

## HSC Infraprojects Private Limited

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	2.30	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	14.70	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to the bank facilities of HSC Infraprojects Private Limited (HSC) continue to remain constrained on account of its moderate scale of operations and profitability, sectoral and geographical concentration of its order book, wherein majority of the projects are slow moving and its presence in a highly fragmented and competitive industry wherein the profitability is susceptible to volatile raw material prices. Ratings are also constrained on account HSC's stretched liquidity and increase in its working capital intensity.

Ratings, however, continue to derive strength from HSC's experienced management with an established track record of operations, sizeable investment in fixed assets and its comfortable debt profile.

The rating assigned to the long-term bank facilities has been withdrawn based on the bank's no dues certificate shared by the company.

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

#### Positive factors

- Sustained increase in scale of operations to more than ₹85 crore through timely execution of orders on hand while maintaining its Profit before interest lease depreciation and tax (PBILDT) Margin at more than 15%.
- Reduction in gross operating cycle (average debtor plus inventory period) below 100 days on a sustained basis.

#### Negative factors

- Significant delay in project execution and non-receipt of new orders on a sustained basis adversely affecting its revenue generation.
- Deterioration in its capital structure with overall gearing going beyond 2.00 times
- Sustained decline in PBILDT margin below 6.00%.

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings believes that the HSC will continue to derive benefit from its experience promoters having long-track record of operations in construction industry and its moderate orderbook providing revenue visibility over the medium term.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Sectoral and geographical concentration of order book

The orderbook of HSC is skewed towards road projects awarded by government departments in Rajasthan (42%) and Madhya Pradesh (58%). As on December 31, 2025, HSC had an outstanding orderbook of ₹135 crores (As on Feb 28,2025 HSC had an outstanding orderbook of ₹137 crore) forming 1.87 around times of total operating income (TOI) for FY25 (1.40 times of TOI for FY24). Further, post last review HSC has received two new orders aggregating to ₹67.5 crore. However, majority of the orders in the orderbook are either slow moving or delayed owing to adverse climatic condition, unavailability of RoW (Right of way) and initial teething issues mainly relating to levelling of the terrain. This exposes the company's revenue to the incremental development of roads in the respective states along with vulnerability to delays in receipts of payments from the government departments.

#### Moderate scale of operations and profitability

The scale of operations of HSC remains moderate at ₹72.12 crore. (PY24: ₹98.04 crore). Further during 11MFY26(UA) , HSC booked a revenue of ₹60.95 crore (9MFY25: ₹49.93 crore). During FY25, the PBILDT margin of HSC improved to 11.35% from 9.82% in FY24. The improvement was primarily driven by a reduction in subcontracting expenses. In line with improved PBILDT

<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.

margin, Profit after tax (PAT) margin also improved from 3.73% in FY24 to 4.34% in FY25. The Gross cash accrual (GCA) however remained stable at ₹5.57 crore for FY25 as against ₹6.68 crore during FY24.

### **Presence in a highly fragmented and competitive industry wherein the profitability is susceptible to volatile raw material prices**

HSC is a small-sized player operating in the intensely competitive construction industry, wherein projects are awarded based on relevant experience of the bidder, financial capability and most attractive bid price. The competitive intensity is on account of the presence of large number of contractors resulting in aggressive bidding which restricts the margins and leads to low bargaining power for HSC. Additionally, the prices of basic raw materials (structural steel, cement, bitumen, asphalt) required by HSC are volatile in nature. However, presence of escalation clause in certain contracts mitigates the risk to a certain extent.

### **Key strengths**

#### **Experienced management and decent execution capability**

Promoted and managed by Mr. Harphool Singh Choudhary and his family members, who possess more than two decades of experience in the road construction segment and look after the overall activities of the company. Being present in the industry since 1994, HSC has executed multiple small and mid-size road construction projects awarded by Public Work Department (PWD), Rajasthan and Madhya Pradesh. HSC owns most of the machinery and equipment that it requires for project execution. As on March 31, 2025, the gross block of fixed asset stood at ₹ 48.12 crore.

#### **Comfortable Debt Profile**

The capital structure of HSC remained comfortable as marked by overall gearing of 0.70x as on March 31, 2025 as against 0.64x as on March 31,2024. As on March 31,2025, HSC had o/s debt of ₹19.93 crore (PY: ₹16.32 crore) consisting of Term loans of ₹3.29 crore (FY24: ₹6.09 crore), working capital borrowing of ₹7.77 crore (PY: ₹2.72 crore) and USL from promoters of ₹ 8.87 crore (PY: ₹7.35 crore). During FY25, interest coverage ratio remained comfortable at 3.81 times as against 4.44 times in FY24. The total debt to GCA remained comfortable to 3.58x in FY25 as against 2.44x during FY24.

#### **Liquidity: Stretched**

Liquidity of the company stood stretched marked by low cash and bank balances, high utilization of fund-based working capital limits and high gross current days. As on March 31,2025, HSC had low cash and bank balance of ₹0.20 crore (PY: 1.17 crore) and high gross current asset days of 299 days (PY: 175 days). Debtors more than six month stood at ₹8.65 crore as on March 31,2025 (₹11.20 crore as on March 31,2024) which includes long term retention money of ₹4.13 crore. Utilization of fund based working capital limits remained high at around 97% during as on March 31,2025. For FY26-FY28, HSC is envisaged to generate GCA between ₹ 4-6 crore as against debt repayment of ₹0.5-2.5 crore. It generated cash flow from operation remained negative at ₹3.28 crore for FY24 (PY: positive ₹7.20 crore for FY24). Further, the working capital cycle of the company elongated at 138 days in FY25 as against 81 days in FY24 owing majorly to increase in inventory days. The current ratio and quick ratio of the company remained at 1.85 times (PY:1.60 times) and 0.79 times (PY:0.94 times) respectively for FY25.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

### **Applicable criteria**

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

[Withdrawal Policy](#)

### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Dungarpur (Rajasthan) based HSC was formed as a partnership concern under the name of Choudhary Construction Company (CCC) in 1994 by Choudhary family. Subsequently, in May 2017, the promoters of CCC incorporated a new company under the name of HSC with an objective to take over the existing business of CCC and the same was resumed in HSC from July 01, 2018. HSC is engaged in the civil construction business with major focus on construction of roads for the nodal agencies of various state government department. The company is registered as an "AA" class approved government contractor (highest in the scale of AA to E) with PWD, Rajasthan and Madhya Pradesh and MPRRDA indicating eligibility to bid for contracts of any amount. It directly participates in government contracts as well as gets tender on sub-contract basis from others. The company is also engaged in the business of trading of various raw material for road construction.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	11MFY26 (UA)
Total operating income	98.04	72.12	60.95
PBILDT*	9.63	8.18	-
Profit after tax (PAT)	3.66	3.13	-
Overall gearing (x)	0.64	0.70	-
Interest coverage (x)	4.44	3.81	-

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft	-	-	-	-	2.30	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	14.70	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-Bank Overdraft	LT	2.30	CARE BB+; Stable	1)CARE BB+; Stable (09-Apr-25)	1)CARE BB+; Stable (05-Apr-24)	1)CARE BB+; Stable (07-Apr-23)	1)CARE BB+; Positive (07-Apr-22)
2	Non-fund-based - ST-Bank Guarantee	ST	14.70	CARE A4+	1)CARE A4+ (09-Apr-25)	1)CARE A4+ (05-Apr-24)	1)CARE A4+ (07-Apr-23)	1)CARE A4+ (07-Apr-22)

LT: Long term; ST: 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 - ST-Bank Guarantee	Simple

**Annexure-5: Lender details**

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

**Note on complexity levels of rated instruments:** CareEdge 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.

## Contact us

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