August 5, 2026

Ceigall Infra Projects Private Limited: Rating reaffirmed; removed from Rating Watch and Stable outlook assigned

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Cash credit	20.0	1.0	[ICRA]A- (Stable); Rating Reaffirmed; removed from Rating Watch with Developing Implications and Stable outlook assigned	RBI
Long-term/Short-term – Fund-based/Non-fund based - Others	30.0	0.0	-	RBI
Long-term/Short-term – Non-fund based – Bank guarantee	0.0	49.0	[ICRA]A- (Stable)/[ICRA]A2+; Rating Reaffirmed; removed from Rating Watch with Developing Implications and Stable outlook assigned	RBI
Total	**50.0**	**50.0**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The rating for Ceigall Infra Projects Private Limited (CIPPL) had earlier been placed on Rating Watch with Developing Implications as the extent of the impact of a proposed scheme of amalgamation and arrangement between CIPPL and C & C Construction Limited (CCCL) was uncertain, and contingent upon several approvals from the National Company Law Tribunal (NCLT) and other regulatory processes. The rating has been removed from watch following a change in structure of the original scheme, which now excludes CIPPL and its legal structure continues to be as earlier.

The rating reaffirmation for CIPPL factors in the strong parentage and strategic importance of the company within the Ceigall Group, being a wholly-owned subsidiary of Ceigall India Limited (CIL). The company benefits from substantial operational, financial and managerial support from CIL, which has over two decades of experience in the roads engineering, procurement and construction (EPC) sector and a demonstrated track record of timely project execution. Although CIPPL has a relatively limited standalone track record, its credit profile derives significant strength from its integral role as an intermediate holding entity for CIL's hybrid annuity mode (HAM) road projects. As on March 31, 2026, the Group's HAM portfolio had a sizeable, unexecuted order book of around Rs. 8,925 crore, providing healthy medium-term revenue visibility, with CIPPL expected to undertake a part of the associated EPC works. This, coupled with its strategic linkage with CIL, continues to support the company's credit profile.

CIL witnessed a healthy ~14% YoY growth in standalone operating income to Rs. 3,869.3 crore in FY2026, with a sizeable order book position of ~Rs. 18,500 crore as on March 31, 2026 (~4.8 times of its OI in FY2026) providing medium-term revenue visibility. The company has materially diversified its order book over the past 12-18 months through entry into solar, battery energy storage systems (BESS), transmission and industrial infrastructure segments, which together account for nearly 25% of the order book, while broadening its geographical presence and client mix. This diversification is expected to reduce dependence on the road sector order inflows and support greater revenue stability over the medium term. CIL has an established track record in highway construction. Its ability to execute projects in the newer segments, while managing risks related to land acquisition, battery sourcing, foreign exchange movements, technology obsolescence and operating performance remains the key credit monitorables.

CIL, on a consolidated basis, has 11 road projects under HAM in its portfolio as on July 07, 2026, of which one has received provisional completion certificate (PCC), one awaits PCC, seven are under construction and the balance two are yet to receive the appointed date (AD). These assets entail a total equity commitment of ~Rs. 1,875 crore, of which ~Rs. 656 crore had been infused as on March 31, 2026. While CIL is undertaking EPC works for the ongoing HAM projects, the EPC work related to the subsequent HAM projects is expected to be undertaken by CIL and CIPPL jointly. Besides these HAM projects, funding requirement towards solar, BESS and transmission projects are estimated to be at ~Rs. 800 crore as on March 31, 2026. The entire pending infusion will be incurred over the next three years. The available liquidity (unencumbered cash and cash equivalents of ~Rs. 241 crore as on March 31, 2026), estimated cash flow from operations, coupled with monetisation of its completed HAM assets (three identified assets of which proceeds received for one and two are under due-diligence stage) and funds from a follow-on public offer (to reduce promoter shareholding to or below 75% as per listing regulations), is expected to meet the equity commitments towards these new projects and the scheduled debt repayments. However, any delay in monetisation or follow on offer, coupled with shortfall in estimated cash flow generation will remain the key rating monitorable in the near to medium term. Moreover, any significant addition of developmental projects in the OB, entailing disproportionately high equity commitment will be the rating sensitivity.

CIL's financial profile remains steady, despite a moderation in profitability, with operating margins declining to 12.5-13% in the last two years from ~15% in FY2024, reflecting changes in project mix and competitive intensity. Nevertheless, healthy cash accrual generation and a strengthened net worth base support comfortable credit metrics, as reflected in an interest coverage ratio of over 5.5 times and TOL/TNW of around 1.0 times in FY2026. ICRA notes that the company's debt levels have remained relatively high – even post IPO – on account of a rise in working capital requirements owing to – a) milestone-based billing mechanism (partly on account of discontinuation of Atmanirbhar Bharat concessions w.e.f. April 1, 2024), which elongated the billing cycle; and b) project-related mobilisation debt from lenders (in lieu of customer advances due to lower financing cost). CIL had high contract assets and receivables outstanding as on March 31, 2026, with NWC/OI at 38% against 20% as on March 31, 2024. Nonetheless, with completion of project milestones (in multiple road HAM assets) and recovery of these during the year is expected to support liquidity and coverage indicators are likely to improve on a YoY basis. Given the increasing scale of operations, diversification into new segments and sizeable funding commitments, CIL's ability to judiciously manage its working capital cycle and maintain its execution ramp-up remain important from the credit perspective.

The ratings are constrained by its sizeable equity commitments for HAM projects in the near term, which will necessitate dependency on CIL to fund the same. ICRA expects that CIPPL will receive financial and operational support from CIL for execution of these projects. CIPPL's share of equity commitment towards the HAM projects till date have been funded by CIL in the form of equity infusion and interest-free unsecured loan, which is likely to continue in the near term as well. CIPPL's current order book stands at ~Rs. 3,540 crore, comprising three of the group HAM projects. Going forward, the company is expected to serve as a key bidding platform for new projects. Further, CIPPL is exposed to high segment concentration risk, with its entire order book concentrated in road sector and the heightened competition in the road sector could exert pressure on its profitability.

The Stable outlook on the long-term rating reflects ICRA's opinion that CIPPL will derive strength from being a 100% subsidiary of CIL and strong operational and financial linkages with CIL. Consequently, ICRA expects that the company would be able to sustain its debt protection metrics commensurate with the rating level.

Key rating drivers and their description

Credit strengths

Strong sponsor profile – CIPPL is a 100% subsidiary of Ceigall India Limited, having strong operational and financial support from the sponsor. CIL has an established track record of over two decades, primarily in the road construction activities, which supports CIPPL's operational risk profile. CIL has successfully completed multiple EPC projects and three HAM projects in the recent past. CIPPL continues to get operational as well as financial support from CIL in terms of new orders, qualified personnel, and meeting any of CIPPL's financial obligations. CIPPL's entire equity commitments for the HAM projects have been funded by CIL so far, by way of equity infusion and interest-free unsecured loans. Such support is expected to continue in the near term as well.

Healthy order book provides medium-term revenue visibility – CIL is undertaking EPC works for the ongoing HAM projects, the EPC work related to the subsequent HAM projects is expected to be undertaken by CIL and CIPPL jointly. CIPPL's order book stands at Rs. 3,540 crore comprising three HAM projects, which is expected to provide revenue visibility over the medium term. Of the three, projects two of them are currently awaiting the appointed date.

Credit challenges

Large equity commitments for HAM projects necessitating dependency on sponsor for funding support – As on March 31, 2026, the Group's pending equity commitments stood at ~Rs. 2,016 crore combined across its HAM, renewable and transmission projects, including ~Rs. 343 crore attributable to CIPPL. CIL has fully funded CIPPL's HAM-related equity requirements through equity infusions and interest-free unsecured loans, with similar support expected to continue going forward.

Sectoral concentration risks; exposure to project execution related risks/delays – CIPPL remains exposed to high sectoral concentration risk, with its entire order book concentrated in the roads segment. Further, the road sector is witnessing heightened competitive intensity, which could exert pressure on margins. The company's projects are susceptible to execution risks arising from client-related delays, including receipt of appointed dates (pending for two of the three HAM projects) and site handovers.

Stiff competition in sector limits pricing flexibility – CIPPL is exposed to the cyclicality inherent in the construction industry and intense competition in the tender-based contract award system, resulting in risk of volatility in order inflows and revenues. The ratings factor in the stiff competition in the road sector for both EPC and HAM projects, which could exert pressure on its profitability.

Liquidity position: Adequate

CIPPL's liquidity is expected to remain adequate, supported by liquidity available on books (Rs. 14 crore as on March 31, 2026), proceeds from monetisation of the identified completed HAM assets, and access to timely funding support from CIL (as demonstrated in the past). The company had marginal sanctioned fund-based working capital limits (Rs. 1 crore), which remained largely unutilised in FY2026. It is in process of enhancing the same, which will be monitorable. Against the expected inflows, the company has repayment obligations of around Rs. 59 crore in FY2027 and pending equity commitments of ~Rs. 343 crore towards the under-construction HAM projects during FY2027-FY2028.

Rating sensitivities

Positive factors – The rating could be upgraded in case of a significant ramp up in CIPPL's scale of operations, along with healthy profitability and substantial improvement in the debt protection metrics and liquidity position on a sustained basis. Further, a sustained improvement in credit profile of parent, CIL, would be a credit positive.

Negative factors – The rating could face pressure if there is any deterioration in the credit profile of CIPPL's parent, CIL, or if there is any weakening of support from CIL as reflected by a delay in adequate and timely financial support to meet CIPPL's funding requirements. The ratings could be downgraded in case of significant delay in ramping up of CIPPL's operations or any large debt-funded capex or incremental funding commitment for the HAM projects, which impact its debt protection metrics.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Ceigall India Limited The ratings assigned to CIPPL factor in the high likelihood of its parent, CIL, extending financial support, given the high strategic importance that CIPPL holds for it. ICRA expects CIL to be willing to extend financial support to CIPPL out of its need to protect its reputation from the consequences of a Group entity's distress. There is a track record of CIL extending timely financial support to CIPPL, whenever a need has arisen.
Consolidation/Standalone	Standalone

About the company

Ceigall Infra Projects Private Limited (CIPPL), incorporated on March 31, 2021, is a wholly-owned subsidiary of Ceigall India Limited (CIL). The company undertakes EPC activities and serves as an intermediate holding entity within the Ceigall Group, holding equity stakes across its road infrastructure special purpose vehicles (SPVs). As on June 30, 2026, CIPPL was one of the sponsor entities in eleven HAM projects, reflecting its strategic role in the Group's road development portfolio.

Incorporated in 2002, CIL is a Ludhiana (Punjab, India)-based infrastructure construction company with experience in undertaking specialised structural work such as elevated roads, flyovers, bridges, railway over bridges, tunnels, highways, expressways and runways. At present, the company has 39 ongoing projects, including 20 EPC and 11 HAM projects. It had an outstanding order book of ~Rs. 18,507 crore as on March 31, 2026 across road, energy and industrial infrastructure segments. The company is listed on the Bombay Stock Exchange and National Stock Exchange since August 2024.

Key financial indicators (audited)

CIPPL	FY2024	FY2025
Operating income (Rs. crore)	227.7	115.0
PAT (Rs. crore)	9.5	0.4
OPBDIT/OI (%)	9.3%	6.9%
PAT/OI (%)	4.2%	0.4%
Total outside liabilities/Tangible net worth (times)	0.9	0.8
Total debt/OPBDIT (times)	3.0	14.9
Interest coverage (times)	13.8	1.0

Source: Company ICRA Research; All ratios as per ICRA's calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Aug 5, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long Term	1.0	[ICRA] A-(Stable)	May 23, 2025	[ICRA]A-; Rating Watch with Developing Implications	Jul 09, 2024	[ICRA]A-(Stable)	-	-
Fund-based/ Non-fund based	Long Term/ Short Term	-	-	May 23, 2025	[ICRA]A-; Rating Watch with Developing Implications / [ICRA]A2+; Rating Watch with Developing Implications	Jul 09, 2024	[ICRA]A-(Stable)/ [ICRA]A2+	-	-
Bank Guarantee	Long Term/ Short Term	49.0	[ICRA] A-(Stable)/ [ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term/Short-term – Non-fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	**Cash credit**	NA	NA	NA	1.0	[ICRA]A- (Stable)	RBI
NA	**Bank guarantee**	NA	NA	NA	49.0	[ICRA]A- (Stable) /[ICRA]A2+	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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