

## Abhilasha Enterprises

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	5.00 (Reduced from 10.00)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	90.00 (Enhanced from 65.00)	CARE BB+; Stable / CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The affirmation of ratings of the bank facilities of Abhilasha Enterprises (AE) takes into consideration moderate financial risk profile owing to incremental debt during FY25, constitution of the entity being a proprietorship firm, tender-based nature of operations in intensely competitive construction industry and project execution risk inherent in various infrastructure projects. However, the ratings derive comfort from improvement in profitability margins, moderate orderbook position albeit geographically concentrated, growing scale of operations continuously supported by continuous bidding along with over a decade experience of promoters in the industry.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Consistent increase in scale of operations as marked by total operating income of above Rs.500.00 crore with PBILDT margin above 6.00% on sustained basis.
- Improvement in the TOL/TNW ratio to below 2 times
- Timely execution of the ongoing projects within the envisaged timelines along with growth in orderbook ratio on a sustained basis

#### Negative factors

- Substantial decline in scale of operations and profitability margins as marked by PBILDT margin below 3.00%.
- Any delay in execution of the ongoing projects within the envisaged timelines along with moderation in orderbook ratio on a sustained basis

### Analytical approach: Standalone

#### Outlook: Stable

The Stable outlook reflects CARE's opinion that the firm will continue to benefit from experience of promoters, with established track record of operations in the industry and moderate orderbook position.

### Detailed description of key rating drivers:

#### Key weaknesses

#### Moderate financial risk profile

The firm has a moderate financial risk profile as reflected through overall gearing of 0.88 times (PY:0.83 times) and Total Outside Liabilities/Total Net Worth (TOL/TNW) of 4.04 times (PY:3.43 times) as on March 31, 2025. Although, the net worth bases has grown from Rs. 29.68 crores in FY24 to Rs. 40.82 crores though remain moderate in FY25 on account of accretion of profits, however TOL/TNW has deteriorated on account of increase in unsecured loans from related parties, term debt and creditors during FY25. The debt coverage indicators of the firm stood comfortable as characterized by interest coverage ratio of 9.71x (PY:9.72x), total debt/PBILDT & total debt/GCA of 1.28x (PY:1.50) & 1.39x (PY: 1.33x) respectively in FY25.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Highly competitive industry with business risk associated with tender-based orders**

The firm operates in a highly competitive construction industry wherein number of small and regional players catering to the same market which has limited the bargaining power of the firm and has exerted pressure on its margins. AE receives majority of work orders from government/ public sector undertakings. The risk arises from the fact that any changes in geo-political environment and policy matters would affect all the projects at large. Furthermore, any changes in the government policy or government spending on projects are likely to affect the revenues of the firm. Further, the firm majorly undertakes government projects which are awarded through the tender-based system. This exposes the firm towards risk associated with the tender-based business, which is characterized by intense competition. The growth of the business depends on its ability to successfully bid for the tenders and emerge as the lowest bidder.

**Constitution of the entity being a proprietorship firm**

AE's constitution being a proprietorship firm has the inherent risk of possibility of withdrawal of the proprietorship's capital at the time of personal contingency and firm being dissolved upon the demise/retirement/insolvency of proprietor. Moreover, proprietor firms have restricted access to external borrowing as credit worthiness of proprietors would be the key factors affecting credit decision for the lenders.

**Project execution risk inherent in various infrastructure projects**

Given the nature of projects awarded, the firm is exposed to inherent risk in terms of delays in certain projects undertaken by the firm due to delay in approvals and sanction from regulatory bodies such as land acquisition issues, thus exposing the firm towards the risk of delay in projects resulting in a delay in the realization of revenue growth. Furthermore, the firm's ability to execute a project in timely manner would be led by its own operational efficiency and timely stage payments received from its clients which is also crucial from credit perspective.

**Key strengths****Consistent Improvement in the scale of operations and profitability**

AE has demonstrated consistent growth in the scale of operations as reflected by improvement in total operating income at CAGR of ~45% during last four financial years. During FY25, the TOI stood at Rs. 371.95 crore against Rs. 328.13 crore during FY24 on account of better execution of contracts in hand. The scale is expected to grow further in medium term on the back of the unexecuted orderbook in hand. The profitability margin of the firm also improved as reflected by PBILDT and PAT margin of 7.50% (PY: 4.99%) and 5.39% (PY: 4.38%) respectively in FY25 on the back of decline in cost of materials consumed. The profitability is expected to remain in the range of 7-8% in medium term based on participation in similar nature of operations and expected increase in economies of scale

**Moderate orderbook position though Geographically concentrated**

The firm has a moderate unexecuted order book position of Rs. 976.33 crore as on May 31, 2025 which is ~2.61 times of gross sales reported in FY25 providing medium term revenue visibility. The execution time of majority of the projects is between 18 months to 2 years. The order book mainly consists of construction of hospitals, buildings, guest house, nursing homes etc. Further, the order book is exposed to geographical concentration risk as around 51% of the orders are for Uttar Pradesh, ~31% for Delhi and rest for other states. Any adverse change in government policy and rules & regulations related to construction activities in these areas may impact firm's performance. However, the subject risk is partially mitigated due to company's continuous bidding the orders from across the diversified regions.

**Experienced proprietor coupled with long track record of operation**

The operation of the firm is currently managed by Mrs. Abhilasha Singh and Mr. Brijesh Kumar Singh. Both have more than a decade of experience in the industry in association with this firm. Mrs. Abhilasha Singh and Mr. Brijesh Kumar Singh are postgraduates by qualification, and they both look after the overall operations of the firm. The management is supported by a team of experienced and qualified professionals.

**Liquidity: Adequate**

The liquidity position of the firm remains adequate characterized by sufficient cushion in projected cash accruals of ~Rs. 28.30 crores in FY26 against which the firm has a repayment obligation of Rs 2.40 crores. The firm's average month end utilization of

fund based working capital borrowings for the past 12 months ended by May 31, 2025 stood at 64.52%. AE had a free cash and bank balance of Rs 7.62 crores as on March 31, 2025. The firm is not planning to incur any debt funded major capex in the near to medium term.

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Abhilasha Enterprises (AE) is a New Delhi based proprietorship firm started by Ms Abhilasha Singh established in the year 2010. The firm is in the construction business, which includes buildings, hospitals and manufacturing plants and the firm operates in Delhi, Uttarakhand, Chhattisgarh and Uttar Pradesh etc.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	328.13	371.95
PBILDT	16.38	27.89
PAT	14.38	20.04
Overall gearing (times)	0.83	0.88
Interest coverage (times)	9.72	9.71

A: Audited UA: Unaudited; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	5.00	CARE BB+; Stable
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	90.00	CARE BB+; Stable / CARE A4+

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (20-Jul-23)  2)CARE B+; Stable; ISSUER NOT COOPERATING * (20-Jul-23)  3)CARE B+; Stable; ISSUER NOT COOPERATING * (17-May-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING * (23-May-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	-	1)Withdrawn (20-Jul-23)  2)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING * (20-Jul-23)  3)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING * (17-May-23)	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING * (23-May-22)
3	Fund-based - LT-Bank Overdraft	LT	5.00	CARE BB+; Stable	-	1)CARE BB+; Stable (25-Nov-24)	-	-
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	90.00	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (25-Nov-24)	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities-** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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