August 10, 2026

Naseeb Construction Company: Ratings assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund based – Working capital facilities	2.90	[ICRA]BB (Stable); assigned	RBI
Short-term – Non fund based – Bank guarantees	26.10	[ICRA]A4; assigned	RBI
Total	**29.00**		

**Instrument details are provided in Annexure I;*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings assigned factor in the extensive experience of Naseeb Construction Company (NCC) as an engineering, procurement, and construction (EPC) contractor for construction and maintenance of roads and buildings, along with a long track record of successful project execution. Additionally, the firm is a civil construction contractor for Haryana Public Works Department (HPWD), Himachal Pradesh Public Works Department (HPPWD) and Central Public Works Department (CPWD), which helps in securing incremental business and bid contracts for execution from these reputed clients as EPC contractor. ICRA further notes the satisfactory debt coverage metrics with interest coverage of 8.0 times and debt service coverage of more than 2.5 times as on March 31, 2026. Further, NCC's operating income (OI) increased to Rs. 115.6 crore in FY2026 (provisional) from Rs. 46.7 crore in FY2025, primarily due to execution of high-value order contract. Additionally, with an outstanding order book of approximately Rs. 230 crore as on June 30, 2026, the firm has steady medium-term revenue visibility.

The ratings are, however, constrained by the firm's moderate scale of operations and order book position in an intensely competitive civil construction business, which is unlikely to increase significantly in the medium term. Further, NCC remains exposed to high geographical and client concentration risks, with a major portion of its outstanding order book concentrated in Uttar Pradesh and Gujarat and a single client accounting for around 61% of the unexecuted order value as on June 30, 2026. The ratings also consider the intense competition and fragmented nature of the industry, which could constrain its profitability. ICRA notes that as NCC is a partnership firm, any significant withdrawal from the capital account by the partners could adversely affect its net worth, capital structure and liquidity, which remains a risk.

The Stable outlook on the [ICRA]BB rating reflects ICRA's expectations that NCC will maintain its scale of operations, supported by timely and efficient execution of its existing order book and its demonstrated ability to secure new orders.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in the construction sector – NCC benefits from the extensive experience of its promoters, who established the business in 2006 and have been associated with the construction industry for more than two decades. The promoters possess substantial expertise in executing EPC contracts across the building and road infrastructure segments. Their experience spans a wide range of civil construction activities, including the development of highways, bridges, and buildings, as well as associated works such as civil construction, electrification, and interior fit-outs. The promoters' long presence in the sector has enabled NCC to develop strong project execution capabilities, industry relationships, and a sound understanding of the technical and operational aspects of EPC projects.

Reputed client profile – NCC is a registered contractor with various Government authorities such as HPWD, HPPWD CPWD. The firm has successfully executed multiple small-to-moderate-sized projects across Haryana, Himachal Pradesh, Madhya Pradesh, Gujarat and Uttar Pradesh, reflecting its execution capabilities and familiarity with Government contracting norms. However, given the modest ticket size of projects executed so far, NCC's ability to secure fresh orders on a sustained basis will remain critical for maintaining revenue growth momentum beyond the current order book.

Credit challenges

Moderate scale of operations although healthy increase in FY2026 – NCC remains a mid-sized player in a highly competitive EPC industry, as reflected in its moderate provisional operating income of around Rs. 115 crore in FY2026. Additionally, any slowdown in order inflows could constrain the scale of operations over the medium-to-long term. Nevertheless, NCC's operating income (OI) increased to Rs. 115.6 crore in FY2026 (provisional) from Rs. 46.7 crore in FY2025, primarily due to execution of high value order contract. Going forward, the firm's turnover is expected to remain stable.

Moderate order book position – NCC's order book position remains moderate, providing medium-term revenue visibility, as reflected in an unexecuted order book of around Rs. 230 crore as on June 30, 2026. The timely execution of the existing order book, without any significant cost or time overruns, remains critical for maintaining profitability and cash flows. Any slowdown in order inflows or delays in order execution could impact revenue momentum and the working capital cycle.

Risks related to partnership firm structure – NCC is exposed to risks associated with its partnership structure, including the risk of capital withdrawals by the partners. While the firm has not witnessed any material or regular capital withdrawals over the past few years except FY2026, any significant drawdown remains a key monitorable, as it could adversely impact the firm's capital structure and financial flexibility.

High geographical and client concentration risks – NCC remains exposed to significant geographical and client concentration risks. Majority of its unexecuted order book is concentrated in Uttar Pradesh and Gujarat (around 94%), exposing its operations to region-specific economic, regulatory and execution risks. Further, customer concentration remains high, with a substantial share of revenues (around 61% of the unexecuted order value as on June 30, 2026) derived from a single client. Any slowdown in order inflows, delays in execution, payment-related issues or reduction in business from these customers could have a material impact on the company's revenues and cash flows.

Liquidity position: Stretched

The firm's liquidity is likely to remain stretched, on account of limited cash flow from operations and modest net cash accruals. The liquidity is also constrained on account of limited sanctioned working capital facility of Rs. 4.9 crore with moderate utilisation of around 60% during last 15 months ending on June 30, 2026. The firm has yearly debt repayment of Rs. 2-3 crore over FY2027 and FY2028. The firm does not envisage any significant capex over FY2027–FY2028, which provide some comfort to the liquidity.

Rating sensitivities

Positive factors – The ratings of Naseeb may be upgraded, in case of sustained improvement in revenue and earnings leading to strengthening of net worth, credit metrics and liquidity position on a sustained basis.

Negative factors – Pressure on the ratings could arise, if the firm's scale and earnings decline significantly, leading to a deterioration in its debt protection metrics and liquidity position on a sustained basis. Further, any significant stretch in the working capital cycle or large debt-funded capex, or any large capital withdrawal resulting in a deterioration in the firm's financial profile and/or liquidity, could also result in rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Naseeb Construction Company (NCC) is a Haryana-based partnership firm established in 2006, engaged in civil construction and infrastructure development activities. The firm undertakes road and highway projects, building construction, civil and structural works, and industrial and institutional infrastructure projects. NCC is registered as a Class-1 (Any Limit) contractor with the Haryana PWD (Bridges & Roads) and Himachal Pradesh PWD for road works, and as a Class-A contractor with the Central Public Works Department (CPWD) for building works.

The firm is managed by its partners Mr. Mange Ram, Mr. Naseem Ahmed, and Mr. Javed who oversee the overall operations of the business. Over the years, NCC has executed various Government infrastructure projects, including judicial complexes, educational institutions, rest houses, roads, bridges, and other civil infrastructure works.

Key financial indicators

NCC Standalone	FY2025	FY2026*
Operating income	46.7	115.6
PAT	2.5	6.0
OPBDIT/OI	7.5%	7.1%
PAT/OI	5.3%	5.2%
Total outside liabilities/Tangible net worth (times)	1.5	3.1
Total debt/OPBDIT (times)	2.7	1.2
Interest coverage (times)	7.6	8.1

*Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount Rated (Rs. crore)	Aug 10, 2026	Date	Rating	Date	Rating	Date	Rating
Working capital facilities	Long-term	2.90	[ICRA]BB (Stable)	-	-	-	-	-	-
Bank guarantees	Short-term	26.10	[ICRA]A4	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund based – Working capital facilities	Simple
Short-term – Non-fund based – Bank guarantees	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	**Working capital facilities**	NA	NA	NA	2.90	[ICRA]BB (Stable)	RBI
NA	**Bank guarantees**	NA	NA	NA	26.10	[ICRA]A4	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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