

Generic Engineering Construction and Projects Limited

October 28, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 160.00 Crore	Regulator[^]
Long Term Rating	IVR BB+/Stable (Rating Downgraded)	RBI
Short Term Rating	IVR A4+ (Rating Downgraded)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has downgraded the long-term and short-term ratings assigned to the bank facilities of Generic Engineering Construction and Projects Limited (GECPL), considering the non-publication of its financial results for Q1FY27, for the quarter ended June 30, 2026. Infomerics team has not been able to get update about this from the management, since August 2026 when GECPL's Board could not consider and approve its Q1FY27 results.

Though the ratings continue to draw strength from the company's stable revenue performance till FY26, albeit with moderation in profitability margins, comfortable capital structure and debt protection metrics. However, these strengths are partially offset by the working capital-intensive nature of operations, the tender-driven nature of the business, geographical concentration risk, exposure to a competitive segment, and inherent risks associated with the construction industry.

Outlook: Stable

The stable outlook reflects continuous support from experienced promoter.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Stable revenue till FY26 albeit with moderation in profitability

GECPL's operating income remained largely stable at Rs. 305.37 crore in FY26 (period refers from April 01 to March 31) compared with Rs. 302.02 crore in FY25, supported by the execution of EPC and construction projects. The company has unexecuted order book of Rs.1351.48 crore (4x of FY25 revenue) as on September 30, 2025. However, EBITDA declined to Rs. 34.34 crore from Rs. 36.27 crore, with the EBITDA margin moderating to 11.24% from 12.01%, primarily due to higher execution costs. PAT also declined to Rs. 8.51 crore in FY26 from Rs. 12.13 crore in FY25, mainly due to the non-recurrence of a one-time gain of Rs. 6.17 crore from the sale of property recognised under other income in FY25. Excluding this gain, profit before tax declined marginally to Rs. 9.51 crore from Rs. 10.33 crore, indicating a relatively stable underlying financial performance. Infomerics notes that revenue is expected to be supported by continued execution of EPC and construction projects. However, the company's ability to improve profitability will depend on effective cost management and timely project execution.

Comfortable capital structure and debt protection metrics

GECPL's capital structure remained comfortable, marked by overall gearing of 0.21x as on March 31, 2026, compared with 0.22x as on March 31, 2025, supported by a marginal decline in total debt to Rs. 57.40 crore from Rs. 57.62 crore and an increase in book tangible net worth to Rs. 274.00 crore from Rs. 263.80 crore. However, TOL/TNW also remained comfortable at 0.82x during same period as against 0.65x as on March 31, 2025.

The debt protection metrics remained comfortable, with interest coverage improving to 3.14x in FY26 from 2.73x in FY25, supported by lower interest and finance charges of Rs. 10.95 crore against Rs. 13.27 crore. However, total debt to EBITDA increased to 1.67x from 1.59x, mainly due to lower EBITDA.

Experienced promoters with demonstrated execution capability in civil construction business

GECPL has over three decades of long track record in the industry and the Managing Director, Mr. Manish Patel, possesses more than three decades of experience in the industry along with other promoters who are also having adequate experience in the construction and EPC industry. The promoters are actively involved in the day-to-day affairs of the company, ably supported by a well experienced second line of executives.

Weaknesses

Working capital intensive nature of operations

GECPL's working capital cycle remained elongated, with the net operating cycle increasing to 173 days in FY26 from 132 days in FY25, primarily due to an increase in the average collection period to 190 days from 144 days. The increase in collection days was mainly attributable to higher retention money receivable in line with the contractual terms of EPC projects and significant project billing during the last quarter of FY26, resulting in higher year-end receivables. The company primarily caters to government entities, where payments are generally received within 60–90 days after completion of work; however, retention money and delays in realisation may extend the collection period.

Further, cash flow from operations improved significantly to Rs. 23.61 crore in FY26 from Rs. 0.02 crore in FY25, indicating improved operating cash generation. Nevertheless, the elongated collection period and operating cycle continue to result in higher working capital requirements and remain a key monitorable.

Tender driven nature of business in highly fragmented & competitive operating scenario

The domestic infrastructure construction segment is characterised by intense competition, with the presence of a large number of players of varying scale and execution capabilities, which exert pressure on operating margins. The company primarily secures contracts from government departments and reputed private sector entities through competitive tendering processes. The sector remains exposed to inherent risks such as economic cyclicalities in developing markets, delays in receipt of payments from government authorities, project execution and implementation risks, and volatility in input costs, which collectively impact the operating performance of companies operating in this space.

Geographical concentration risk

The company undertakes construction work for building across commercial, residential, industrial, health and leisure and institutional buildings. The concentration of major order book in the state of Maharashtra exposes GECPL's growth prospects to the macro and socio-political upheavals in the region. Consequently, any unrest in this state may hamper the performance of the company.

Liquidity – Adequate

The liquidity position of the company remains adequate as cash accruals are expected to remain sufficient to meet the repayment obligations for the period from FY27 to FY29. The free cash and cash equivalents balance stood at Rs. 5.74 crore as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Significant growth in scale of operations along with improvement in profitability on a sustained basis.
- Improvement in working capital cycle leading to improvement in the liquidity position of the company on a sustained basis.

Downward Factors

- Decline in scale of operations and profitability impacting the liquidity position and debt protection metrics of the company.
- Low orders inflow or delay in execution of projects.

About the Company

Generic Engineering Construction and Projects Limited was incorporated in 1994. GEPCL is in the business of civil construction and infrastructure development. GECPL is in the business of civil construction and infrastructure development. GECPL undertakes civil construction work for building across commercial, residential, industrial, health and leisure and institutional buildings. The company is listed on both the exchanges NSE and BSE.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	302.02	305.37
EBITDA	36.27	34.34
PAT	12.13	8.51
Total Debt	57.62	57.40
Tangible Net Worth (TNW)	263.80	274.00
EBITDA Margin (%)	12.01	11.24
PAT Margin (%)	3.91	2.74
Overall Gearing (times)	0.22	0.21
Interest Coverage (times)	2.73	3.14

*Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company

Applicable Criteria

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments / Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26		Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					Feb 05, 2026	Jul 18, 2025	--	--
1.	Fund based facilities	Long Term	63.00	IVR BB+/Stable	IVR BBB-/Stable	IVR BB+/Stable	--	--
2.	Non-fund-based facilities	Short Term	97.00	IVR A4+	IVR A3	IVR A4+	--	--

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Cash Credit	--	--	--	--	28.00	IVR BB+/Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	10.00	IVR BB+/Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	15.00	IVR BB+/Stable	NA	RBI	Simple
Bank Guarantee	--	--	--	--	55.00	IVR A4+	NA	RBI	Simple
Bank Guarantee	--	--	--	--	35.00	IVR A4+	NA	RBI	Simple
Proposed Cash Credit	--	--	--	--	10.00	IVR BB+/Stable	NA	RBI	Simple



Proposed Bank Guarantee	--	--	--	--	7.00	IVR A4+	NA	RBI	Simple
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^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericsstorage.blob.core.windows.net/uploads/len_generic_engineering_oct26_2a1b3718eb.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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* \$	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs)	+
22	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI



Sr. No.	Instrument / activity Name	Regulator of the instruments
23	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Analytical Contact

Name: Jyotsna Gadgil

Tel.: (020)69015332

Email: jyotsna.gadgil@infomerics.com

About Infomerics

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