



Press Release
ASHIRBAD ENG AND CONSTRUCTION PRIVATE LIMITED
September 26, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.50	ACUITE BBB+ Stable Upgraded	-
Bank Loan Ratings	195.50	-	ACUITE A2+ Upgraded
Total Outstanding Quantum (Rs. Cr)	225.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to ‘**ACUITE BBB+**’ (read as **ACUITE Triple B plus**) from ‘**ACUITE BBB**’ (read as **ACUITE Triple B**) and the short term rating to ‘**ACUITE A2+**’ (read as **ACUITE A Two plus**) from ‘**ACUITE A2**’ (read as **ACUITE A Two**) on the Rs. 225.00 Cr bank facilities of Ashirbad Eng and Construction Private Limited. The outlook is ‘**Stable**’.

Rationale for upgrade

The rating upgrade factors the improvement in the company’s scale of operations marked by an operating income of Rs.364.62 Cr. in FY2025 (Prov.) against Rs.291.73 Cr. in FY2024. Further, the EBIDTA and PAT Margin of the company increased and stood at 14.43% and 9.14% respectively in FY2025 (Prov.) as against 11.99% and 6.79% in FY2024. Moreover, the company has clocked Rs.98.00 Cr. in Q1 FY2026. The increase in revenue and profitability is on the back of timely execution of orders by the company. The stability in revenue is further backed by unexecuted orders in hand of Rs.951.12 Crore as on July, 2025. The rating also positively factors in the experience of the management in civil construction business leading to repeat orders. Additionally, the financial risk profile of the company remained healthy marked by gearing at 0.36 times as on March 31, 2025(Prov.), improved coverage indicators reflected by interest coverage ratio and debt service coverage ratio which stood at 14.36 times and 4.55 times respectively as on 31st March 2025 (Prov.), efficient working capital operations marked by GCA days of 74 days as on 31st March 2025 (Prov.) and adequate liquidity position reflected by net cash accruals against the debt repayment obligations and moderately utilised bank lines. However, the rating is constrained by susceptibility to geographic concentration risk, tender based nature of business, volatility in raw material prices and intense competition in the civil construction industry.

About the Company

Orissa based, Ashirbad Eng and Construction Private Limited was incorporated in 2012. Directors of the company are Mr. Abinash Dash, Mr. Bikash Dash and Ms. Shruti Satapathy. The company undertakes road work projects, bridge projects, irrigation projects and building projects for different departments of Government like rural development, water resources, National Highway, Railway, IDCO, PWD, Odisha Construction Corporation, OBCC and OPTCL.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Ashirbad Eng and Construction Private Limited to arrive at this rating.

Key Rating Drivers

Strengths

Sound business risk profile supported by healthy order book position

The company witnessed an improvement in its scale of operations marked by an operating income of Rs.364.62 Cr. in FY2025 (Prov.) as against Rs.291.73 Cr in FY2024. The EBITDA margin of the company stood at 14.43 per cent in FY2025 (Prov.) as against 11.99 per cent in FY2024 on account of decrease in raw material costs in FY2025 (Prov.) as compared to FY2024. The PAT margin of the company stood at 9.14 per cent in FY2025 (Prov.) against 6.79 per cent in FY2024. Additionally, ROCE of the company stood at 51.01% in FY2025 (Prov.). The increase in revenue and profitability is on the back of execution of orders by the company. The company has clocked Rs.98.00 Cr. in Q1 FY2026. The stability in revenue is further backed by an unexecuted healthy order book position to the tune of Rs.951.12 Crore as on July, 2025 (approximately 2.61x of revenue of the company in FY2025 (Prov.)). The orders for infrastructure projects are primarily from Government organizations and all its projects are on the direct tendering basis. Acuite expects that going forward, revenue and profitability of the company is expected to improve on the back of execution of orders in hand along with incremental order book of the company. However, ability of the company to bag new orders and timely execution of the existing orders will remain a key monitorable.

Healthy Financial Risk Profile

The financial risk profile of the company is marked by healthy net worth, low gearing and comfortable debt protection metrics. The net-worth of Rs.86.21 Crore as on 31st March 2025 (Prov.) against Rs.52.89 Crore as on 31st March 2024. The increase in the net-worth is on an account of accretion of profits into reserves. Further, the total debt of the company stood at Rs.31.29 Crore as on 31st March 2025 (Prov.) against Rs.20.70 Crore as on 31st March 2024. The capital structure of the company is comfortable marked by gearing ratio which stood at 0.36 times as on 31st March 2025 (Prov.) against 0.39 times as on 31st March 2024. Further, the coverage indicators of the company improved reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 14.36 times and 4.55 times respectively as on 31st March 2025 (Prov.) against 10.95 times and 3.86 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 1.33 times as on 31st March 2025 (Prov.) against 1.68 times as on 31st March 2024 and DEBT-EBITDA stood at 0.57 times as on 31st March 2025 (Prov.) against 0.56 times as on 31st March 2024. Acuite believes that going forward the financial risk profile of the company will remain healthy with no major debt funded capex plans.

Efficient Working Capital operations

The working capital operations of the company are efficient marked by GCA days which stood at 74 days as on 31st March 2025 (Prov.) as against 108 days as on 31st March 2024. The EPC business retains a naturally elevated working capital intensity, attributed to prolonged project execution timelines, payments tied to project milestones, and the release of retention money. However, the company manages the same efficiently as reflected by moderate debtor days of the company due to smooth payment structure which stood at 52 days as on 31st March 2025 (Prov.) against 61 days as on 31st March 2024. Further, the inventory holding stood at 6 days as on 31st March 2025 (Prov.) against 10 days as on 31st March 2024 and the creditor days stood at 80 days as on 31st March 2025 (Prov.) against 86 days as on 31st March 2024. In addition, the average fund based and non-fund based bank limit utilization of the company stood at an average of 51.52% and 62.05% respectively for the last six months ended July, 2025. Acuite believes that the working capital operations of the company will remain at similar levels over the medium term.

Weaknesses

Susceptibility to geographical concentration risk

AECPL is based in Odisha and executes projects only for the Government of Odisha and various municipal corporations in the state of Odisha. This leads the company exposed to geographical concentration risk as AECPL is a regional player, with 100 per cent of the works executed in and around Odisha. Any changes in Government future plans could affect the company adversely. Acuite believes that diversification of the customer base will remain a key rating sensitivity

Presence in a fragmented and Competitive industry

The civil construction sector is marked by the presence of several mid to big size players. The company faces intense competition from other players in the sector. AECPL specializes in civil works related to the construction of roads and buildings, mainly for Government of Odisha and various municipal corporations in the state of Odisha. The revenue of the company depends on the ability to bid successfully for tenders, as almost all the sales are tender based. The company faces competition from large players, as well as many local and small unorganised players, which may hence require it to bid aggressively to get contracts. Also, given the cyclicity inherent in the construction industry, the ability to maintain profitability margin through operating efficiency becomes critical.

However, this risk is mitigated to an extent on account of the experience of the management and well-established presence in its terrain.

Rating Sensitivities

- Sustainability in the growth in scale of operations while improving profitability margins.
- Timely execution of projects in hand

Liquidity Position Adequate

The liquidity profile of the company is adequate marked by net cash accruals of Rs.40.57 Crore as on 31st March 2025 (Prov.) against the debt repayment obligation of Rs.5.91 Crore over the same period. Going forward, the company is expected to generate net cash accruals under the range of Rs.44.00 Crore to Rs.50.00 Crore against the debt repayment obligations up to Rs.7.15 Crore in the next two years. The current ratio of the company stood at 1.15 times as on 31st March 2025 (Prov.) against 1.29 times as on 31st March 2024. The cash and cash equivalents available with the company stood at Rs.46.36 Crore as on 31st March 2025 (Prov.). Further, there is a lower dependence on the external borrowings wherein the average fund based and non-fund based bank limit utilization of the company stood at an average of 51.52% and 62.05% respectively for the last six months ended July, 2025. Acuité expects liquidity profile of the company to remain adequate in near to medium term supported by sufficient accruals to repayment, moderately utilised bank lines and adequate cash and cash equivalents.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	364.62	291.73
PAT	Rs. Cr.	33.32	19.81
PAT Margin	(%)	9.14	6.79
Total Debt/Tangible Net Worth	Times	0.36	0.39
PBDIT/Interest	Times	14.36	10.95

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
23 Jul 2024	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	26.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	11.50	ACUITE A2 (Assigned)
	Proposed Bank Guarantee	Short Term	2.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Proposed Bank Guarantee	Short Term	35.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Proposed Bank Guarantee	Short Term	16.00	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A2 (Assigned)
	Secured Overdraft	Long Term	2.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Secured Overdraft	Long Term	0.50	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BBB Stable (Assigned)
25 Apr 2023	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	26.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	2.00	ACUITE A3+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	35.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB- Stable (Reaffirmed)
01 Feb 2023	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	26.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Bank Guarantee	Short Term	2.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Bank Guarantee	Short Term	75.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	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
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.50	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BBB)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BBB)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BBB)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BBB)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A2+ Upgraded (from ACUITE A2)
ICICI Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE BBB+ Stable Upgraded (from ACUITE BBB)

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