



Press Release
CHANDRA NIRMAN PRIVATE LIMITED
July 16, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE BBB Stable Upgraded	-
Bank Loan Ratings	50.25	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	65.25	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to “**ACUITE BBB**”(read as **ACUITE triple B**) from “**ACUITE BBB-**” (read as **ACUITE triple B minus**) and the short term rating to “**ACUITE A3+**” (read as **ACUITE A three plus**) from “**ACUITE A3**” (read as **ACUITE A three**) on the Rs.65.25 Cr. bank facilities of Chandra Nirman Private Limited. The outlook is ‘**Stable**’.

Rationale for upgrade

The upgrade factors the improvement in the company’s scale of operations marked by an operating income of Rs.182.88 Cr. in FY2025 (Prov.) against Rs.66.51 Cr. in FY2024. Further, the EBIDTA and PAT margin increased and stood at 11.84% and 8.28% respectively in FY2025 (Prov.) as against 9.26% and 5.38% in FY2024. The increase in revenue and profitability is contributed by the execution of orders and release of payments as well as clearances from government agencies stuck due to legislative assembly elections in the previous year. Further, the company has unexecuted orders in hand of Rs.521.00 crore as on May, 2025. The rating also positively factors in the experience of the management in infrastructure development projects leading to repeat orders. Additionally, the financial risk profile of the company remained comfortable marked by gearing below unity at 0.03 times as on March 31, 2025(Prov.), improved coverage indicators reflected by interest coverage ratio and debt service coverage ratio which stood at 15.09 times and 6.88 times respectively as on 31st March 2025 (Prov.) and adequate liquidity position marked by net cash accruals against the debt repayment obligations. However, the rating is constrained by intensive working capital operations and geographic concentration risk as CNPL majorly executes orders in Madhya Pradesh and Chhattisgarh. Acuite also notes risk related to tender based nature of business, volatility in raw material prices and intense competition in the civil construction industry.

About the Company

Kolkata based, Chandra Nirman Private Limited (CNPL) was incorporated in 2005. The company undertakes infrastructure development projects related to water supply, sewerage, buildings dams and roads for government and semi-government entities. Present directors of the company are Mr. Sameer Agrawal and Mrs. Sonu Agrawal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of the CNPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and long track record of operation

CNPL undertakes different types of civil constructions projects like water supply, sewerage, buildings, dams and roads for government and semi-government entities. CNPL is being promoted by the second line of management, comprising Mr. Sameer Agrawal and Mrs. Sonu Agrawal. The promoters possess experience of more two decades in the infrastructure sector. Acuité believes its long-established market presence, extensive experience of the promoters and successful completion of the past contracts will help to secure fresh orders going forward.

Improvement in scale of operations

The company witnessed an improvement in its scale of operations marked by an operating income which stood at Rs.182.88 Cr. in FY2025 (Prov.) against Rs.66.51 Cr. in FY2024. The EBITDA margin of the company increased and stood at 11.84 percent in FY2025 (Prov.) as against 9.26 per cent in FY2024. Likewise, the PAT margin of the company stood at 8.28 per cent in FY2025 (Prov.) against 5.38 percent in FY2024. The increase in revenue and profitability is on the back of the execution of orders. Further, the orders executed by the company are from Madhya Pradesh and Chhattisgarh wherein legislative assembly elections were held in these states in FY2024 which led to delays in clearances and payments from government agencies thereby impacting the revenue of the company in FY2024. However, same were passed in FY2025 (Prov.) which boosted the revenue of the company significantly. Moreover, the company has an unexecuted order book position to the tune of Rs.521.00 Crore as on May, 2025. Though the company's profitability is exposed to volatility in raw material, it has an in-built price escalation clause for major raw materials in most of its contracts. Going forward, the business risk profile of the company is expected to be supported by its incremental order book. However, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitorable.

Comfortable Financial Risk Profile

The financial risk profile of the company marked by moderate net worth, low gearing and comfortable debt protection metrics. The net-worth of the company stood at Rs.56.36 Crore as on 31st March 2025 (Prov.) as against Rs.41.22 Crore as on 31st March 2024. The increase in the net-worth is on an account of accretion of profits into reserves. The capital structure of the company is marked by gearing below unity which stood at 0.03 times as on 31st March 2025 (Prov.) against 0.19 times as on 31st March 2024. Further, the coverage indicators of the company are reflected by interest coverage ratio and debt service coverage ratio which stood at 15.09 times and 6.88 times respectively as on 31st March 2025 (Prov.) against 4.25 times and 2.49 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 1.16 times as on 31st March 2025 (Prov.) against 1.95 times as on 31st March 2024 and DEBT-EBITDA of the company stood at 0.08 times as on 31st March 2025 (Prov.) against 1.02 times as on 31st March 2024. Acuité expects that going forward the financial risk profile of the company will remain in similar range with no major debt funded capex plans.

Weaknesses

Intensive working capital operations

The working capital operations of the company is improved yet remained intensive marked by GCA days which stood at 186 days as on 31st March 2025 (Prov.) as against 550 days as on 31st March 2024. The high GCA days is on account of high other current assets, which majorly consists of security and withheld deposit, balance with government authorities and others as on 31st March 2025 (Prov.) and inventory holding which stood at 66 days as on 31st March 2025 (Prov.) against 217 days as on 31st March 2024. The creditor days stood at 69 days as on 31st March 2025 (Prov.) against 119 days as on 31st March 2024. Further, the debtor days of the company improved and stood at 7 days as on 31st March 2025 (Prov.) as against 83 days as on 31st March 2024 on account of late realization of payments from the government agencies due to legislative assembly elections in Madhya Pradesh and Chhattisgarh in FY2024. In addition, the average fund based and non fund based bank limit utilization of the company stood at 67.62% and 79.79% respectively in last six months ended May, 2025. Acuité expects that the working capital operations of the company will remain at similar levels over the medium term and ability of the company to manage its working capital operations efficiently will remain a key monitorable factor.

Competitive and fragmented industry with tender based operations

CNPL is engaged as an EPC contractor and the company faces intense competition from the presence of several mid to large sized players in the said industry. The risk becomes more pronounced as tendering is based on minimum amount of bidding on contracts and susceptibility to inherent cyclicality in the industry. However, in face of such competitive pressures, this risk is mitigated to an extent considering the extensive experience of the management along with healthy orderbook. Further, the company remains exposed to geographical concentration risk as CNPL majorly caters to Water Resources Department of Madhya Pradesh (MPWRD) and Municipal Corporation of Madhya Pradesh and Chhattisgarh. Acuité believes that diversification of the customer base will remain a key rating sensitivity.

Rating Sensitivities

- Sustainability in the growth in scale of operations while improving profitability margins.

- Timely execution of projects in hand.
- Working Capital Operations.

Liquidity Position

Adequate

The liquidity profile of the company is adequate marked by net cash accruals of Rs.16.04 Crore as on 31st March 2025 (Prov.) against debt repayment obligations of Rs.1.04 Crore in the same period. Going forward, the company is expected to generate net cash accruals under the range of Rs.13.50 Crore to Rs.15.50 Crore against the debt repayment obligations up to Rs.0.75 Crore over the same period. In addition, average fund based and non-fund based bank limit utilization of the company stood at 67.62% and 79.79% respectively in last six months ended May, 2025. The current ratio of the company stood at 1.68 times as on 31st March 2025 (Prov.) against 1.35 times as on 31st March 2024. The unencumbered cash and cash equivalents available with the company stood at Rs.16.35 Crore along with as on 31st March 2025 (Prov.). Acuité expects that going forward liquidity profile of the company is likely to remain adequate marked by sufficient accruals to repayment, moderate bank limit utilisation, absence of debt funded capex plan albeit intensive working capital requirements over medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	182.88	66.51
PAT	Rs. Cr.	15.14	3.58
PAT Margin	(%)	8.28	5.38
Total Debt/Tangible Net Worth	Times	0.03	0.19
PBDIT/Interest	Times	15.09	4.25

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Apr 2024	Bank Guarantee (BLR)	Short Term	18.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	16.25	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	7.50	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	8.50	ACUITE A3 (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.30	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	3.70	ACUITE BBB- Stable (Assigned)
14 Mar 2023	Bank Guarantee/Letter of Guarantee	Short Term	18.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	16.25	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	23.75	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.50	Simple	ACUITE A3+ Upgraded (from ACUITE A3)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB Stable Upgraded (from ACUITE BBB-)

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About Acuité Ratings & Research

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