Nirmanvridhi Constructions India LLP

August 25, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	27.99	CARE BB; Stable	Assigned
Short Term Bank Facilities	RBI	31.81	CARE A4	Assigned
Short Term Bank Facilities	RBI	15.20	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to Nirmanvridhi Constructions India LLP (NVCILLP) are constrained due to volatility in scale of operations though remains moderate and working capital intensive nature of operations during FY26 (Audited, refers to April 01 to March 31). Additionally, the ratings are also constrained by project execution risk along with the client and geographical concentration risk. However, ratings derive strength from firm's comfortable capital structure, healthy operating profitability margin though moderating continuously and experienced partners with a considerable track record of operations in the industry. The ratings also take cognisance of healthy orderbook with reputed clients providing revenue visibility for near to medium term. Going forward, the firm's ability to execute the orders in hand on timely basis, and subsequent revenue booking resulting in improved scale of operations will remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations as marked by total operating income (TOI) of above ₹150.00 crore on a sustained basis along with sustenance of profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 13%.
- Efficient working capital management as marked by significant improvement in operating cycle and debtors' collection period.

Negative factors

- Any delay in execution of projects leading to decline in scale of operations as marked by the TOI below ₹80.00 crore with PBILDT margin below 10.00% on a sustained basis.
- Any withdrawal of capital by partners leading to deterioration of capital structure.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that NVCILLP will continue to benefit from the experience of its partners, having considerable industry expertise.

Detailed description of key rating drivers

Key weaknesses

Moderate scale of operations

NVCILLP's credit profile is constrained by its volatile scale of operations though remain moderate. The firm reported a compounded annual decline of 11.27% in its total operating income (TOI), from ₹154.76 crore in FY22 to ₹95.93 crore in FY26, primarily due to multiple operational challenges, including delays in project certification, the impact of the Lok Sabha elections, and adverse geological conditions, which affected the pace of project execution and revenue recognition. The TOI recovered by 62% to ₹95.93 crore in FY26 from ₹59.22 crore in FY25, primarily supported by execution of pending projects and billing against work-in-progress carried forward from the previous year.

[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.

Project execution, client and geographical concentration risk:
NVCILLP's remains exposed to project execution risks inherent in the Engineering, Procurement, and Construction (EPC) business, particularly as the company predominantly undertakes tunnel construction projects in hilly and geologically challenging terrains. Such projects are susceptible to unforeseen geological conditions, adverse weather, difficult site accessibility, and other terrain-related challenges, which may result in execution delays, cost overruns, and pressure on profitability. Further, the firm has recently secured a major EPC project in Nepal, exposing it to country-specific risks, including changes in regulatory and policy frameworks, cross-border logistics, foreign exchange fluctuations, and contractual enforcement challenges. As the project is in its initial stages, the firm's ability to successfully execute the project while effectively managing the associated geographical and country-specific risks will remain a key monitorable. Further, firm’s operations exhibit client’s concentration risk as top 2 client constitute 94.41% of total operating income (TOI) for FY26 and also geographical concentration risk with Jammu & Kashmir and Rajasthan comprising ~95% of total revenue during the year.

Working capital intensive nature of operations:
The operations of the firm are working capital intensive considering the nature of industry. Operating cycle of the firm was at 255 days during FY26 though improved from 323 days in previous year, primarily due to improvement in debtor’s collection period to 165 days in FY26 (PY:235) but remains elongated due to sizeable amount kept as retention money by the authority as per the contract. Further, the inventory holding period also improved to 193 days in FY26 from 285 days in the previous year on account of billing of work in progress carried forward from previous year. Due to significant inventory build-up majorly in the form of unbilled work on account of delayed certification from authority and sizeable debtors outstanding. The high working capital intensity translated into high reliance on working capital borrowings.

Key strengths

Experienced Promoters and key managerial person
NVCILLP's benefits from the extensive industry experience of its promoters and senior management team. The firm is promoted by Mr. T. Nagendra Rao, who has over three decades of experience in the industry, and Mrs. Sonal Somani Gupta, who has more than a decade of experience in project finance and oversees the firm's finance function. The senior management is further strengthened by Mr. T. Ananth Vybhav, Technical Director, with 15 years of experience in project design is looking after the optimisation and technical planning; Mr. Pradeep Ellini, Chief Executive Officer, who has 17 years of experience in strategic and technical operations; and Mr. Thakur Dutt, Chief Financial Officer, who brings 20 years of expertise in financial management and corporate finance. Additionally, Mrs. Deepthi Belday, contributes to the firm's leadership and management. The experienced leadership team supports NVCILLP's operational execution, financial discipline, and strategic decision-making.

Comfortable capital structure
The firm's capital structure stood comfortable, as marked by an overall gearing of 0.48x as on March 31, 2026 (0.42x as on March 31, 2025) with adequate net worth of ₹116.08 crore as on March 31, 2026 (PY: ₹113.61 crore) against total debt of ₹56.15 crore (PY: ₹47.67 crore). Its debt profile largely comprises working capital debt, term debt, unsecured loans and mobilisation advance. The total outside liabilities to net worth ratio (TOL/TNW) stood satisfactory at 0.76x as on March 31, 2026 (PY: 0.66x). Entity's comfortable capital structure provides sufficient gearing headroom in case of exigencies.

Healthy though moderation in operating profitability margin continuously
NVCILLP's operating profitability stood healthy although exhibited a declining trend with margin falling from 21.95% in FY22 to 14.69% in FY26 (PY: 16%). Similarly, Profit after Tax (PAT) margin also significantly moderated from 12.98% in FY22 to 3.90% in FY26 (PY: 4.13%). Nevertheless, the profitability margins remain satisfactory compared with the industry peers.

Healthy order book position with reputed clientele
The firm’s credit profile is supported by a healthy order book of ₹530.19 crore as on June 30, 2026, providing strong revenue visibility over the near-to-medium term. The unexecuted order book translates into a healthy order book-to-TOI ratio of 5.53x based on FY26 operating income, indicating an adequate execution pipeline. Further, the order book comprises projects from reputed clients such as Tata Projects Limited and Wolkem Industries Limited, which provides comfort regarding business continuity and counterparty credit quality.

Liquidity: Stretched
NVCILLP's liquidity position remains stretched, owing to its nature of operations which lead to stretched working capital cycle of the firm's which stood high at 255 days in FY26 (PY: 323 days), however remain supported by an average utilisation of fund and non-fund based working capital limits at around 77% and 55%, respectively for the 12 months ending June 2026. The firm reported gross cash accruals of ₹8.49 crore as on March 31, 2026. and expected to generate GCA of around ₹14.00 crore in FY2027, against its long-term debt repayment obligations of ~₹8.00 crore during the year. The firm maintained unencumbered cash and bank balances of approximately ₹0.56 crore as on June 30, 2026. The current ratio stood at 2.03x as on March 31, 2026 (PY: 2.28x).

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]
[Infrastructure Sector Ratings]
[Short Term Instruments]

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Nirmanvridhi Constructions India LLP (NVCILLP) was established in March 2015, as a Limited Liability Partnership by Mr. T Nagendra Rao. NVCILLP's operates through its corporate office in Gurugram, Haryana. The firm is engaged in the construction and infrastructure sector, specializing in the design and execution of tunnel projects, irrigation works, mining infrastructure, power transmission projects, and other civil engineering activities. These tunnels are constructed to facilitate metro projects, water diversion, highway construction etc. The firm has established relationships as a subcontractor for reputed clients such as Tata Projects Limited, Larsen & Toubro (L&T), AAC Mining Executors Group and Power Grid Corporation of India Limited (PGCIL), among others.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	59.22	95.93
PBILDT	9.47	14.09
Profit after tax (PAT)	2.45	3.74
Overall gearing (x)	0.42	0.48
Interest coverage (x)	3.09	3.83

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

Status of non-cooperation with previous CRA: None

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-	-	-	-	24.00	CARE BB; Stable
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	30-06-2030	3.99	CARE BB; Stable
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-	-	-	-	15.20	CARE A4
Non-fund-based - ST-Proposed non fund based limits	RBI	Simple	-	-	-	-	31.81	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 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-Cash Credit	LT	24.00	CARE BB; Stable	-	-	-	-
2	Fund-based - LT-Term Loan	LT	3.99	CARE BB; Stable	-	-	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	15.20	CARE A4	-	-	-	-
4	Non-fund-based - ST-Proposed non fund based limits	ST	31.81	CARE A4	-	-	-	-

LT: Long term; ST: 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

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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