



**Press Release**  
**DHD INFRACON PRIVATE LIMITED**  
**July 04, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	90.00	ACUITE BBB   Stable   Assigned	-
Bank Loan Ratings	60.00	-	ACUITE A3+   Assigned
Total Outstanding Quantum (Rs. Cr)	150.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has assigned its long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple Ba**) and short-term rating of '**ACUITE A3+**' (read as **ACUITE A three Plus**) on Rs.150.00 crore bank facilities of DHD Infracon Private Limited (DIPL). The outlook is '**Stable**'.

**Rationale for Rating**

The rating assigned factors in the expected improvement in the operating performance of the company backed by healthy order book position, experienced management and established track record of DIPL as an EPC contractor. The rating also draws support from comfortable financial risk profile and efficient working capital operation of the company. However, the rating is constrained on account of company's presence in a highly fragmented and competitive civil construction industry.

**About the Company**

Maharashtra based, DHD Infracon Private Limited (DIPL) was incorporated in the year 2018. The company is engaged as Civil contractor for engineering and construction Services. Mr. Dattatray Hanmantrao Desai, Mrs. Jyoti Dattatraya Desai, Mr. Abu Basappa Mali, Mr. Akshay kumar Sambhaji Patil and Mr. Dadaraje Anandarav Desai are the directors of the company.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

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

**Key Rating Drivers**

**Strengths**

Established operational track record and extensive industry experience of the promoters

Maharashtra based, DHD Infracon Private Limited (DIPL) was incorporated in 2018, Mr. Dattatray Hanmantrao Desai, Mrs. Jyoti Dattatraya Desai, Mr. Abu Basappa Mali, Mr. Akshaykumar Sambhaji Patil and Mr. Dadaraje Anandarav Desai are the directors of the company with an experience of over two decades in the civil construction industry and has established healthy industrial relationships, which in turn has resulted in successfully execution of various projects. The company has executed successfully various HAM projects out of which many are in

operational stage with annuities receiving on due dates. DIPL has partnered with Bekem Infra Projects Private Limited for executing HAM projects for NHAI.

### **Healthy order book position expected to entail improvement in scale of operations**

DIPL reported revenue of Rs.112.87 crore in FY2025 (Prov.) as against Rs.110.69 crore in FY2024 and Rs.100.13 crore in FY2023. Further for 2MFY2026 the company has booked a revenue of Rs.6.01 crore with an unbilled revenue of around Rs.70 crores. Further, the revenues are expected to improve significantly backed by execution of the EPC work for one of its SPV namely Belagavi Expressways Private Limited wherein DIPL has received work order worth of Rs.789 crores to be executed by FY2027. The total unexecuted order book as on 31 March 2025 stood at Rs.1112.03 crore which gives revenue visibility for the medium term. The profitability of the company remained range bound consistently with EBITDA margin standing at 11.23 per cent in FY2025 (Prov.) as against 10.91 per cent in FY2024 and 10.95 per cent in FY2023 while the PAT margins improved and stood at 7.14 per cent in FY2025 (prov.) as against 5.13 per cent in FY2024 and -0.47 per cent in FY2023. Acuite believes that the operating performance of the company would improve in near to medium term on the back of healthy order book position.

### **Efficient Working Capital Management**

The working capital management of the company is efficient marked by gross current assets(GCA) of 142 days in FY2025 (Prov.) as against 163 days in FY2024 and 263 days in FY2023. The debtor days improved significantly which stood at 33 days in FY2025 (Prov.) as against 108 days in FY2024 and 172 days in FY2023. The improvement in debtor days is primarily due to improved billing. The creditor days stood at 47 days as on March 31, 2025 (Prov.), as against 58 days as on March 31, 2024, and 116 days as on March 31, 2023. The inventory days stood at 15 days in FY2025 (Prov.) as against 10 days in FY2024 and 15 days in FY2023. The fund-based bank limits utilisation for last 13 month ended April 2025 stood at 67.91 per cent and non-fund based stood at 7.58 per cent.

### **Weaknesses**

#### **Average Financial risk profile**

The financial risk profile of the company is average marked by moderate net worth, low gearing and comfortable debt protection metrics. The tangible net worth increased to Rs.132.09 crore as on March 31, 2025 (Prov.), from Rs.124.03 crore as on March 31, 2024, and Rs.118.35 crore as on March 31, 2023. However, total debt rose to Rs.53.82 crore as on March 31, 2025 (Prov.), primarily on account of incremental equipment loans during FY2025. The debt profile comprises of Rs.38.94 crore in long-term borrowings, Rs.2.42 crore in unsecured loans from promoters and directors, and Rs.12.46 crore in short-term borrowings. Although gearing remained modest at 0.41 times as on March 31, 2025 (Prov.), up from 0.15 times as on March 31, 2024. Further, DIPL applied for enhancement in working capital limits to fund the growth which would further deteriorate the gearing to an extent, however expected to remain below unity. Debt protection metrics, though still comfortable, witnessed a decline—with debt service coverage ratio (DSCR) moderating to 1.48 times in FY2025 (Prov.) from 2.26 times in FY2024, and interest coverage ratio (ICR) decline to 5.26 times in FY2025 as against 9.98 times in FY2024. The NCA/TD stood at 0.26 times in FY2025 (Prov.).

The company's financial risk profile is further constrained by sizeable investments of ~Rs.44.00 crore in Special Purpose Vehicles (SPVs), representing ~33 per cent of its net worth as on March 31, 2025, which is expected to increase further in newly incorporated SPVs for HAM projects. This is compounded by substantial off-balance sheet exposure in the form of corporate guarantees aggregating to Rs.62.70 crore extended to KKK Highway as on March 31, 2024, along with joint and several guarantees to Belgami, Badami, and Aihole Expressways SPVs. These factors cumulatively weigh on the overall financial risk profile, marking it as a key credit sensitivity.

#### **Susceptibility to tender-based nature of operations**

Revenue and profitability in the construction sector are heavily reliant on the entity's capability to secure new project tenders. The industry is marked by intense competition, often compelling players to adopt aggressive bidding strategies, thereby limiting operating margins to a moderate level. Furthermore, considering the cyclical nature of the sector, sustaining profitability hinges on achieving strong operational efficiencies. Consequently, any significant improvement in the scale of operations and profitability remains a key area for monitoring.

### **Rating Sensitivities**

- Sustain improvement in revenues and profitability
- Successful and timely execution of order book
- Changes in financial risk profile or working capital management

## **Liquidity Position**

### **Adequate**

The liquidity position of the company is adequate marked by sufficient net cash accruals (NCAs) against maturing debt obligations. The NCAs of the company stood at Rs.14.06 crore against its maturing debt obligation of Rs.8.38 crore. Further the NCA is expected to remain in the range of Rs.24-29 crore against maturing debt obligation of Rs.10-15 crore. The company has unencumbered cash and cash equivalents of Rs.78.02 crore as on March 31, 2025 (Prov.). The current ratio of the company stood at 0.75 times in FY2025 (Prov.). The fund-based bank limits utilisation for last 13 month ended April 2025 stood at 67.91 per cent and non-fund based stood at 7.58 per cent.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	112.87	110.69
PAT	Rs. Cr.	8.06	5.68
PAT Margin	(%)	7.14	5.13
Total Debt/Tangible Net Worth	Times	0.41	0.15
PBDIT/Interest	Times	5.26	9.98

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

None

### 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](http://www.acuite.in).

### Rating History :

Not Applicable

## 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 Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A3+   Assigned
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE A3+   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	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.	10.00	Simple	ACUITE BBB   Stable   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	40.00	Simple	ACUITE BBB   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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