



Press Release
NANDA INFRA CONSTRUCTION PRIVATE LIMITED
March 31, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	1.00	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	18.76	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	14.00	-	ACUITE A3+ Assigned
Bank Loan Ratings	78.50	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	112.26	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple Ba**) and the short-term rating of ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on the Rs.97.26 Cr. bank facilities of Nanda Infra Construction Private Limited (NICPL). The outlook is ‘**Stable**’.

Acuite has assigned the long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple B**) and the short-term rating of ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on the Rs.15.00 Cr. bank facilities of Nanda Infra Construction Private Limited (NICPL). The outlook is ‘**Stable**’.

Rationale for rating reaffirmation

The rating reaffirmation is on account of improvement in scale of operations backed by comfortable order book position and stable profitability margins. The rating factors in experienced management and long operational track record. The rating also draws comfort from healthy financial risk profile and adequate liquidity position. The rating is however constrained by working capital intensive nature of operations, high geographical concentration in order book and inherent risks in tender based nature of business in an intensely competitive construction industry.

About the Company

Incorporated in 2011, Nanda Infra Construction Private Limited (NICPL) is based in Talcher, Odisha and is promoted by Mr. Dilip Kumar Nanda and Mr. Rajendra Kumar Nanda. The company is engaged in civil construction activities and undertakes contracts for construction of roads, bridges and railway in Odisha. NICPL caters majorly to the government entities such as Public Works Department (PWD) Odisha, Indian Railways, Mahanadi Coalfield Ltd., among others. The company is a registered ‘Superclass’ contractor with PWD, Odisha which enables it to participate in higher value contracts floated by the government entities.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of NICPL while arriving at the rating.

Key Rating Drivers

Strengths

Experienced management and reputed clientele base

The company is promoted by Mr. Dilip Kumar Nanda who has an extensive experience of more than two decades in the civil construction industry, thereby, aiding the operations of NICPL. The company has established healthy relationships with the clientele and is registered as a superclass contractor with Public Works Department (PWD) of Odisha and has long-standing association with government bodies or public sector undertakings. Acuité believes that the extensive experience of the management and the healthy clientele relationships will continue to benefit the company going forward.

Improvement in scales of operations backed by comfortable order book and steady profitability margin

The company witnessed improvement in the operating income Y-O-Y and achieved revenue of Rs 165.05 Cr. in FY2024 as compared to Rs 103.09 Cr. in FY2023 and Rs 72.78 Cr. in FY2022. The improvement is on account of the timely execution of the orders. Further it has an unexecuted order book of around Rs 212.75 Cr. as on January 31, 2025 which gives revenue visibility for the medium term. The operating margin of the company stood range bound at 10.46 per cent in FY2024 as against 11.68 per cent in FY2023 and 10.91 per cent in FY2022 and PAT Margin of the company stood at 6.62 per cent in the FY2024 as against 6.30 per cent in the FY2023 and 6.18 per cent in the FY2022.

Acuité believes that the operating performance of the company would improve steadily on the back of comfortable order book position and stable profitability margins.

Healthy financial risk profile

The company's financial risk profile is healthy marked by comfortable net worth, low gearing and comfortable debt protection metrics. The tangible net worth of the company increased to Rs.52.59 Cr. as on March 31, 2024 as against Rs.41.67 Cr. as on March 31, 2023 and Rs 35.17 Cr. as on March 31, 2022 mainly on account of accretion to reserves. Gearing (Debt-to-Equity ratio) of the company improved and stood comfortable at 0.10 times as on March 31, 2024 as against 0.17 times as on March 31, 2023. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) also improved Y-o-Y and stood comfortable at 0.48 times as on March 31, 2024 as against 0.55 times as on March 31, 2023. The comfortable debt protection metrics of the company is marked by Interest Coverage Ratio at 21.34 times and Debt Service Coverage Ratio (DSCR) at 8.26 times as on March 31, 2024 as against 6.34 times and 5.23 times as on March 31, 2023 respectively on account of repayment of debt obligations. The Net Cash Accruals/Total Debt (NCA/TD) improved Y-o-Y and stood at 2.60 times in FY2024 as against 1.17 times in FY2023 and 0.52 times in FY2022.

Acuité believes that the financial risk profile of the company will remain healthy owing to improving accruals and no major debt funded capex plans.

Weaknesses

Moderately intensive working capital management

The working capital management of the company remained intensive with Gross Current Assets (GCA) of 134 days as on March 31, 2024 as compared to 174 days as on March 31, 2023. The inventory holding period stood comfortable at 6 days as on March 31, 2024 as compared to 44 days and 32 days as on March 31, 2023 and March 31, 2022 respectively. The debtor days of the company has stood at 61 days as on March 31, 2024 as compared to 50 days and 110 days as on March 31 2023 and March 31 2022 respectively. Increase in debtor's holding is reflecting high on account of increase in security deposit which stood at Rs 16.81 Cr. in FY24 as against Rs 4.64 Cr. in FY23. The creditors holding had increased to 84 days as on March 31, 2024 as compared to 45 days and 42 days as on March 31 ,2023 and March 31, 2022 respectively. The company has not utilized fund-based limit whereas non-fund-based limit utilization stood at ~58.95 percent for the last six months ended January 2025.

Acuité believes that the working capital operations of the company will remain moderately intensive over the medium term based on the nature of business

High geographical concentration

The company derives majority of revenue from government projects limited to Odisha thereby reflecting higher geographic concentration. Moreover, the unexecuted order book of the company is also geographically limited to state of Odisha only.

Inherent risks in tender-based businesses and intense competition in the industry

Intense competition from several players, and exposure to risks arising from dependence on tenders and geographical presence restricted to Odisha, restrict NICPL's ability to scale up further. Growth in revenue and profitability depends on the company's ability to bid successfully and executes order within stipulated time frame.

Rating Sensitivities

- Consistent improvement in scale of operation while sustaining profitability margin
- Deterioration in financial risk profile

- Working capital management
- Timely execution of orders

Liquidity Position

Adequate

The company's adequate liquidity position is marked by net cash accruals of Rs 13.46 Cr. as on March 31, 2024, as against long term debt repayment of only Rs 0.89 Cr. over the same period. The current ratio stood comfortable at 2.99 times as on March 31, 2024 as compared to 3.05 times and 2.47 times as on March 31, 2023 and March 31, 2022 respectively. The company has cash and bank balance of Rs.18.66 Cr. as on March 31, 2024. The company has not utilized fund-based limit whereas non-fund-based limit utilization stood at ~58.95 percent of its working capital facility for the last six months ended January 2025.

Going forward, Acuité believes the liquidity position of the company will remain adequate marked by the gradually improving net cash accruals.

Outlook

Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	165.05	103.09
PAT	Rs. Cr.	10.92	6.50
PAT Margin	(%)	6.62	6.30
Total Debt/Tangible Net Worth	Times	0.10	0.17
PBDIT/Interest	Times	21.34	6.34

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

Not applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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
26 Jul 2024	Bank Guarantee (BLR)	Short Term	34.50	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	2.26	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	0.50	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	15.00	ACUITE BBB Stable (Assigned)
28 Apr 2023	Bank Guarantee (BLR)	Short Term	26.74	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	7.76	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	2.26	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	0.50	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB Stable (Assigned)
23 Mar 2022	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	2.26	ACUITE A3+ (Assigned)
	Proposed Bank Guarantee	Short Term	0.35	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	1.39	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	0.50	ACUITE BBB Stable (Assigned)

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.	34.50	Simple	ACUITE A3+ Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	44.00	Simple	ACUITE A3+ Reaffirmed
Federal Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE A3+ Assigned
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB Stable Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB Stable Reaffirmed
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE BBB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.76	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

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