September 11, 2026

Bekem Infra Projects Private Limited: Rating reaffirmed and assigned for enhanced amount

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	195.0	300.00	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount	RBI
Long term – Non-fund based – Bank guarantee	867.0	1,122.00	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount	RBI
Long term – Non-fund based – Letter of credit	13.00	13.00	[ICRA]A (Stable); reaffirmed	RBI
Long term - Proposed non-fund based	56.55	87.05	[ICRA]A (Stable); reaffirmed and assigned for enhanced amount	RBI
Long term – Fund-based – Term loan	18.45	10.95	[ICRA]A (Stable); reaffirmed	RBI
Long term – Fund-based – Bill discounting	0.00	110.00	[ICRA]A (Stable); assigned	RBI
Total	**1,150.00**	**1,643.00**		

**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 reaffirmation for Bekem Infra Projects Private Limited (BIPPL) factors in its improved order book position of Rs. 6,001.7 crore as on July 31, 2026, supported by strong order additions of Rs. 4,747.4 crore in FY2026 and 4M FY2027. The healthy order book provides healthy medium-term revenue visibility, with an order book-to-operating income ratio of around 4.0 times based on FY2026 revenues. Further, the company's revenues witnessed a robust compound annual growth rate (CAGR) of around 12.8% over FY2021-FY2026 to Rs. 1,514.1 crore in FY2026 from Rs. 828.2 crore in FY2021, driven by strong order inflows and proven execution capabilities, with the revenue growth expected to sustain in the medium term. The rating also derives comfort from its experienced management and demonstrated capabilities in executing relatively complex hydro-mechanical (HM) works for irrigation, dams and hydel power projects over the past three decades.

The rating, however, is constrained by the company's high working capital intensity, which increased to 23.1% in FY2026 from 8.0% in FY2022, primarily on account of higher inventory levels due to pending certifications, milestone-based payments and elevated receivables. The order book remains exposed to geographical and segment concentration risks, with Telangana, Karnataka and Maharashtra accounting for around 78% of the outstanding order book, while roads & bridges and irrigation together contributed around 77% of the order book as on July 31, 2026. Further, the execution profile continues to be concentrated towards projects in the early stages, with around 53.7% of the order book comprising projects with less than 10% execution, exposing the company to project execution risks. Nevertheless, the majority of these projects were recently received, and timely execution of these project continues to be critical. Any delays in execution could impact the company's revenues and profitability, and hence, remain a key rating monitorable.

BIPPL incurred sizeable capital expenditure (capex) of around Rs. 350 crore over the past four years, majority of which was debt-funded. Consequently, its term debt levels increased to Rs. 379.9 crore as on March 31, 2026, from Rs. 78.1 crore as on March 31, 2022. The interest coverage deteriorated to 3.3 times in FY2026 from 4.4 times in FY2024, owing to higher finance costs associated with increased borrowings and mobilisation advance loans. Further the interest costs are expected to remain elevated, owing to higher working capital requirements and mobilisation advance loans. Nevertheless, the coverage metrics are likely to witness improvement over the medium term, supported by the increasing scale of operations and healthy profitability margins. However, the extent of improvement in the debt coverage indicators remains a key rating monitorable.

Additionally, BIPPL remains exposed to project implementation as well as equity mobilisation risks associated with the under-construction hybrid annuity model (HAM) projects to the extent of Rs. 176 crore over the next 18-24 months. Moreover, the company has scheduled term debt repayment obligations of around Rs. 115.0 crore in FY2027 and Rs. 93.5 crore in FY2028. Nevertheless, it is adequately placed to meet the sizeable equity commitments and debt-servicing requirements through the available liquidity, expected cash accruals and proposed monetisation proceeds from its two operational HAM projects by Q3 FY2027. Further, the promoters have indicated their willingness to provide unsecured loans to meet any potential cash flow shortfalls, if required, in a timely manner.

The three under-construction HAM projects are being executed under a joint venture (JV) with DHD Infracon Private Limited, and ICRA anticipates timely equity infusion from the JV partner to support project execution. Any significant addition of new build- operate-transfer (BOT)/HAM projects, delays in the proposed monetisation of operational HAM assets or delays in equity infusion from JV partners, resulting in higher-than-expected equity commitments and adversely impacting the company's liquidity profile, would remain key rating monitorables.

The Stable outlook reflects ICRA's belief that the company would benefit from its healthy order book position and proven execution track record, which is expected to support its business going forward.

Key rating drivers and their description

Credit strengths

Healthy order book position with diversified client profile – The order book position improved to Rs. 6,001.7 crore as on July 31, 2026, from Rs. 4,753.8 crore as on June 30, 2025, supported by strong order additions of Rs. 4,747.4 crore in FY2026 and 4M FY2027. The revenue growth is expected to sustain in the medium term, supported by healthy order book position, reflected in an order book-to-operating income ratio of around 4.0 times based on FY2026 revenues. BIPPL's client profile is reputed, majorly consisting of Central government entities including National Highways Authority of India (NHAI), which results in a low counterparty credit risk.

Healthy revenue growth during the past four years; scale of operations expected to sustain in the medium term – BIPPL's revenues witnessed healthy growth over the last five years, at a CAGR of around 12.8% to Rs. 1,514.1 crore in FY2026 from Rs. 828.2 crore in FY2021, supported by a strong order book position and increased execution capabilities. The company's business profile has strengthened over the years, supported by its transition from a sub-contractor to an integrated engineering, procurement, and construction (EPC) contractor, leveraging its in-house design, engineering and execution capabilities to undertake larger and more complex projects independently. The revenues recorded healthy growth of 21.1% in FY2026 over FY2025, and the momentum is expected to sustain in the medium term on the back of the strong order book position and robust execution prospects.

Established track record in executing HM works and healthy operating margins – BIPPL has a long track record spanning over three decades in executing complex HM works for irrigation and hydel power projects. The operating margins were healthy at above 15% for the past five years, driven by HM and structural works, which are niche areas and have higher margins. The operating margins are expected to remain around 15% in the near term, supported by the robust share of revenues from HM projects.

Credit challenges

High working capital intensity and debt-funded capex resulted in moderate debt coverage metrics – The working capital intensity has increased to 23.1% in FY2026 from 8.0% in FY2022, mainly on account of higher inventory levels due to pending certification, milestone-based payments and elevated debtors. Further, the company incurred sizeable capex of around Rs. 350 crore over the past four years, majority of which was debt-funded. Consequently, its term debt levels rose to Rs. 379.9 crore as on March 31, 2026, from Rs. 78.1 crore as on March 31, 2022. The interest coverage deteriorated to 3.3 times in FY2026 from 4.4 times in FY2024, owing to higher finance costs associated with increased borrowings and mobilisation advance loans. Further the interest costs are expected to remain elevated, owing to higher working capital requirements and mobilisation advance loans. Nevertheless, the coverage metrics are likely to witness improvement over the medium term, supported by increasing scale of operations and healthy profitability margins. However, the extent of improvement in the debt coverage indicators remains a key rating monitorable.

Sizeable debt-servicing commitments and equity infusion requirements for under construction HAM projects – Currently, the company has six HAM projects (three operational and three under construction) with pending equity commitments of around Rs. 176.0 crore over the next 18-24 months for the under-construction projects. Moreover, the company has scheduled term debt repayment obligations of around Rs. 115.0 crore in FY2027 and Rs. 93.5 crore in FY2028. Nevertheless, it is adequately placed to meet the sizeable equity commitments and debt-servicing requirements through the available liquidity, expected cash accruals and proposed monetisation proceeds from its two operational HAM projects, Jangareddygudem Projects Private Limited (JPPL) and Rajamahendravaram Greenfield Highway Private Limited (RGHPL), which are likely to be completed by Q3 FY2027. Further, the promoters have demonstrated a track record of extending timely financial support, having infused around Rs. 83.0 crore of equity over the last three years and have indicated their willingness to provide unsecured loans to meet any potential cash flow shortfalls, if required, in a timely manner. Nevertheless, BIPPL remains exposed to project implementation risks associated with the under-construction HAM projects.

Order book exposed to geographical and segment concentration risks; risks associated with construction sector, including sizeable non-fund based exposure – The geographical concentration risk has remained high, with top three states (Telangana, Karnataka and Maharashtra) accounting for around 78% of the outstanding order book as on July 31, 2026. Segment concentration risk also continues to be elevated, with top 2 segments (roads & bridges and irrigation) contributing to around 77% of the outstanding order book as on July 31, 2026.

Further, BIPPL is exposed to the cyclicality inherent in the construction industry and intense competition in the tender-based contract award system, resulting in the risk of volatility in order inflows, revenues and pressure on profit margins. However, its long-standing presence and established relationships with clients provide comfort. Most contracts have the provision for price variation of key raw materials such as cement and steel, which protects the entity’s profitability to an extent. The company is also exposed to sizeable contingent liabilities in the form of bank guarantees (BGs) of Rs. 346.3 crore, letter of credit (LC) of Rs. 270.5 crore as on March 31, 2026, and surety bonds (SB) of Rs. 289.2 crore as of August 30, 2026, primarily towards performance guarantee, mobilisation advances and procurement of raw materials. Nonetheless, ICRA draws comfort from BIPPL's healthy execution track record and the absence of any invocation of guarantees or devolvement of LCs in the past.

Liquidity position: Adequate

BIPPL's liquidity position is Adequate, with free cash and bank balances of Rs. 81.1 crore as on March 31, 2026, and available cushion of around Rs. 54.7 crore in fund-based working capital limits as on June 30, 2026. The company has pending equity commitments of around Rs. 176.0 crore towards its under-construction HAM projects over the next 18-24 months and scheduled term debt repayment obligations of around Rs. 115.0 crore in FY2027. The same is anticipated to be comfortably met through available liquidity, expected cash accruals and proceeds from monetisation of JPPL and RGHPL. The company incurred capex of around Rs. 42.3 crore in FY2026, primarily towards procurement of construction equipment, and does not envisage any major capex plans over the medium term, with only minimal maintenance capex likely to be funded through internal accruals.

Rating sensitivities

Positive factors – The rating might be upgraded if there is diversification in the order book, along with a significant increase in the scale of operations and profitability margins, resulting in improved debt coverage metrics and liquidity position on a sustained basis.

Negative factors – Pressure on the rating may arise if there is a material decline in revenues or earnings resulting in deterioration of debt coverage indicators. Higher-than-expected funding (equity/ cost overrun/ operational shortfall) support towards HAM projects, or a sustained elongation in the working capital cycle, impacting its liquidity position could exert pressure on the rating. Specific credit metrics that would lead to a rating downgrade will include TOL/TNW increasing beyond 1.4 times on a prolonged basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the rating, ICRA has done limited consolidation of HAM special purpose vehicles (SPVs) factoring in the equity commitments and support towards meeting any cash flow mismatches. Refer to Annexure II.

About the company

BIPPL was established in 1994 by Mr. Krishna Mohan Bollineni as a proprietorship concern (M/s B. Krishna Mohan Engineers & Contracts) in Hyderabad. The proprietorship was converted into a partnership firm with effect from April 1, 2008, with the joining of Mr. Saratbabu Bollineni and subsequently, converted into a private limited company and changed its name to Bekem Infra Projects Private Limited (BIPPL) with effect from September 15, 2008. The company is a pioneer in the design, manufacture, installation, testing and commissioning of HM works as well as structural and civil works on direct/subcontractual basis for EPC contractors in the irrigation, buildings, railways, roads, power, defence, oil and gas segments.

Key financial indicators (audited)

BEKEM (standalone)	FY2025	FY2026*
Operating income (OI)	1250.30	1514.08
PAT	88.1	91.7
OPBDIT/OI	17.9%	15.2%
PAT/OI	7.0%	6.1%
Total outside liabilities/Tangible net worth (times)	1.3	1.3
Total debt/OPBDIT (times)	1.9	1.7
Interest coverage (times)	3.5	3.3

Source: Company, ICRA Research;- Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore 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)	Sep 11, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based – Term Loan	Long term	10.95	[ICRA]A (Stable)	Sep 29, 2025	[ICRA]A (Stable)	Nov 13, 2024	[ICRA]A (Stable)	-	-
Fund-based – Cash Credit	Long term	300.00	[ICRA]A (Stable)	Sep 29, 2025	[ICRA]A (Stable)	Nov 13, 2024 Nov 04, 2024	[ICRA]A (Stable) [ICRA]A (Stable)	Nov 10, 2023	[ICRA]A (Stable)
Fund-based – Bank Guarantee	Long term	1,122.00	[ICRA]A (Stable)	Sep 29, 2025	[ICRA]A (Stable)	Nov 13, 2024 Nov 04, 2024	[ICRA]A (Stable) [ICRA]A (Stable)	Nov 10, 2023	[ICRA]A (Stable)
Non-fund based – Letter of Credit	Long term	13.00	[ICRA]A (Stable)	Sep 29, 2025	[ICRA]A (Stable)	Nov 13, 2024 Nov 04, 2024	[ICRA]A (Stable) [ICRA]A (Stable)	Nov 10, 2023	[ICRA]A (Stable)
Proposed Fund-based Limits	Long term	-	-	-	-	-	-	Nov 10, 2023	[ICRA]A (Stable)
Proposed Non-Fund Based Limits	Long term	87.05	[ICRA]A (Stable)	Sep 29, 2025	[ICRA]A (Stable)	-	-	Nov 10, 2023	[ICRA]A (Stable)
Unallocated Limits	Long term	-	-	-	-	-	-	-	-
Fund-based – Bill Discounting	Long term	110.00	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund-based – Term Loan	Simple
Long Term – Fund-based – Cash Credit	Simple
Long Term – Non-fund Based – Bank Guarantee	Simple
Long Term – Non-fund Based – Letter of Credit	Simple
Long Term- Proposed Non-fund based	Simple
Long Term – Fund-based – Bill Discounting	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	Fund-based – Cash Credit	NA	NA	NA	300.00	[ICRA]A (Stable)	RBI
NA	Non-fund Based – Bank Guarantee	NA	NA	NA	1,122.00	[ICRA]A (Stable)	RBI
NA	Non-fund Based – Letter of Credit	NA	NA	NA	13.00	[ICRA]A (Stable)	RBI
NA	Proposed Non-fund based	NA	NA	NA	87.05	[ICRA]A (Stable)	RBI
NA	Long Term – Fund-based – Term Loan	Jan 2024	NA	Jan 2028	10.95	[ICRA]A (Stable)	RBI
NA	Long Term – Fund-based – Bill Discounting	NA	NA	NA	110.00	[ICRA]A (Stable)	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

Company Name	BEKEM Ownership	Consolidation Approach
Jangareddygudem Projects Private Limited	51.00%	Limited consolidation
Rajamahendravaram Greenfield Highways Private Limited	51.00%	Limited consolidation
Eastern Ghats Highway Project Pvt. Ltd	50.00%	Limited consolidation
Belagavi Expressways Private Limited	40.00%	Limited consolidation
Badami Highways Private Limited	70.00%	Limited consolidation
Aihole Expressways Private Limited	70.00%	Limited consolidation
Global Steel Structure Private Limited	100.00%	Limited consolidation

Source: BIPPL

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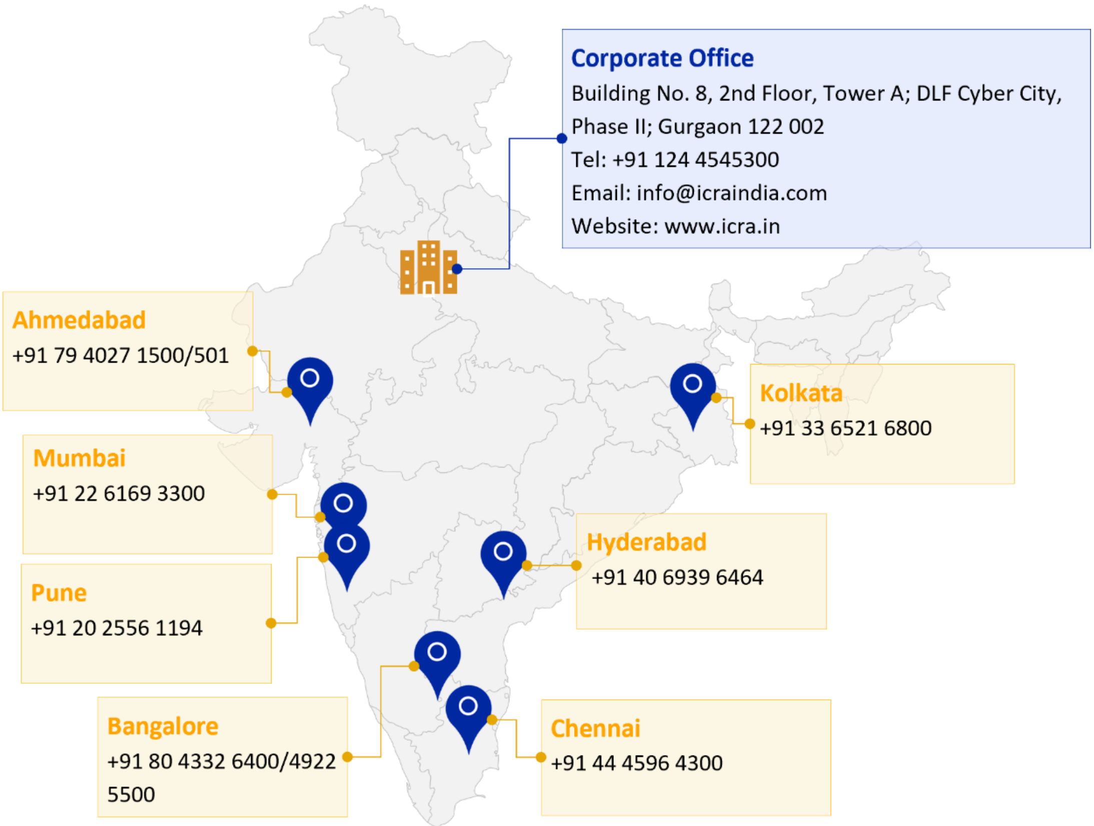

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