



Press Release
Subhash Infraengineers Private Limited
December 18, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	65.00	ACUITE A- Stable Reaffirmed	-
Bank Loan Ratings	235.00	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	300.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) and the short-term rating of '**ACUITE A1**' (read as **ACUITE A one**) on the Rs.300 Cr. bank facilities of Subhash Infraengineers Private Limited (SIPL). The Outlook is '**Stable**'.

Rationale for Rating

The rating factors the experienced management in civil construction business which gets leveraged in the overall performance of the company and healthy order book position of approximately Rs.2050.54 Cr as on 31st October 2025, which will be executed in near to medium term. Additionally, the financial risk profile of the company remained healthy marked by gearing, adequate liquidity position. However, the above mentioned strengths are partly off-set by company's declined operating performance as reflected by dip in operating income to Rs. 474.55 Cr. in FY25 from Rs. 530.41 Cr. in FY24 and working capital intensive nature of operations of the company. However, Acuite notes that the elongated receivable cycle is due to company usually awaits clearance of final bills for its completed projects. Acuite also considers the reputed client base consisting of government, thereby reducing the counter party risk. It also remains constrained by risk related to tender based nature of business, volatility in raw material prices and intense competition in the civil construction industry.

About the Company

Haryana based, Subhash Infraengineers Private Limited was originally established in 1996 as a partnership firm under the name Subhash Chander & Co. In 2009, the company was reconstituted into a private limited company, reflecting its growth and evolving business ambitions. Over the years, SIPL has established itself as a reliable player in the industrial construction sector, providing comprehensive services for a variety of infrastructure projects. The Company is engaged in construction of irrigation, highways & roads, railway, water/waste treatment, Commercial and Residential and Pipeline Projects. SIPL has executed prestigious projects for some of India's leading public sector entities, including MAHARATNA companies such as NTPC, BHEL, and NHPC, as well as various State and Central Government departments. The company directors are the Mr. Dilbag Singh Saini and Mr. Jasbir Saini.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of SIPL to arrive at the

rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

The company has a long track record of over a decade in the civil construction business with an established track record of project execution related to construction of irrigation, highways & roads, railway, water/waste treatment, Commercial and Residential and Pipeline Projects on EPC basis. Currently the company is managed by the present directors of the company are Mr. Dilbag Singh Saini and Mr. Jasbir Saini, who has been associated with this industry for over three decade. Acuité believes that going forward, the growth of the company will be aided by the long track record of operations and the management's strong understanding of market dynamics.

Healthy Order book albeit decline in scale of operations

The company has robust order book which is diversified order in roads, railways, irrigation, sewage treatment plants and infrastructure projects which stands at over approximately Rs. 2,050.54 Cr. as of October 2025. This strong order book is largely comprising of projects from marquee clients such as Delhi Jal Board, Rail Vikas Nigam Ltd, Bharat Heavy Electricals Limited (BHEL). With an order book four times the projected revenue, shows a strong revenue visibility over the medium term. Acuite believes that going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitorable. However, the company witnessed a decline in its scale of operations marked by an operating income of Rs. 474.55 Cr. in FY2025 as against Rs. 530.41 Cr in FY2024 due to the project-specific delays in the Water/STP and Road segments, the lower billing in Water/STP and Road segments was driven by approval delays, restricted site availability and seasonal execution slowdowns. The EBITDA margin of the company stood at 7.74 percent in FY2025 as against 9.16 percent in FY2024. The decrease in the operating margin is due to lower revenues negatively affecting the absorption of employee and other fixed costs. The PAT margin of the company stood at 4.90 per cent in FY2025 against 4.85 per cent in FY2024. In the first half of FY26 (H1FY26), the company has already recorded revenue of Rs. 272.12 Cr. in FY2025 against 7.02 percent in FY2024. Acuite believes that going forward the company's ability to ramp up operations along with stable profitability will remain a key monitorable.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by net-worth of Rs. 136.46 Crore as on 31st March 2025 against Rs. 113.71 Crore as on 31st March 2024. The slight increase in the net-worth is due to accumulation of profits into reserves. The capital structure of the company is comfortable marked by gearing ratio of the company which stood at 0.85 times as on 31st March 2025 against 0.83 times as on 31st March 2024. Further, the coverage indicators of the company reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 3.64 times and 1.88 times respectively as on 31st March 2025 against 4.83 times and 1.45 times respectively as on 31st March 2024. The TOL/TNW ratio of the company stood at 2.11 times as on 31st March 2025 against 2.19 times as on 31st March 2024 and DEBT-EBITDA of the company stood at 2.11 times as on 31st March 2025 against 1.77 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.

Weaknesses

Working Capital operations

The working capital operations of the company is intensive marked by GCA days which stood at 219 days as on 31st March 2025 against 162 days as on 31st March 2024. The increase in the GCA days due to the inventory days of the company which stood at 87 days in FY25 against 50 days in FY24 and debtor days of the company stood at 81 days in FY25 against 81 days in FY24. Acuite believes that the working capital operations of the company will remain in the same range over the medium term.

Presence in Highly Competitive Industry

The infrastructure industry is fairly fragmented with the presence of few large pan India players where subcontracting & project specific partnerships for technical/financial reasons are common. The company faces stiff competition in procuring orders through bidding, leading to very competitive pricing which in turn lead to stress on the margins. Moreover, susceptibility of raw material pricing again keeps profit margin vulnerable risk and key sensitivity factor. However, presence of price escalation clause prevents the company from exposure to raw material price fluctuations to some extent. Also, the vast experience of the promoters gives the company an edge in procuring big size ticket orders but the stability of the order size in diversified segment is the key sensitive factor.

Rating Sensitivities

- Movement in scale of operations and profitability margins.
- Movement in Working capital operations
- Timely execution of its order book

Liquidity Position Adequate

The liquidity profile of the company is adequate. The net cash accruals of company stood at Rs. 31.97 Cr. in FY25 against the debt obligation of Rs. 9.92 Cr. for the same period. The company has cash & bank position of Rs. 1.21 Cr and unencumbered bank deposits of Rs. 15.66 Cr. in FY25. Current ratio stood at 1.42 times for FY25. The average fund-based bank limit utilization is at 61.73% and non-fund based bank limit utilization is at 82.17% for the 12 months' period ending October 2025. Acuite believes that the company will continue to have adequate liquidity at the back of healthy cash accruals and absence of debt funded capex plans 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.	474.55	530.41
PAT	Rs. Cr.	23.26	25.73
PAT Margin	(%)	4.90	4.85
Total Debt/Tangible Net Worth	Times	0.85	0.83
PBDIT/Interest	Times	3.64	4.83

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, Acuite 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
09 Dec 2024	Cash Credit	Long Term	20.00	ACUITE A- Stable (Assigned)
	Secured Overdraft	Long Term	5.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Assigned)
	Secured Overdraft	Long Term	10.00	ACUITE A- Stable (Assigned)
	Working Capital Term Loan	Long Term	5.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE A- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	45.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	40.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	95.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	30.00	ACUITE A1 (Assigned)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Assigned)
	Proposed Bank Guarantee	Short Term	20.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
YES BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A1 Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE A1 Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	105.00	Simple	ACUITE A1 Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A1 Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A- Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A- Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A1 Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Apr 2027	5.00	Simple	ACUITE A- Stable Reaffirmed

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About Acuité Ratings & Research

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