



Press Release
NIYATI INFRACON LIMITED (ERSTWHILE NIYATI CONSTRUCTION COMPANY)
December 11, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.36	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	25.64	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	27.50	-	ACUITE A3 Assigned
Bank Loan Ratings	27.50	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	81.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and its short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on Rs. 53.14 Cr. bank facilities of Niyati Infracon Limited (NIL, erstwhile Niyati Construction Company). The outlook is '**Stable**'. Also, Acuite has assigned its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and its short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on Rs. 27.86 Cr. bank facilities of Niyati Infracon Limited (NIL, erstwhile Niyati Construction Company). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation takes into consideration the stable growth in the operating performance of the company to be further supported by growing order book position providing sound revenue visibility over the medium term. The rating draws comfort from the long-standing experience of the management in the construction industry. However, the rating is constrained on account of moderate financial risk profile, intensive working capital operations and risks pertaining to competition due to the tender-based nature of operations.

About the Company

Established in 1997, Niyati Infracon Limited (NIL, erstwhile Niyati Construction Company) is a Gujarat based family-owned business, engaged in the field of civil construction works and undertakes contracts for constructing roads, bridges, highways and water infrastructure for the government authorities like NHAI, CPWD, RBD, railways, etc. The constitution of the entity was changed from partnership firm to private limited company w.e.f. November 08, 2024. The current directors of the company are Mr. Ketanbhai Patel, Mr. Atinbhai Patel and Mrs. Prafullaben Patel.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of NIL to arrive at the rating.

Key Rating Drivers

Strengths

Established track record of operations and experienced management

NIL is an EPC contractor working majorly on government tenders for construction works. The entity was incorporated in 1997 and over the years the entity has gained extensive experience in the construction business and has diversified its presence in states of Gujarat, Rajasthan, Madhya Pradesh, Maharashtra and Bihar. The company is operated by Mr. Atin Patel and Mr. Ketan Patel who have long standing experience in the construction sector for almost three decades and have established healthy relationships with their stakeholders.

Stable scale of operations supported by healthy outstanding order book

The operating revenue of the company stood stable at Rs. 118.52 Cr. in FY25 (Rs. 112.89 Cr. in FY24) on account of slowdown in operations due to change in constitution of the company. The operating margin of the company stood improved at 11.53 percent in FY25 (10.42 percent in FY24), on account of improving cost efficiency. Further, the company has clocked gross revenue of Rs. 101.09 Cr. in 7MFY26 (Rs. 74.17 Cr. in 7MFY25) on account of timely execution of the orders. Additionally, the company has an outstanding order book of ~Rs. 701 Cr. (5.94 times of FY25 revenue) (including Rs. 108 Cr. of L1 tenders in process as on Nov 2025), providing sound revenue visibility in the near to medium term.

Weaknesses

Moderate financial risk profile

The financial risk profile of the company stood moderate marked by low net worth that stood at Rs. 27.14 Cr. as on March 31, 2025 (Rs. 31.35 Cr. as on March 31, 2024) on account of withdrawal of partner's capital in FY25. The networth includes unsecured loans from the promoters of Rs. 11.33 Cr. as on March 31, 2025, which have been classified as quasi-equity on account of covenant stipulated in the sanction terms by the lenders. The total debt stood increased at Rs. 15.07 Cr. in FY25 (Rs. 6.43 Cr. in FY24), majorly consisting of working capital borrowings. Therefore, the gearing (debt-equity) of the company elevated at 0.56 times in FY25 as against 0.21 times in FY24. Further, coverage indicators stood moderate with debt service coverage ratio of 2.02 times and interest coverage ratio of 3.52 times for FY25. Going forward, the financial risk profile is expected to improve on account of steady net cash accruals and no major debt-funded capex plan.

Intensive working capital operations

The working capital operations of the company stood intensive marked by gross current assets (GCA) of 231 days in FY25 (153 days in FY24), majorly driven by inventory and higher other current assets consisting of retention money (Rs. 24.38 Cr. as of March 31, 2025) and advances to suppliers. The inventory days stood elevated at 124 days in FY25 as compared to 66 days in FY24 on account of higher order execution under process. However, the debtor's collection period also stood efficient at 15 days in FY25 (17 days in FY24) and the creditor days stood at 79 days in FY25 (32 days in FY24). Going forward, the working capital operations are expected to be in similar levels considering the nature of industry.

Exposure to intense competition and tender-based operations

The infrastructure is a fragmented industry with a presence of large players pan India where subcontracting & project specific partnerships for technical/financial reasons are common. The revenue and profitability for tendering based operations depends entirely on the ability to win tenders wherein entities face intense competition, thus requiring them to bid aggressively to procure contracts and restrict the operating margin to a moderate level. Moreover,

susceptibility of raw material pricing again keeps profitability margins vulnerable and shall remain key rating sensitivity.

Rating Sensitivities

- Continued order book growth and timely execution of the projects 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

Liquidity Position

Adequate

The company's liquidity position is adequate marked by sufficient cash accruals of Rs. 6.93 Cr. in FY25 as against maturing debt obligations of Rs. 1.40 Cr. for the same period. Going forward, the cash accruals are expected to be in the range of Rs. 14-17 Cr. for the period FY26 and FY27 against maturing debt obligations in the range of Rs. 1-2 Cr. for the same period. The working capital limits are marked moderate as reflected by moderate utilizations of fund-based limit at 74.78 percent and non-fund-based limit at 45.83 percent in the last eight months ended October 2025. Further, the current ratio stood moderate at 1.27 times in FY25 and the cash and bank balances stood low at Rs. 0.59 Cr. as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	118.52	112.89
PAT	Rs. Cr.	6.74	5.30
PAT Margin	(%)	5.69	4.69
Total Debt/Tangible Net Worth	Times	0.56	0.21
PBDIT/Interest	Times	3.52	3.41

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
13 Sep 2024	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	12.50	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	1.02	ACUITE A3 (Assigned)
	Working Capital Term Loan	Long Term	2.12	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	7.50	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	15.00	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
BANK OF INDIA (BOI)	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.50	Simple	ACUITE A3 Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3 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.	27.50	Simple	ACUITE A3 Assigned
BANK OF INDIA (BOI)	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.50	Simple	ACUITE BBB- Stable Reaffirmed
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 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.	2.14	Simple	ACUITE BBB- Stable 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.	0.36	Simple	ACUITE BBB- Stable Assigned
BANK OF INDIA (BOI)	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2026	1.00	Simple	ACUITE BBB- Stable Reaffirmed

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About Acuité Ratings & Research

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