



Press Release
NATIONAL INFRABUILD PRIVATE LIMITED
December 15, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	8.00	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	12.00	ACUITE BBB Stable Reaffirmed	-
Bank Loan Ratings	20.00	-	ACUITE A3+ Assigned
Bank Loan Ratings	80.00	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITÉ BBB**' (read as **ACUITE triple B**) and short-term rating of '**ACUITÉ A3+**' (read as **ACUITE A three plus**) on the Rs. 92.00 Cr. bank facilities of National Infrabuild Private Limited (NIPL). The outlook is '**Stable**'.

Acuite has assigned its long-term rating of '**ACUITÉ BBB**' (read as **ACUITE triple B**) and short-term rating of '**ACUITÉ A3+**' (read as **ACUITE A three plus**) on the Rs. 28.00 Cr. bank facilities of National Infrabuild Private Limited (NIPL). The outlook is '**Stable**'.

Rationale for Rating

The rating reaffirmation factors in the company's moderate scale of operations albeit consistent improvement in profitability margins along with healthy order book position. The rating also positively factors in the company's established presence in the industry with extensive promoter's experience. Additionally, the rating reflects the comfortable financial risk profile, working capital operations and adequate liquidity position. The rating is, however, constrained by the Susceptibility to tender-based operations and geographical concentration in revenue.

About the Company

National Infrabuild Private Limited (NIPL) was established in 1989 as a proprietorship under Mr. Ibrahim Sharief. In July 2022, it reconstituted as a private limited company under its current name. Promoted by Mr. Sharief and his family, NIPL specializes in executing infrastructure projects such as roads, bridges, and tunnels for various government agencies across Karnataka.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of National Infrabuild

Private Limited (NIPL) while arriving at the rating.

Key Rating Drivers

Strengths

Established presence in the industry with extensive promoter's experience

NIPL has a long-standing presence in the infrastructure sector, with over three decades of operational history. The company benefits from the technical and managerial expertise of its promoter group, comprising Mr. Ibrahim Sharief and his family. Their combined experience in civil construction, highway technology, and structural engineering has enabled NIPL to successfully execute a wide range of government infrastructure projects across Karnataka. Acuite believes that NIPL will continue to benefit from its experience in the infrastructure sector over the medium term.

Moderate scale of operations albeit consistent improvement in profitability margins along with healthy order book position

NIPL has reported moderation in operating performance in FY25 marked by revenue of Rs. 216.33 Cr. as compared against Rs. 283.14 Cr. in FY24 and Rs.159.76 Cr. in FY23. The revenues of the company grew by 77.23 per cent in FY24 based on timely execution of its order book. However, the revenues of the company declined by 23.6 per cent in FY25 on account of geopolitical conditions prevailing in Karnataka (government change in May 2023) resulted in less budgetary allocation for developmental works. The unexecuted order book position stands at around ~Rs.313 Cr. as on 1st November 2025. The company has recorded revenue of Rs. 69.44 Cr. till September 2025. The EBITDA margin improved and stood at 9.23 percent in FY25 as against 8.98 percent in FY24 and 6.71 percent in FY23. The construction and operating expenses declined in FY25 due to a significant reduction in fuel costs, consultancy charges, and rent expenses. Subsequently, the PAT margin stood at 4.83 percent in FY25 as compared to 5.86 percent in FY24. Acuite believes that the continuous and timely execution of orders leading to sustained improvement in the overall scale of operations and profitability will remain as a key rating monitorable.

Comfortable Working Capital operations

NIPL's operations are comfortable marked by Gross Current Asset days (GCA) of 134 days for FY25 as against 107 days for FY24. The inventory days stood at 31 days for FY25 as against 6 days for FY24. The receivables days stood at 36 days for FY25 as against 38 days for FY24. Efficient receivable days is majorly on account of healthy collection efficiency from Karnataka government. The average utilization of fund-based limits at ~57 per cent in twelve months ended July' 2025, and for non-fund based stood at ~52 per cent for the same period. Acuite believes that the working capital requirement is likely to remain at similar levels in the near to medium term.

Comfortable financial risk profile

The company has a comfortable financial risk profile marked by moderate net worth, low gearing and comfortable debt protection metrics. The tangible net worth of the company rose to Rs. 52.47 Cr. in FY25 as against Rs. 42.02 Cr. due to accretion of profit to reserves. The gearing of the company remained low at 0.51 times in FY25 and 0.45 times in FY24. The total debt of the company stood at Rs. 26.54 Cr. as on 31st March 2025 as against Rs. 18.91 Cr. as on 31st March 2023. The total debt of FY25 consist of Rs.15.11 Cr. of Long-term debt, Rs. 10.00 Cr. of USL from related parties and Rs.1.43 Cr. of short-term debt. The TOL/TNW also stood at 1.43 times as on 31st March 2025 as against 1.90 times as on 31st March 2024. The debt service coverage ratio stood at 2.64 times and interest coverage ratio stood at 6.38 times in FY25 as against 5.67 times and 16.44 times in FY24 respectively. Acuite believes that the financial risk profile of NIPL is expected to remain healthy on account of steady margins and conservative financial policy.

Weaknesses

Susceptibility to tender-based operations in a highly competitive industry

NIPL operates in a highly competitive and fragmented infrastructure sector, where revenue and profitability are closely tied to the ability to secure government tenders. The tendering process often demands aggressive bidding, which can constrain operating margins. Additionally, the cyclical nature of the construction industry makes it critical for the company

to maintain operational efficiency to sustain profitability. Acuité believes that while NIPL benefits from its experienced promoter group and execution capabilities, its business profile remains exposed to the inherent risks of tender-based operations.

Geographical concentration risk

NIPL's operations are primarily concentrated in Karnataka, with a focus on government infrastructure projects. Any delays in project execution or changes in government policies could impact its business and financial risk profile. Acuité believes that diversification across geographies and client segments will be key to mitigating these risks over the medium term.

Rating Sensitivities

Sustain improvement in scale of operations and profitability margins

Elongation in working capital cycle

Change in financial risk profile owing to higher-than-expected debt-funded capital expenditure

Liquidity Position

Adequate

The liquidity position of the company remained adequate marked by sufficient net cash accruals against its maturing debt obligation. The company has generated a net cash accrual of Rs. 14.08 Cr. in FY25 as against the maturing debt obligation of Rs. 3.28 Cr. during the same period. The average utilization of fund-based limits at ~57% in twelve months ended July' 2025, and for non-fund based stood at ~52% for the same period. The company maintains a unencumbered cash balance of Rs. 1.29 Cr. as on 31st March 2025. The current ratio of the company stood at 1.56 times as on 31st March 2025 as compared to 1.39 times as on 31st March 2024. Acuite believes the company's liquidity position shall remain adequate in view of comfortable net accruals against its repayment obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	216.33	283.14
PAT	Rs. Cr.	10.45	16.58
PAT Margin	(%)	4.83	5.86
Total Debt/Tangible Net Worth	Times	0.51	0.45
PBDIT/Interest	Times	6.38	16.44

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
30 Sep 2025	Bank Guarantee (BLR)	Short Term	80.00	ACUITE A3+ (Assigned)
	Secured Overdraft	Long Term	12.00	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
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	80.00	Simple	ACUITE A3+ Reaffirmed
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3+ Assigned
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE BBB Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB Stable Assigned

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About Acuité Ratings & Research

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