Naseeb Construction Company (Revised)

July 30, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	0.60	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB-; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	RBI	28.40	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB-; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Naseeb Construction Company (NCC) to monitor the rating(s) vide email communications/ letters dated July 23, 2026, July 27, 2026, and July 28, 2026, among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which, however, in CareEdge Ratings opinion is not sufficient to arrive at a fair rating. The ratings on NCC's bank facilities will now be denoted as **CARE B+; Stable/CARE A4; ISSUER NOT COOPERATING**. The ratings have been revised considering non-availability of requisite information because of non-cooperation by NCC. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised considering the non- availability of requisite information because of non-cooperation by NCC with CareEdge Ratings' efforts to undertake a review of the ratings outstanding. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk. The ratings continue to remain constrained by partnership nature of constitution, modest operational performance, working capital intensive nature of operations and presence in a highly fragmented and competitive construction industry. However, rating continues to derive strength from experienced promoters.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects that the firm will continue to derive benefit from long-standing experience of the partners in the industry.

Detailed description of key rating drivers: At the time of last rating on October 28, 2025, the following were the rating strengths and weaknesses (updated based on the partial information available):

Key weaknesses

Modest operational performance

The firm operates on a modest scale, with total operating income increasing by 88.20% to ₹46.71 crore in FY25 (FY refers to April 01, 2024 to March 31, 2025) from ₹24.82 crore in FY24 (FY refers to April 01, 2023, to March 31, 2024), primarily due to higher execution of orders. Despite the growth, profitability slightly declined, as reflected in the PBILDT margin of 7.40% in FY25 compared to 7.53% in FY24. However, the profit after tax (PAT) margin improved to 3.43% in FY25 from 3.00% in FY24, supported by lower finance costs. The firm reported an unexecuted order book of ₹171 crore as on July 08, 2025.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Presence in a highly fragmented and competitive construction industry
NCC is a mid-sized player operating in the intensely competitive construction industry where contracts are awarded based on relevant experience of the bidder, financial capability, and most attractive bid price. The intense competitive intensity is on account of the presence of a large number of contractors resulting in aggressive bidding which exerts pressure on margins. Interest rate risk and delays in project execution due to environmental clearance are other external factors that affect the credit profile of industry players.

Working capital intensive nature of operations
The entity's operations are working capital-intensive as reflected by gross current asset (GCA) days and working capital cycle of 174 days (PY: 253 days) and 32 days respectively in FY25 (PY: 31 days). Inventory holding period was low at 40 days in FY25 (PY: 57 days). Receivable period was moderately high at 56 days (PY: 58 days) in FY25. Credit period availed from suppliers was moderately high at 53 days (PY: 84 days).

Partnership nature of constitution
NCC's constitution as a partnership firm exposes it to risks associated with limited capital-raising flexibility and potential withdrawal of capital by partners. This structure also limits the firm's ability to attract institutional investors and may constrain scalability compared to corporate entities.

Key strengths

Experienced partners
NCC benefits from the extensive experience of its partners, Mange Ram, Naseem Ahmed, and Javed, who have been engaged in the construction industry for 15 years. Since its inception in 2006, the firm has been involved in execution of various infrastructure projects such as roads, highways, and building works. The partners' industry knowledge and hands-on involvement in daily operations have supported the firm in maintaining execution capability and sustaining its presence in a competitive construction market.

Comfortable capital structure with Satisfactory debt coverage indicators albeit low net worth base
The entity's capital structure stood comfortable, marked by an overall gearing of 0.85x as on March 31, 2025 (1.52x as on March 31, 2024) due to reliance on external debt. Its debt profile largely comprises working capital borrowings and term loans. Total outside liabilities to net worth stood moderate at 1.54x as on March 31, 2025 (moderated from 2.99x as on March 31, 2024). Debt coverage indicators improved, marked by PBILDT interest coverage of 7.49x in FY25 (2.92x in FY24) on account of improvement in profitability. Also, total debt to GCA (TD/GCA) improved to 4.29x in FY25 (6.41x in FY24) due to improvement in GCA levels.

Liquidity: Stretched
Liquidity is stretched marked by negative cash flow from operations, low cash and bank balance, and high utilisation of bank limits. Cash flow from operations stood negative at ₹5.23 crore in FY25. Also, cash and bank balance stood low at ₹0.23 crore as on March 31, 2025. NCC had expected GCA levels of ₹4.30 crore in FY26 against its debt repayment obligations of ~₹0.87 crore. Its bank limits of ₹3.9 crore were utilised at ~90-95% in the last 12 months ended July 2025. However, current and quick ratio stood comfortable at 2.76x and 2.11x respectively as on March 31, 2025.

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

Applicable criteria
Definition of Default
Liquidity Analysis of Non-financial sector entities
Information Adequacy Risk and Issuer Non-Cooperation
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

Naseeb Construction Company (NCC), established in 2006, is a partnership firm engaged in the construction of buildings, roads, and bridges. The firm is registered as a Class-1 (Any Limit) contractor for road works with the Haryana PWD (B&R) and Himachal Pradesh, and as a Class-A contractor for building works with the CPWD. Led by partners Shri Mange Ram, Shri Naseem Ahmed, and Shri Javed, NCC undertakes government and infrastructure projects across multiple states. Over the years, the firm has executed various projects in line with client specifications, focusing on quality and timely completion.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	24.82	46.71
PBILDT*	1.87	3.45
PAT	0.75	1.60
Overall gearing (times)	1.52	0.85
Interest coverage (times)	2.92	7.49

A: Audited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

List of entities consolidated: Annexure-5

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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/ ST-Working Capital Limits	RBI	Simple	-		-	-	0.60	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits	RBI	Simple	-		-	-	3.90	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-		-	-	24.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*

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

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 2026-2027	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
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	4.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (28-Oct-25)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	24.50	CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4 (28-Oct-25)	-	-

*Issuer did not cooperate; based on best available information.
LT/ST: Long term/Short term

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

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated: Not applicable

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
-	-	-	-

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.

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