Nila Infrastructures Limited

August 12, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	111.75	CARE BBB; Stable / CARE A3+	Assigned
Long Term Bank Facilities	RBI	28.87	CARE BBB; Stable	Assigned
Short Term Bank Facilities	RBI	9.38	CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Nila Infrastructure limited (NIL) derive strength from the established track record of its promoters in construction and real estate sectors, moderate scale of operations and profitability, and healthy order book, providing adequate revenue visibility. The ratings also factor in the low counterparty credit risk, comfortable financial risk profile and adequate liquidity position of NIL.

The above rating strengths are, however, partially offset by NIL's significant exposure to joint ventures (JVs) and subsidiaries in the form of investments and loans and advances (L&A) and its presence in the highly competitive and fragmented construction industry, along with the execution risks associated with slum rehabilitation projects. Further, the working capital-intensive nature of operations remains a key constraint. The ratings also factor in the geographic concentration of NIL's order book. A significant portion of the order book comprises projects to be executed under the public-private partnership (PPP) mode, wherein the consideration is in the form of land and/or transferable development rights (TDRs). The monetisation of these land/TDR depends upon the prevailing conditions in the real estate market, exposing NIL's revenue visibility and cash flows to the cyclicality inherent in the real estate sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in the scale of operations while maintain the profitability leading to growth in the gross cash accruals (GCA).
- Improvement in the total outside liabilities to tangible net worth (TOL/TNW) below 3x on sustained basis.

Negative factors

- Lower than envisaged total operating income (TOI) and profitability on sustained basis.
- Any significant increase in working capital intensity affecting debt coverage indicators as well as liquidity indicators of the company.
- Any further increase in the investment/L&A towards JVs/subsidiaries

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectations that NIL shall be able to sustain its credit risk profile in near to medium term backed by promoters established track record, its healthy orderbook position and comfortable financial risk profile.

Detailed description of key rating drivers

Key strengths

Experienced promoters with an established track record in construction and real estate development

NIL is promoted by Manoj B. Vadodaria, Deep S. Vadodaria and Kiran B. Vadodaria, who have over three decades of industry experience. The company commenced operations as a real estate developer and subsequently diversified into the construction segment in 2008, with a strategic focus on executing civic urban infrastructure, affordable housing, and slum redevelopment projects. Backed by an experienced management team and qualified professionals, the company has an operational track record of over 35 years and, at the group level, has successfully executed around 75 projects covering approximately 160 lakh sq. ft.

[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.

and delivered nearly 26,000 residential units, demonstrating its strong execution capabilities in the construction and infrastructure sector.

Comfortable financial risk profile

NIL's capital structure remained comfortable, marked by an overall gearing of 0.11x as of March 31, 2026 (FY25: 0.14x). It has a healthy tangible net worth (TNW) of ₹208 crore at FY26-end (FY25-end: ₹181 crore).

Debt coverage indicators also remained strong, with profit before interest, lease, depreciation and tax (PBILDT) interest coverage at 7.80x in FY26 (FY25: 5.62x) and total debt to gross cash accruals (TD/GCA) of 0.74x (FY25: 1.02x). Company doesn't have major debt availment plan going forward, hence Care Ratings Limited (CareEdge Ratings) envisages that NIL would maintain its comfortable financial risk profile.

Revenue visibility aided by a healthy order book

NIL's order book remained healthy at ₹1,414 crore as on March 31,2026, which translates to orderbook to TOI of 4.42x, providing medium-term revenue visibility. NIL's order book is dominated by projects in Ahmedabad, Gujarat, which accounts for about 98% of the orderbook. A significant portion of the orders continues to be derived from government and public-sector entities, including municipal corporations, Gujarat housing board, and central/state government bodies, which results in lower counterparty credit risk.

Moderate scale of operations and profitability

Scale of operations of NIL remained moderate to ₹ 322 crore in FY26 (FY25: ₹246 crore). NIL's PBILDT margin remained moderate at 9.72% during FY26 as against 8.42% during FY25. In line with the PBILDT margin trend, profit after tax (PAT) margin also remained moderate at 8.39% in FY26, compared to 8.77% in FY25. The company reported GCA of ₹32 crore in FY26, as against ₹ 26 crore in FY25.

Key weaknesses

Significant exposure towards joint ventures (JVs) and subsidiaries in the form of investments and L&A

As on March 31, 2026, total investment of NIL in group entities stood at ~₹108 crore (P.Y. ~₹109 crore). Apart from this, NIL has extended significant L&A to related party and others aggregating ₹82 crore as on March 31, 2026 (P.Y. ₹82 crore). NIL's loans and investments are towards real estate development and integrated bus terminal infrastructure projects under the PPP with integrated commercial real estate in its group entities. However, all the advances (except that lent to Vyapnila Terminals (Modasa) Private Limited amounting to ₹24.25 crore) are interest-bearing and the company received interest income of ₹12.23 crore in FY26 (P.Y.: ₹13.63 crore). Apart from the above L&A, NIL has also lent loans and advances to third parties to the tune of ₹19.74 crore as on March 31,2026 (P.Y.: ₹7.85 crore).

Considering this, a significant portion of the Company's TNW remained tied up in loans and advances, limiting its financial flexibility.

Competitive nature of the industry and risk associated with slum rehabilitation projects

The construction/infrastructure industry is highly fragmented and competitive in nature with presence of many mid and large sized players. It is tender driven and projects are allotted by competitive bidding which exerts pressure on the profitability margin of the players. Further, slum rehabilitation projects have their own set of risk and challenges starting from identification of beneficiaries, obtaining the various approvals in time bound manner, timely construction, quality of housing, dispute redressal mechanism, rising cost, and availability of prime space to sell.

Being of a PPP nature and funds are being deployed by local state/central government-semi governmental agencies, there is risk of any significant change in government policy and/or budgetary allocation. Further, remuneration is in terms of LDR/TDR for PPP projects makes company susceptible to any change in state/central governmental policy regarding the same.

Geographic Concentration and Real Estate Market Exposure

NIL's order book exhibits significant geographic concentration, with approximately 98% of projects located in Ahmedabad, Gujarat. Further, around 91% of the order book comprises PPP projects wherein the consideration is primarily in the form of Land/TDR. While sustained growth in Ahmedabad's real estate market has supported adequate demand for TDR, any sustained slowdown in the region's real estate activity could adversely impact TDR demand which may have bearing on the NIL's operation.

Working capital intensive nature of operations

NIL's operations remain inherently working capital intensive due to the requirement for margin money against bank guarantees, inventory, and contract assets (including unbilled revenue). Further, under its PPP projects, the Company receives consideration in the form of Transferable Development Rights (TDR) and Land Development Rights (LDR), resulting in funds being tied up until these assets are monetized. Nevertheless, periodic sale of TDRs during project execution provides partial support to the Company's working capital requirements.

NIL's operating cycle improved significantly to 72 days in FY26 from 132 days in FY25, primarily driven by lower inventory levels as on the balance sheet date. However, the gross current asset days continued to remain elevated at 731 days in FY26 (FY25: 881 days), largely on account of sizeable contract assets amounting to ₹504 crore as on March 31, 2026, compared with ₹466 crore as on March 31, 2025.

Liquidity: Adequate

NIL's liquidity remains adequate, supported by a comfortable cushion in the form of GCA, against minimal repayment obligations of ₹1-3 crore over FY27–FY29. Average utilization of fund based working capital limits remained low 38% during the trailing 12-month period ended on March 2026. Apart from this as on June 30,2026 NIL has sanctioned Dropline OD of ₹17.30 crore, which provides additional cushion to the liquidity. The Company has sanctioned non-fund-based bank guarantee (BG) limits of ₹111.75 crore, with the quarterly average maximum utilization remaining at a moderate 63% for the quarter ended March 31, 2026.
A significant portion of working capital requirements is met through internal accruals, net worth base, and free cash and bank balances. As on March 31, 2026, NIL had free cash and bank balances of ₹0.26 crore (PY: ₹26.17crore).

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Realty	Realty	Residential, Commercial Projects

NIL was incorporated on February 26, 1990 as a private limited company under the name of Nila Builders Pvt Ltd. The company is promoted by Mr. Manoj B. Vadodaria, Mr. Deep S. Vadodaria and Mr. Kiran B. Vadodaria and is headquartered in Ahmedabad, Gujarat. The company had started as a real estate developer in Gujarat and have a long track record of developing and marketing own projects. It forayed into the infrastructure space in 2008 and over the last few years, it has shifted its focus in executing civic urban infrastructure and affordable housing & slum redevelopment projects as a contractor.
Nila group had demerged its real estate business with effect from April 01, 2017 into separate entity named Nila Spaces Limited (NSL; rated CARE BBB; stable) which is listed on BSE and NSE.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	245.56	321.61	74.20
PBILDT*	20.68	31.26	10.46
Profit after tax (PAT)	21.54	26.99	6.74
Overall gearing (x)	0.14	0.11	NA
Interest coverage (x)	5.62	7.80	13.76

A: Audited; UA: Unaudited; NA: Not Available; 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

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term loan / Working Capital Facility	RBI	Simple	-	-	-	01-01-2036	16.73	CARE BBB; Stable
Fund-based - ST-Bank Overdraft	RBI	Simple	-	-	-	-	9.38	CARE A3+
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-	-	-	-	111.75	CARE BBB; Stable / CARE A3+
Term Loan-Long Term	RBI	Simple	-	-	-	01-01-2036	12.14	CARE BBB; Stable

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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	111.75	CARE BBB; Stable / CARE A3+	-	-	-	-
2	Term Loan-Long Term	LT	12.14	CARE BBB; Stable	-	-	-	-
3	Fund-based - LT-Term loan / Working Capital Facility	LT	16.73	CARE BBB; Stable	-	-	-	-
4	Fund-based - ST-Bank Overdraft	ST	9.38	CARE A3+	-	-	-	-

LT: Long term; ST: Short term; 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

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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About us:
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