITDA ratio stood satisfactory at 0.69 x (PY: 0.54x). Current ratio of 1.91x in FY25 (PY:1.47x) indicates company ability to meet its current liabilities from its current assets. The company continues to maintain strong profitability. In FY25, operating profit margins stood at 17.95% compared to 18.74% in FY24, while profit after tax (PAT) margins were 11.30% versus 11.43% in the previous year. These minor shifts largely reflect variations in the order mix during fiscal years and margins are expected to fluctuate within 1%-2% range either way.

Key Rating Weaknesses

Elevated Debtor Period

The company's receivables remain elevated relative to its scale of operations, resulting in an elongated debtor period of 222 days in FY25 compared to 182 days in FY24. This high debtor position is inherent to the business model, as a significant portion of orders are from government entities directly or indirectly, with receivable realization typically occurring toward the end of the fiscal year, particularly in the EPC segment., the Increase in debtors during FY25 led to a lengthening of the operating cycle, rising from 96 days in FY24 to 139 days in FY25.

Tender-based nature of business, competition & orders/Project execution risk

The company majorly procures orders which are awarded through the tender-based system. This exposes the company to the 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. This apart, any changes in the government policy or government spending on projects are likely to affect the revenues and profits of the firm. The EPC industry is highly fragmented with direct competition from various organized and unorganized players in the market and the intense competition could exsert pressure on the pricing of the tender which further may affect the profit margins.

Given the nature of projects awarded directly or indirectly mainly through government entity directly or indirectly, the company is exposed to inherent risk in terms of delays in project execution & cost overrun of certain orders which may arise due to arranging infrastructure, delay in land acquisitions & environmental clearances, political interference, fluctuation in raw material prices, besides delay in sanction of required working capital limits for the completion of orders, may result in a delay in the realization of revenue growth & could affect the profit margins adversely.

Analytical Approach: Standalone

Applicable Criteria:

- Rating Methodology for Infrastructure Companies
- Rating Criteria for Financial Ratios & Implication.
- Complexity Level of Rated Instruments/Facilities
- Criteria for assigning Rating outlook.
- Policy on Default Recognition

Liquidity – Adequate

The company had gross cash accruals (GCA) of Rs 23.07 crore at the end of March 2025 against the debt repayment of Rs 2.68 crore and GCA expected to be adequate against repayment obligations for FY26. The company had free cash & cash equivalent of Rs 0.33 crore at the end of Dec 2025. The average working capital limit utilization is ~ 58% for the last 12 months till Dec,2025 which provides cushion to the company to use unused working capital limits in case of requirement while scaling up its operations. Current ratio is comfortable at 1.91x in FY25 (PY:1.47x).

About the Company

Incorporated in 2003, Annu Infra Construct India Pvt. Ltd. was formed to provide telecom construction turnkey project execution for leading Indian telecom companies and laying sewer pipelines & gas pipelines by mechanized process. The Company is also specialized for OFC laying, Trenching and Ducting through HDD method. During FY-20, the company changed its name to Annu Projects Private Limited (APPL) and it has been now converted from Private Limited to Limited company in July,2024 to Annu Projects Limited.

Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	153.53	180.07
EBITDA	28.77	32.31
PAT	17.71	20.58
Total Debt	15.65	22.27
Tangible Net worth	68.02	120.51
EBITDA Margin (%)	18.74	17.95
PAT Margin (%)	11.43	11.30
Overall Gearing Ratio (x)	0.23	0.18
Interest Coverage (x)	8.51	8.27

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Brickwork Ratings continues the rating in Issuer Non-Cooperation category dated 16 Jun 2025, due to non-submission of information(Formerly company name was Annu Projects Pvt. Ltd.)

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument /Facilities	Rating (Year 2025-26)			Rating History for last 3 years		
		Type	Amount outstanding (Rs. Crore)	Current Rating	Date(s) & Rating(s) assigned in 2024-25 (Feb 04, 2025)	Date(s) & Rating(s) assigned in 2023-24 (Dec 14, 2023)	Date(s) & Rating(s) assigned in 2022-23 (Jan 10 2023)
1.	Long Term Bank Facilities	Long Term	49.00	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB- /Stable	-
2.	Short Term Bank Facilities	Short Term	151.00	IVR A3+	IVR A3+	IVR A3	-

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.

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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.

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.

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Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – CC/working capital	-	-	-	-	39.00	IVR BBB/Stable
Long Term Bank Facilities – CC/working capital(proposed)	-	-	-	-	10.00	IVR BBB/Stable

Short Term Bank Facilities - BG	-	-	-	-	126.00	IVR A3+
Short Term Bank Facilities – BG/LC proposed	-	-	-	-	25.00	IVR A3+

Annexure 2: Facility wise lender details

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: 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.