



## Press Release

### Ircon International Limited Nov 25, 2025

#### Ratings

<b>Instrument/ Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b><u>Complexity Indicator</u></b>
Long Term Bank Facilities	0.02	IVR AAA/ Stable (IVR Triple A with Stable Outlook)	IVR AAA/ Stable (IVR Triple A with Stable Outlook)^	Rating Reaffirmed	<b>Simple</b>
Long Term Bank Facilities / Short Term Bank Facilities	8999.98	IVR AAA/ Stable (IVR Triple A with Stable Outlook) / IVR A1+ (IVR A One Plus)	IVR AAA/ Stable (IVR Triple A with Stable Outlook) / IVR A1+ (IVR A One Plus)	Rating Reaffirmed	<b>Simple</b>
<b>Total</b>	<b>9000.00</b>	<b>Rupees Nine Thousand Crore Only</b>			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

*^Previously rating amount was under proposed category as Long-Term Bank Facilities / Short Term Bank Facilities and the same has been reaffirmed as long term bank facilities in the current review.*

#### Detailed Rationale

Infomerics Ratings (IVR) has reaffirmed the long-term rating at IVR AAA with Stable Outlook and & short-term rating at IVR A1+ for the bank loan facilities of Ircon International Limited (IRCON or “the company”).

The reaffirmation of IRCON’s rating continues to derive comfort from its long-standing operational track record of operations and significant linkages with the Government of India & the Ministry of Railways along with experienced management. The ratings also take into consideration robust financial risk profile although there is moderation in FY25, healthy order book position and low counterparty risk. However, these rating strengths are partially offset by exposure to the group companies, besides project execution risk & susceptibility to adverse raw material fluctuations risk and competition.

The stable outlook indicates a low likelihood of rating change in the medium term. IVR believes that the IRCON’s business & financials risk profile will be maintained over the medium term on the back of IRCON’s established long track record of operations and strong project execution capabilities besides outstanding order book position provides revenue visibility in short to medium term.



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IVR has principally relied on the standalone audited financials of IRCON up to 31 March 2025 (refers to 1 April 2024 to 31 March 2025) & given company projected financial of FY26-FY27 (refers to 1 April 2025 to 31 March 2027), and publicly available information/clarifications provided by the company's management.

### **Key Rating Sensitivities:**

**Upward Factors:** NA

### **Downward Factors**

- GoI shareholding falling below 51%.
- Moderation in scale of operations led by moderation in order book and/or profitability impacting the debt protection metrics/liquidity

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

#### **Established track record and significant linkages with the Government of India & the Ministry of Railways along with experienced management**

Government of India (GoI) has the majority shareholding of 65.17% as on 30 Sep,2025. Earlier, the company was 'Mini Ratna' category and subsequently in Oct,2023 it has been upgraded to 'Navratna' and it is a Central Public Sector Enterprise (CPSE) under the Ministry of Railways (MoR) signifying strong linkages with GoI and MoR. IROCN has long track record of successful business for more than 49 years since its inception in 1976 and demonstrated execution capabilities over the years. It has operations in several states in India and in other foreign countries like Malaysia, Nepal, Bangladesh, Sri Lanka & Algeria etc. IRCON has completed a total of over 405 domestic projects and 130 international projects (as on 30 Sep,2025) for diverse clients, maintaining client satisfaction and timely delivery of high-quality outcomes and has been one of the main companies through which MoR has implemented railway projects over the period since its inception. The management of the company is well experienced & qualified having decades of experience. GoI Shareholding, managerial and financial linkages with the MoR will continue to remain a key monitorable.

The management of the company is well experienced & qualified having decades of experience viz. As on 30 Sep,2025, the company is headed by Mr. Hari Mohan Gupta, Chairman & Managing Director, graduated in Civil Engineering in 1988 from University of Roorkee and he has been a director of DFCCIL (Dedicated Freight Corridor Corporation of India Limited) and executive director of Ministry of Railways. He is well assisted by directors having more than decades of experience viz. Ms Ragini Advani (Director-Finance), qualified Chartered Accountant and Cost Accountant, Mr. Anand Kumar Singh (Director-Projects), qualified Civil Engineer from I.I.T. Delhi and M.B.A. (Finance) from MDI, Gurugram and Mr.



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Ajit Kumar Mishra (Director-Works), qualified Civil Engineering, an LLM in International Dispute Resolution, an MBA in International Business, and a Diploma in International Arbitration. GoI Shareholding, managerial and financial linkages with the MoR will continue to remain a key monitorable.

### **Comfortable financial risk profile**

Over the years the company, the IRCON has shown consistent growth till FY24 attributed to a healthy order book and efficient execution of projects; however, total operating income (TOI) of the company declined by ~14% in FY25 and registered TOI of Rs 10,193.14 crore in FY25 against Rs 11,950.40 crore in FY24. Earlier, the company used to secure orders on a nomination basis, however since 2021 this has transitioned to a competitive bidding process, which has led to some strain on the order book. The overall mix of jobs that the company won in competition is contributing to revenue now, there has been a decline in profit margins considering the more competitive work orders added to the existing pipeline, besides other factors. During H1FY26, the company registered total operating income from operations of Rs 3515.7 Crore against Rs 4479.3 Crore in H1FY25.

During the last 3 FYs, average EBITDA (earnings before interest, taxes, depreciation, and amortization) excluding other income & PAT (profit after tax) margins remain at ~5.7% and ~7.15% respectively. EBITDA margins excluding other income of the company moderated to 4.70% in FY25 against 6.39% in FY24 and PAT stood at 6.91% in FY25 against 6.97% in FY24. The overall mix of jobs that the company won in competition is contributing to revenue now, there has been a decline in profit margins considering the more competitive work orders added to the existing pipeline, company's major cost-plus jobs have almost completed and therefore, revenue and profit margin from the cost-plus work order has been dropped, besides there is some off entries that company had to put in certain projects on account of provisions for losses led to decline profit margins. Debt protection metrics of the company is strong having no fixed term obligation against long term debt on standalone basis and interest service coverage ratio (ISCR=EBITDA (excluding other income)/ finance charges) stood comfortable at 64.66x in FY25 (PY: 79.49x). Company has prudent working capital owing to comfortable debtor period & inventory holding period., IRCON majorly relies on its internal cash flows, project & mobilisation advances etc.

### **Healthy order book position and low counterparty risk**

The company has order book of Rs. ~23,865 crore as on 30 Sep,2025 (~Rs ~24,253 Crore as on 30 Sep 2024) providing revenue visibility in medium term and indicates revenue visibility for next 2 years, wherein about ~62% (~52% on 30 Sep 2024) are on competitive basis and balance on nomination. The major orders are from railway of ~ 17,952 Crore and from of



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highway project of ~Rs 4,605 Crore & rest are from other segment. The company has low counterparty risk since majority of the order from central & state government undertakings, such as Ministry of Railway, National Highways Authority of India (NHAI), NTPC Limited (National Thermal Power Corporation), NMDC Limited (formerly National Mineral Development Corporation), Northeast Frontier Railway, Chhattisgarh East Railway Limited, West Central Railway, East Coast Railway, East Central Railway, National High Speed Rail Corporation Limited, Rail Vikas Nigam Limited, NEEPCO (North Eastern Electric Power Corporation Limited), M.M.R.D.A. (Mumbai Metropolitan Region Development Authority), Ministry of External Affairs, Airport Authority of India, Chhattisgarh State Power Generation Company Limited. Counterparty risk mitigates to a large extent. The company has order book of ~9% in foreign countries which exposes the company to regulatory and geographical risks associated with that particular region and country.

### **Key Rating Weaknesses**

#### **Exposure to the group companies**

IRCON has 11 subsidiaries as on 30 Sep,2025, out of subsidiaries, 9 are special purpose vehicles (SPVs) for executing the NHAI road projects. Out of 9 road projects 2 HAM projects are operational, and 5 HAM projects are under construction, besides there are 2 toll road projects. Subsidiary named 'Ircon Renewable Power Limited' was setting up of 500 MW Grid connected Solar PV Power Projects in India under Central Public Sector Undertaking (CPSU) Scheme Phase-II (Government Producer Scheme), whereas ~400 MW has already been connected to grid. The company has also stake in Joint Ventures (JVs), out of 7 JVs, 5 JVs are related to railway related projects in Chhattisgarh, Jharkhand mainly and holds a 26% stake, 1 was for collecting toll road project in Maharashtra and holds a 50% stake and 1 JV was for station development program and holds a 26%.

The Company has also given corporate guarantee to various banks on behalf of and in respect of term loan facility for its subsidiary companies, whereas balance of term loan taken by subsidiaries from banks, as on 31.03.2025 is Rs 2258.15 crore (PY: Rs 1,575.27 crores), besides IRCON has given letter of comfort on behalf of one of its subsidiary of Rs 2.05 crore (PY: Rs 2.05 crore) as on 31.03.2025. In addition to that, company has investment in its group companies to the tune of ~Rs 2,444 crore, besides given loan & advances to its group companies of ~Rs 272 crores. Adjusted gearing is still comfortable as on 31 March,2025, while calculated on adjusted net worth (outflow due\ to investment, loan & advances given to group companies) & adjusted debt owing to given corporate guarantee to group companies. IRCON's ability to maintain strong liquidity, unlocking capital from the group companies upon completion of project, exposure towards group companies reflected in adjusted gearing will be key monitorable.



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### **Project execution risk & exposure to tender-based operations, & susceptible to raw material fluctuation risk and competition**

Given the nature and size of the projects 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, besides delay in sanctioning of mobilization advances for the completion of orders, may result in a delay in the realization of revenue growth & could affect the profit margins adversely. Earlier, the company used to secure orders on a nomination basis, however since 2021, this has transitioned to a competitive bidding process, which has led to some stain on the order book. Currently, ~62% of order book is on competitive basis and balance on nomination as on 30 Sep,2025 and in the last 3-4 years the company is bidding for orders on the competing basis only. This exposes the company to the risk associated with the tender-based business, which is characterized by intense competition from peers which could exert on the pricing of the tender which further may affect the profit margin. However, risk mitigates to an extent since IRCON's Business Development Department (BDD) has a dedicated team to grow order book, develop and evaluate bidding strategies as well as to identify new business opportunities to generate and nurture future business of the company in India as well as in foreign geographies and in the past, IRCON has secured projects in railway, highway, tunnel, metro, solar, electrical & mechanical, signalling & telecommunication, buildings etc. both through competitive bidding and on nomination basis w.r.t current o/s order book position. In addition to that, the company is susceptible to raw material fluctuation risk since construction raw materials price tends to fluctuate as per demand & supply in the market besides other external factors, However, price variation clause in the orders mitigates risk to an extent. Addition of new large orders through competitive bidding, diversification of order book and timely execution of project will be key monitorable considering discontinuation of nomination & intense competition from the peers

**Analytical Approach:** Standalone besides factoring financial, and management linkages with its subsidiaries along with Parent notch up (GoI)

### **Applicable Criteria:**

- [Rating Methodology for Infrastructure Companies](#)
- [Rating Criteria for Financial Ratios & Implication.](#)
- [Rating Criteria for Parent/Group Support & Government Support](#)
- [Complexity Level of Rated Instruments/Facilities](#)
- [Criteria for assigning Rating outlook.](#)
- [Policy on Default Recognition](#)



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### Liquidity – Strong

Liquidity of the company is strong marked by the gross cash accruals ((GCA= PAT + Depreciation -Deferred Tax (net)) of Rs 758.03 crore in FY25 against no fixed term obligations on standalone basis while on consolidated level it had GCA of Rs 820.72 crore against repayment obligations of Rs 110.48 crore for FY25. The company has non-fund-based utilization stood at ~56% as on 30 Sep,2025. The company had cash & cash equivalent of Rs 1,977.85 crore & Rs 2,279.84 crore at the end of March,2025 on standalone & consolidated level respectively.

### About the Company

IRCON is a government company incorporated by the Central Government (Ministry of Railways) on 28 April 1976 under the name Indian Railway Construction Company Limited is a leading turkey construction company mainly for the construction of railway projects and roads & highways, besides it is also engaged in construction of Extra High Tension substation engineering and construction, airports, buildings etc. IRCON is specialized construction covering the entire range of spectrum of construction activities, and services in the infrastructure sector, however railway and Highway construction, EHP substation (engineering & construction) and MRTS (Mass Rapid Transit System) are the core competence areas of IRCON, besides the company has also entered solar segment, high speed rail and dedicated freight corridor. The company mainly generates its revenue from the railway segment, besides road & highways segment.

### Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	11950.40	10193.14
EBITDA (excluding other income)	763.91	479.16
PAT	862.90	737.59
Total Debt	0.00	0.00
Tangible Net Worth	5639.53	6088.01
EBITDA Margin (%) (excluding other income)	6.39	4.70
PAT Margin (%)	6.97	6.91
Overall Gearing Ratio (x)	0.00	0.00
Interest Coverage (x)	79.49	64.66

\* **Classification as per Infomerics' standards.** Total operating income & EBITDA does not include other income. Tangible Net Worth excludes long term deferred tax assets & intangible assets.



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Status of non-cooperation with previous CRA: NA

Any other information: NA

### Rating History for last three years:

Sr. No.	Name of Security /Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (November 22, 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Non-Fund Based- Long Term/Short Term bank Facilities	Long Term/ Short Term	7,799.90	IVR AAA/ Stable/ IVR A1+	IVR AAA/ Stable/ IVR A1+	-	-
2	Fund Based Long Term	Long Term	0.02	IVR AAA/ Stable	IVR AAA/ Stable <sup>^</sup>	-	-
3.	Fund Based/Non-Fund Base-Proposed	Long Term/ Short Term	1,200.08	IVR AAA/ Stable/ IVR A1+	IVR AAA/ Stable/ IVR A1+	-	-

<sup>^</sup>Previously rating amount was under proposed category as Long-Term Bank Facilities / Short Term Bank Facilities and the same has been reaffirmed as long term bank facilities in the current review

### Analytical Contacts:

Name: Raman Thakur Tel: (011) 45579024 Email: <a href="mailto:raman.thakur@infomerics.com">raman.thakur@infomerics.com</a>	Name: Vipin Jindal Tel: (011) 45579024 Email: <a href="mailto:vipin.jindal@infomerics.com">vipin.jindal@infomerics.com</a>
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### About Infomerics:

Infomerics Valuation and Rating Limited (Formerly known as Infomerics Valuation and Rating Private 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



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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.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

Name of Facility/ /Secu Rity	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Non-Fund-Based Bank Facilities BG/ LC	-	-	-	-	7,799.90	IVR AAA/ Stable IVR A1+
Fund Based- OD/Working Capital					0.02	IVR AAA/ Stable
Fund Based/Non- Fund Base- Proposed	-	-	-	-	1,200.08	IVR AAA/ Stable/ IVR A1+



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**Annexure 2: Facility wise lender details**

[https://infomericstorage.blob.core.windows.net/uploads/len\\_IRCON\\_nov25\\_e5f8e76d7c.pdf](https://infomericstorage.blob.core.windows.net/uploads/len_IRCON_nov25_e5f8e76d7c.pdf)

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

**Annexure 4: List of companies considered for 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](http://www.infomerics.com).

