



Press Release
A B INFRABUILD LIMITED
May 07, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	57.00	ACUITE BBB- Positive Assigned	-
Bank Loan Ratings	65.00	ACUITE BBB- Positive Reaffirmed Stable to Positive	-
Bank Loan Ratings	58.00	-	ACUITE A3 Assigned
Bank Loan Ratings	20.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	200.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of 'ACUITÉ BBB-' (read as ACUITE triple B minus) and short-term rating of 'ACUITÉ A3' (read as ACUITE A three) on the Rs. 85.00 Cr. bank facilities of A B Infrabuild Limited (ABIL). The outlook is revised from 'Stable' to 'Positive.'

Further, Acuité has assigned the long term rating of 'ACUITÉ BBB-' (read as ACUITE triple B minus) and the short term rating of 'ACUITÉ A3' (read as ACUITE A three) on the Rs. 115.00 Cr. bank facilities of A B Infrabuild Limited (ABIL). The outlook is 'Positive'

Rationale for rating and outlook revision

The rating reaffirmation and outlook revision takes into account the healthy outstanding order book of the company of Rs. 846.75 Cr. as on April 20, 2025 providing sound revenue visibility over the medium term with stable operating margins. Further, rating factors the healthy financial risk profile of the company with low gearing and comfortable debt protection metrics. The rating also derives comfort from the strong resource mobilization ability of the company in terms of fund raise through recent rights issue in FY26 and banking limit enhancement. However, the rating continues to remain constrained on account of intensive working capital operations of the company driven by unbilled revenue and retention money. The company also remains prone to geographical and sector risk as majority of the projects are in state of Maharashtra with a key focus of railway developments.

About the Company

Established in 2011 and headquartered in Mumbai, A B Infrabuild Limited is an engineering, procurement and construction (EPC) company engaged in civil and structural work, new station infrastructure, redevelopment of old stations, new railway lines, gauge conversion, track inking, track formation, building of rail over bridge, foot over bridge, etc. with specialisation in railway projects. The company is promoted by Mr. Amit Bholanath Mishra, supported by its directors namely; Mr. Udayan Anantrao Chindarkar, Ms. Vanita Vinodbhai Bhuva, Mr. Shreeprakash Deonarayan Singh, Mr. Mukesh Pandey, Mr. Bharatkumar Punmaji Parmar and Ms. Archana Rakesh Pandey.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of A B Infrabuild Limited to arrive at the

rating.

Key Rating Drivers

Strengths

Established track record of operations

ABIL has an established track record of over two decades. The company holds Grade "AA" registration with the Municipal Corporation of Greater Mumbai and Class 1(A) certification from the Public Works Department, Maharashtra. Further, the promoter Mr. Amit Bholanath Mishra has an experience spanning over two decades as an EPC contractor which has helped ABIL in increasing its scale of operations over the years and securing a healthy outstanding order book of Rs 846.75 Cr. as on April 20, 2025.

Healthy orderbook position expected to improve the operating performance over the medium term

While the revenues of the company stood lower at Rs 137.65 Cr. in 9MFY2025 as against Rs. 160.22 Cr. in 9MFY2024 due to delay in order executions in H1FY25 on account of General and Maharashtra state elections, however, the current outstanding orderbook of Rs 846.75 Cr. as on April 20, 2025 provides a sound and improving revenue visibility over the medium term. Further, of the outstanding order book nearly Rs 500 Cr. pertains to fresh orders received in FY25. Moreover, while in FY2024, the margins were higher at 13.08% on account of receipt of an urgent order of ~Rs. 50 Cr, executed in the monsoon season, which had led to a significant increase in the revenue as well as the margins, however, going forward the margins are expected to remain in the steady range of 10-11 percent.

Therefore, the continued growth in order book, timely execution of contracts at steady margins shall be a key rating sensitivity.

Healthy financial risk profile and strong resource mobilization ability

The financial risk profile of ABIL is healthy, supported by healthy network, low gearing and comfortable debt protection metrics. The improving tangible net worth which increased to Rs. 81.55 Cr. on March 31, 2024 as against Rs. 35.32 Cr. on March 31, 2023 on account of equity raise and profit accretion has kept the gearing below unity for the past 2 years (0.50 times on March 31, 2024 & 0.91 times on March 31, 2023). The debt protection metrics also stood comfortable with Interest Coverage Ratio (ICR) at 4.66 times and Debt Service Coverage Ratio (DSCR) at 3.00 times in FY2024, improved from 3.47 times and 2.40 times respectively in FY2023. Moreover, while the Debt-EBITDA has remained comfortable in the past two years (1.69 times as on FY2024 & 2.09 times as on FY2023), any significant increase in the working capital requirements leading to moderation of the same, shall be a key rating sensitivity.

Further, the company also has strong resource mobilization ability as witnessed by equity raise through preferential and rights issues of Rs. 46.84 Cr. in FY2024 & FY2025 and the recent rights issue raise of Rs 39.92 Cr. in April 2025 which shall further improve the net worth and debt protection metrics of the company. Further, the company also enhanced its working capital limits by Rs 88.78 Cr. (Rs 42.50 Cr. – fund based & Rs 46.28 Cr. – non fund based) in FY2025 to support the growth in order book.

Weaknesses

Intensive Working Capital Management

The Gross Current Assets (GCA) days of the company though improved, continue to remain intensive at 203 days on March 31, 2024 (325 days on March 31, 2023). This is mainly due to high unbilled revenue which stood at Rs. 50.51 Cr. as on March 31, 2024 (Rs 52.74 Cr. as on March 31, 2023) and retention money which are held upto 5 yrs. Moreover, the debtor days stood improved at 42 days on March 31, 2024 against 96 days on March 31, 2023. On the other hand, creditor days stood at 44 days on March 31, 2024 as against 144 days on March 2023.

The working capital cycle is expected to remain on similar lines on account of the nature of business operations.

Tender based nature of operations and competitive industry

ABIL is engaged in bidding for tenders in the infrastructure segment, which is marked by the presence of several mid- to large-sized players; hence, the company faces intense competition from other players in the sector. The risk becomes more pronounced as tendering is based on a minimum amount of bidding for contracts. The company acquires tenders at competitive prices, which may affect its profitability. There are uncertainties attached to the allotment of tenders. However, the risk is mitigated to some extent, given the promoter's experience of more than two decades in the industry, which has enabled the company to procure tenders on a regular basis.

Geographical concentration in revenue profile

ABIL majorly executes work orders in and near the city of Mumbai with more than 85 percent of the FY2024 revenue being derived through execution of projects in the city. Further, nearly 63% of the current outstanding

order book is towards government sector projects of which ~ 61% pertains to railway developments. Therefore, there exists significant concentration risk in terms of railway sector and Mumbai location and any change in the state policy or sector regulations might affect the business operations of the company. Moreover, the company is exploring to diversify its operations into road projects in Gujarat & Uttar Pradesh and private residential projects.

Acuité believes that the ability of ABIL to diversify its revenue profile will remain key monitorable over the medium term.

Rating Sensitivities

- Continued order book growth supporting improvement in revenue at stable margins
- Significant increase in debt levels affecting the financial risk profile of the company
- Elongation of working capital requirements thereby affecting the liquidity profile
- Geographical and sectoral diversification of orders

Liquidity Position Adequate

The adequate liquidity position of the firm is supported by generation of sufficient net cash accruals (NCA) estimated to be in the range of Rs. 14-15 Cr. for FY2025 with repayments in the range of Rs. 2.22 Cr. Further, the NCAs are expected to remain in the range of Rs. 17-22 Cr. for FY2026 and FY2027 as against repayments in the range of Rs. 2.70 - 2.80 Cr. The company had cash and bank deposits of Rs. 16.88 Cr. on December 31, 2024. The bank limit utilization also stood moderate at ~76 percent for fund based limits and at ~48 percent for non fund based limits for six months ended on March 2025. Further, the company is a listed entity holding a market cap of Rs. 533.39 Cr. on April 28, 2025 which provides additional financial flexibility.

Outlook: Positive

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	183.61	122.21
PAT	Rs. Cr.	11.42	7.54
PAT Margin	(%)	6.22	6.17
Total Debt/Tangible Net Worth	Times	0.50	0.91
PBDIT/Interest	Times	4.66	3.47

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
21 Nov 2024	Bank Guarantee (BLR)	Short Term	15.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.21	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	6.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	15.30	ACUITE BBB- Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	1.55	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.48	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	4.70	ACUITE BBB- Stable (Reaffirmed)
	Funded Interest Term Loan	Long Term	0.50	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.43	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	26.83	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE BBB- Stable (Reaffirmed)
22 May 2024	Bank Guarantee (BLR)	Short Term	10.21	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	6.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	15.50	ACUITE A3 (Assigned)
	Cash Credit	Long Term	2.50	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	15.30	ACUITE BBB- Stable (Assigned)
	Funded Interest Term Loan	Long Term	1.55	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.48	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	4.70	ACUITE BBB- Stable (Assigned)
	Funded Interest Term Loan	Long Term	0.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	0.43	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	26.83	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
Bank of Maharashtra	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3 Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3 Assigned
A U Small Finance Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE A3 Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A3 Assigned
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	18.00	Simple	ACUITE BBB- Positive Reaffirmed Stable to Positive
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Positive Assigned
A U Small Finance Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB- Positive Assigned
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BBB- Positive Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	47.00	Simple	ACUITE BBB- Positive Reaffirmed Stable to Positive
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Positive Assigned

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About Acuité Ratings & Research

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