



Press Release

Digvijay Shradha Infrastructure Private Limited

August 29, 2025

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	25.00	IVR BB-/Stable (IVR Double B Minus; with Stable Outlook)	IVR BB-/Stable (IVR Double B Minus; with Stable Outlook)	Reaffirmed	Simple
Short Facilities	6.55	IVR A4 (IVR A Four)	IVR A4 (IVR A Four)	Reaffirmed	Simple
Total	31.55 (Rupees Thirty-One Crore and Fifty-Five Lakh)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of Digvijay Shradha Infrastructure Private Limited on account of the improving overall financial performance.

The company continues to derive benefits from experienced management in the infrastructure segment, and moderate but concentrated order book supports near-term visibility.

The ratings are however constrained due to elongated operating cycle, customer and geographical concentration risk, industry specific risks, and susceptibility to risks inherent in tender and subcontract-based business.

The 'Stable' outlook indicates that Digvijay Shradha Infrastructure Private Limited is expected to continue to get benefits out of the extensive experience of the promoters.

Key Rating Sensitivities:

- **Upward Factors**
- Substantial or sustained improvement in the scale of operations and/or EBITDA margin leading to an improvement in the debt protection metrics and
- Sustained increase in the order book position and improvement in Gross working capital cycle.



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- **Downward Factors:**

- Deterioration in the scale of operations, a decline in order accretion or delay in realization of debtors, or a decline in EBITDA margins due to industry or company-specific factors, leading to a significant deterioration in the debt protection metrics and/or liquidity, all on a sustained basis.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced management in the infrastructure segment

The promoters have more than two decades of experience in the infrastructure segment, and project executions. The company benefits from the promoters' significant experience in this segment, which should help in the continuous receipt of orders.

Improving overall financial performance

Total operating income of the company in FY25 [refers to period April 1st, 2024, to Mar 31, 2025] stood at Rs. 52.83 crore as compared to Rs.33.85 Crore in FY24 [refers to period April 1st, 2023, to Mar 31, 2024]. The company has earned an EBITDA of Rs. 16.53 Crores in FY25 with an EBITDA margin of 31.30%. The company registered PAT margin at 13.84% with the value of Rs. 7.31 crores in FY25. Infomerics anticipates further revenue growth in FY26 and beyond, with the company already achieving approximately Rs. 13 Crore in revenue as of June 30, 2025, and adding new work orders on subcontracts as well as through tenders.

Moderate but Concentrated Order Book Supports Near-Term Visibility

As of 01 July 2025, the company has an unexecuted order book of approximately Rs.140 crore, expected to be completed within the next 12 months, providing visibility over near-term revenues. The current order book is entirely comprised of subcontracted work from the parent company, which has been the sole customer over the past two fiscal years. While customer concentration remains, the existing order pipeline offers operational stability for the short term.

Key Rating Weaknesses

Elongated Operating Cycle



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The company's operating cycle increased to 161 days in FY25 from 108 days in FY24, primarily due to a significant rise in the collection period. Average collection days stretched to 201 days in FY25 compared to 109 days in the previous year, indicating delays in receivables. While the average inventory period improved to 2 days from 18 days, the average creditor days also increased to 42 days from 19 days, reflecting extended payment timelines. The overall elongation in the operating cycle may impact liquidity and working capital efficiency.

Customer and Geographical Concentration Risk

The company currently undertakes work on a subcontract basis for its parent entity, with 100% of its revenue over the last two fiscal years derived from this single customer. Additionally, all business operations are concentrated in the state of Uttar Pradesh, resulting in complete geographical dependence. Such concentration exposes the company to risks associated with dependency on a single client and geographic area, which could affect business continuity in case of shifts in demand or local disruptions.

Industry specific risks.

The company, like any other construction entity, is exposed to the risks inherent in the construction sector including a slowdown in new order inflows, risks of delays in execution, and vulnerability of margins to adverse variation in the raw material, labour, and other input costs. The profitability is exposed to volatility in raw material prices. However, the presence of price escalation clauses in majority contracts mitigate the risk to some extent.

Susceptibility to risks inherent in tender and subcontract-based business

The company acquires the contract through tenders and subcontract. The company's business growth depends on its ability to acquire tenders and subcontracts successfully. Revenue and profitability are expected to remain susceptible to risks inherent in tender and subcontract-based operations.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating Outlook](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Default Recognition](#)



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Liquidity: Adequate

The company is earning adequate levels of GCA. The company's GCA stands at 10.72 crores in FY25 against the debt obligation of Rs.3.56 crore. The expected GCA of Rs.10.10 crore and Rs.11.06 crore in FY26 and FY27 are adequate to cover the debt obligation of Rs.4.01 crore and Rs. 2.38 crore in FY26 and FY27. Average consolidated WC limits utilization stood moderately utilized at 55.88% for the 12 months ended July 2025. The company has a current ratio of 1.12x as on 31-Mar-2025. Additionally, the company has cash and cash equivalents of Rs 0.32 Crore as on 31 May 2025. Operating Cycle stood elongated at 161 days in FY25.

About the company

Digvijay Shradha Infrastructure Pvt Ltd (DSIPL) was incorporated in 2022. The company engaged in civil construction work mainly road construction and other infrastructure related work. Mr. Digvijaysinh Padheria and Mr. Shreyas Raisonni are the directors of the company.

Financials (Standalone):

	Rs. Crore	
For the year ended* / As on	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	33.85	52.83
EBITDA	8.62	16.53
PAT	2.76	7.32
Total Debt	18.83	27.01
Adjusted Tangible Net worth	6.90	11.88
EBIDTA Margin (%)	25.46	31.30
PAT Margin (%)	8.13	13.84
Overall Gearing ratio (X)	2.73	2.27
Interest coverage (x)	5.25	5.38

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: None

Rating History for last 3 years:



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Sr. No.	Name of Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (04 June 2024)	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1	Cash Credit	Long Term	25.00	IVR BB-/Stable	IVR BB-/Stable	-	-
2	Bank Guarantee	Short Term	6.55	IVR A4	IVR A4	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.



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Annexure 1: Facility details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	Revolving	25.00	IVR BB-/Stable
Bank Guarantee	-	-	-	-	6.55	IVR A4

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-digvijay-aug25.pdf>

Annexure 3: Detailed explanation of covenants of the rated security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.