Press Release
VIJAY BUILDERS AND CONSTRUCTIONS PRIVATE LIMITED
January 22, 2026
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.50	ACUITE BB | Stable | Reaffirmed	-
Bank Loan Ratings	6.50	-	ACUITE A4+ | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	15.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of **'ACUITE BB' (read as ACUITE double B)** and short-term rating of **'ACUITE A4+' (read as ACUITE A four plus)** on Rs. 15.00 Cr. bank facilities of Vijay Builders and Constructions Private Limited (VBCPL). The outlook is **'Stable'**.

Rationale for reaffirmation
The rating reaffirmation takes into consideration the stable operating performance of the company with improvement in revenue in FY25. Further, the rating draws comfort from the long-standing experience of the management in the construction industry. However, the rating is constrained on account of moderate financial risk profile, moderately intensive working capital operations and risks pertaining to competition due to the tender-based nature of operations along with susceptibility of margins on the raw material pricing trends, which shall remain a key rating sensitivity.

About the Company

Vijay Builders and Constructions Private Limited (VBCPL) is a Mumbai based company currently promoted by Mr. Suneel Alreja, Mr. Karan Alreja and Mr. Abhishek Alreja. Mr. Vashdev Alreja is the father of the current promoters who started the business as a contractor in 1978 as a sole proprietorship concern which was reconstituted as a private limited company in 2006. The company is involved in executing infrastructure projects, including the construction of industrial and commercial buildings, road works, equipment foundations, structural steel works, and pipeline projects for leading oil and gas companies such as HPCL and BPCL for more than four decades at various locations pan India.

Unsupported Rating
Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of VBCPL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management
Being in operations for more than four decades, VBCPL has gained extensive experience in the construction business and currently it has diversified its presence in the states of Gujarat, Maharashtra, Kerala, Tamil Nadu, Jharkhand and Karnataka. The company is promoted by Mr. Suneel Alreja, Mr. Karan Alreja and Mr. Abhishek Alreja having long-standing experience in the construction industry and over the years, have established healthy relationships with their stakeholders.

Improvement in revenue albeit thin operating margins
The operating revenue of the company has improved to Rs. 49.10 Cr. in FY25 as compared to Rs. 31.86 Cr. in FY24 primarily on account of higher execution of the orders in FY25. However, the operating margin of the company stood low and range-bound at 2.76 percent in FY25 (2.30 percent in FY24). Further, the company has clocked revenue of Rs. 30.95 Cr. in 9MFY26 (Rs. 28.37 Cr. in 9MFY25) on account of timely execution of the orders. Additionally, the company has an outstanding order book of ~Rs. 64.70 Cr. (1.32 times of FY25 revenue) as on Dec 31, 2025 to be executed in the near to medium term. Going forward, the sustenance of the operating performance shall remain a key rating monitorable.

Weaknesses

Moderate financial risk profile
The financial risk profile of the company stood moderate marked by low net worth of Rs. 12.13 Cr. as on March 31, 2025 (Rs. 11.48 Cr. as on March 31, 2024), improved on account of accretion of profits to reserves. The debt profile of the company consisted of the unsecured loans infused by the promoters to the tune of Rs. 2.40 Cr. as on March 31, 2025. Therefore, the gearing (debt-equity) of the company stood below unity at 0.20 times in FY25 (0.19 times in FY24). Further, coverage indicators stood moderate with debt service coverage ratio of 2.43 times and interest coverage ratio of 4.97 times for FY25. The debt-EBITDA stood at 1.71 times as on March 31, 2025 and NCA/TD stood at 0.37 times as on March 31, 2025. Going forward, the financial risk profile is expected to remain moderate over the medium term in the absence of any major debt-funded capital expenditure and steady cash accruals.

Moderately intensive working capital operations
The working capital operations of the company stood moderately intensive marked by gross current assets (GCA) of 136 days in FY25 (183 days in FY24), majorly driven by higher other current assets consisting of retention money (Rs. 7.47 Cr. as of March 31, 2025) along with advance to suppliers, debtor levels. The inventory days reduced to 16 days in FY25 (71 days in FY24) on account of higher order execution in FY25. Further, the debtor's collection period stood efficient at 35 days in FY25 (24 days in FY24) and the creditor days stood at 45 days in FY25 (42 days in FY24). Going forward, the working capital operations are expected to be in similar levels considering the nature of industry.

Exposure to intense competition and tender-based operations
The infrastructure is a fragmented industry with a presence of large players pan India where subcontracting & project specific partnerships for technical/financial reasons are common. The revenue and profitability for tendering based operations depends entirely on the ability to win tenders wherein entities face intense competition, thus requiring them to bid aggressively to procure contracts and restrict the operating margin to a moderate level. Moreover, the contracts undertaken by the company do not include cost escalation clauses and therefore, the profitability margins are susceptible to the key raw material (steel and cement) pricing trends which shall remain a key rating sensitivity.

Rating Sensitivities

- Continued order book growth and timely execution of the projects supporting improvement in revenue and margins
- Significant increase in debt levels affecting the financial risk profile of the company
- Elongation of working capital requirements thereby affecting the liquidity profile

Liquidity Position
Adequate

The company's liquidity position is adequate marked by net cash accruals of Rs. 0.89 Cr. in FY25 as against maturing debt obligations of Rs. 0.20 Cr. for the same period. Going forward, the cash accruals are expected to around Rs. 1.00 Cr. for the period FY26 and FY27 against no maturing debt obligations for that period. The working capital limits are marked moderate as reflected by moderate utilizations of fund-based limit at 77.23 percent in the last six months ended December 2025 and the available BG limit as on January 11, 2026 stood at Rs. 1.51 Cr. against sanction of Rs 6.5 Cr. Further, the current ratio stood healthy at 2.76 times in FY25 while the cash and bank balances stood low at Rs. 0.39 Cr. as on March 31, 2025. Acuité believes that the liquidity of the company would remain adequate backed by small but steady accruals against absence of debt repayment, absence of debt funded capex plans, healthy current ratio and moderate reliance on bank lines for funding working capital cycle over the medium term.

Outlook: Stable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	49.10	31.86
PAT	Rs. Cr.	0.65	0.40
PAT Margin	(%)	1.33	1.25
Total Debt/Tangible Net Worth	Times	0.20	0.19
PBDIT/Interest	Times	4.97	30.35

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. Acuite'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
28 Oct 2024	Bank Guarantee/Letter of Guarantee	Short Term	6.50	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	3.00	ACUITE BB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.50	ACUITE BB | Stable (Reaffirmed)
31 Jul 2023	Bank Guarantee/Letter of Guarantee	Short Term	6.50	ACUITE A4+ (Reaffirmed)
	Secured Overdraft	Long Term	3.00	ACUITE BB | Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.50	ACUITE BB | 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
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.50	Simple	ACUITE A4+ | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.50	Simple	ACUITE BB | Stable | Reaffirmed
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BB | Stable | Reaffirmed

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About Acuité Ratings & Research
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