

CREDIT RATING REPORT

JULY 2025

Eiffil Water Infra Private Limited

Instrument Rated	
Total Bank Loan Facilities Rated	Rs.122 Crore
Long Term Rating	Crisil BBB/Stable (Assigned)
Short Term Rating	Crisil A3+ (Assigned)
<i>Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.</i>	
<i>1 crore = 10 million</i>	
<i>Refer to Annexure for Details of Instruments & Bank Facilities</i>	

Rating History			
Date	Long Term Rating	Short Term Rating	Rating Watch/Outlook
Jun 16, 2025	Crisil BBB	Crisil A3+	Stable

Crisil Ratings has assigned its '**Crisil BBB/Stable /Crisil A3+**' ratings to the bank facilities of Eiffil Water Infra Pvt Ltd (EWIPL).

The ratings reflect EWIPL's established regional presence supported by the extensive experience of the key promoter in the construction industry, healthy orderbook and comfortable financial risk profile. These strengths are partially offset by susceptibility to tender-based operations and large working capital requirement.

Analytical approach: Crisil Ratings has evaluated the standalone business and financial risk profiles of EWIPL.

Key rating drivers

Strengths:

- Established regional presence supported by the extensive industry experience of the key promoter
- Healthy orderbook providing revenue visibility
- Comfortable financial risk profile

Weakness:

- Susceptibility to tender-based operations
- Large working capital requirement

Outlook: Stable

Crisil Ratings believes EWIPL will continue to benefit from the extensive experience of its key promoter and established relationships with clients.

Rating sensitivity factors

Upward factors

- Sustained increase in revenue and sustenance of operating margin, leading to cash accrual above Rs 50 crore

- Improvement in working capital cycle with better GCAs days, strengthening liquidity

Downward factors

- Decline in operating profitability or revenue, leading to net cash accrual below Rs 20 crore
- Substantial increase in working capital requirement, weakening liquidity and financial risk profile

About the company

EWIPL was initially established as a partnership firm, Eiffil Construction in 1998, and was reconstituted as a private company in November 2024 and renamed to its present name. EWIPL is engaged in civil works such as construction of sewage systems infrastructure, water supply system, canal works, irrigation works and water treatment plants. EWIPL is recognised for its "AA" Class registration with Gujarat's roads and buildings division and also registered as Civil Class-1 for public works department, Karnataka.

The ratings reflect the company's following strengths:

Established regional presence supported by the extensive industry experience of the key promoter:

EWIPL has been in the construction of water and wastewater management system for the past 25 years and has established esteemed clients across various states such as Gujarat, Madhya Pradesh, Rajasthan, Karnataka and Uttar Pradesh. The company has successfully executed projects in diversified construction verticals such as sewage systems, canal works, water supply systems, wastewater and treatment plants projects in these years. The key promoter, Ranchhod Kakdiya, has experience of over 25 years in the civil construction industry. This has given him an understanding of the market dynamics and enabled him to establish relationships with suppliers and customers.

Healthy orderbook providing revenue visibility: The company had orderbook of Rs 1,726 crore as of May 2025 majority of which is to be executed in the next 3 years. It focuses on water supply and drainage projects. The majority of its orderbook (more than 80%) comes from Uttar Pradesh and Madhya Pradesh. However, multiple projects support cash flow and alleviate risks related to revenue concentration and delay in clearances for project execution. Timely execution of orders will be monitorable.

Comfortable financial risk profile: The financial risk profile was comfortable with tangible networth increasing to Rs 177.70 crore as on March 31, 2025, from Rs 60.13 crore a year earlier. The increase in networth was on account of accretion to reserve and infusion of equity by the investors of Rs 97.96 crore. The capital structure also improved with increase in networth and is indicated by gearing of 0.21 time and total outside liabilities to tangible networth ratio 1.48 times as on March 31, 2025, compared with 0.60 time and 2.63 times, respectively, a year earlier. Debt protection metrics were also adequate with net cash accrual to adjusted debt and interest coverage ratios of 0.99 time and 9.14 times, respectively, in fiscal 2025.

These strengths are offset by the following weaknesses:

Susceptibility to tender-based operations: Revenue and profitability entirely depend on the ability to win tenders. Also, entities in this segment face intense competition, thus requiring bidding aggressively to get contracts, which restricts the operating margin. While there are price escalation clauses available in the contracts in the civil construction industry, any significant increase in costs can have some impact on operating profitability. The operating margin is estimated at more than 14% in fiscal 2025. Also, given the cyclicity inherent in the construction industry, the ability to maintain the operating profitability through operating efficiency becomes critical.

Large working capital requirement: The working capital cycle was stretched as indicated by gross current assets (GCAs) of 395 days as on March 31, 2025, compared with 204 days a year earlier, driven by large inventory and receivables. The increase in the GCAs days was owing to rise in receivables (including retention money withhold with Government) to 212 days as on March 31, 2025, from 134 days a year earlier; and inventory to 83 days from 52 days. The receivables increased following stretch in few contracts. However, the company is able to stretch its payments to labour contractor with delay in receipt of payment of contracts. Receivables tend to be high towards the end of fiscal as the company has major revenue

booking in March. Timely realisation, leading to efficient conversion cycle and low dependence on external debt, will remain monitorable.

Liquidity: Adequate

Liquidity was adequate as indicated by moderate bank limit utilisation of 73.94% on average for the 12 months through May 2025. The company is expected to generate adequate yearly cash accrual of Rs 55-75 crore against minimal debt obligation over the medium term and will aid liquidity. The current ratio remained comfortable at 1.72 times as on March 31, 2025.

Financial policy

Financial policy is comfortable, as reflected in TOL/TNW of 1.48 times as on March 31, 2025, which is expected to improve with accretion of profit into reserve over the medium term.

Derivatives

The company is not engaged in forward contract to hedge its forex.

Dividend policy:

The company has not paid any major dividend in past and is expecting no dividend pay-out over the medium term.

Key Financial Indicators (Standalone)

As on for the year ended March 31	Unit	2025	2024	2023
		Provisionals	Actuals	Actuals
Net Sales	Rs Crore	377.02	339.69	184.49
Operating Income	Rs Crore	377.02	339.69	184.49
OPBDIT	Rs Crore	54.29	44.00	12.22
PAT	Rs Crore	36.62	34.87	6.16
Net Cash Accruals	Rs Crore	37.22	32.43	6.54
Equity Share Capital	Rs Crore	23.27	17.04	17.04
Adjusted Networkth	Rs Crore	177.70	60.13	28.29
Adjusted Debt	Rs Crore	37.54	36.21	44.54
OPBDIT Margins	%	14.40	12.95	6.63
Net Profit Margins	%	9.71	10.26	3.34
ROCE	%	35.02	52.87	20.24
PBDIT / Int. & Finance Charges	Times	9.29	10.82	3.60
Net Cash Accruals / Adjusted Debt	Times	0.99	0.90	0.15
Adjusted Debt / Adjusted Networkth	Times	0.21	0.60	1.57
Adjusted Debt / PBDIT	Times	0.68	0.79	3.50
Current Ratio	Times	1.72	1.28	1.07
Cashflow from operations	Rs Crore	-66.11	26.47	-12.67
TOL/ ANW	Times	1.48	2.63	5.84
Operating Income/Gross Block	Times	34.85	47.56	50.01
Gross Current Assets days	Days	395	204	338
Debtor Days	Days	212	134	241
Inventory Days	Days	83	52	63

Creditor Days	Days	200	121	285
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Annexure 1: Bank-Details of Facility Classes

1. Bank Guarantee

#	Bank	Amount (Rs.Cr.)	Rating
a.	HDFC Bank Limited	46.5	Crisil A3+
b.	Union Bank of India	5	Crisil A3+
c.	AU Small Finance Bank Limited	47	Crisil A3+
-	Total	98.5	-

2. Cash Credit

#	Bank	Amount (Rs.Cr.)	Rating
a.	HDFC Bank Limited	0.5	Crisil BBB / Stable
b.	Union Bank of India	20	Crisil BBB / Stable
-	Total	20.5	-

3. Overdraft Facility

#	Bank	Amount (Rs.Cr.)	Rating
a.	AU Small Finance Bank Limited	3	Crisil BBB / Stable
-	Total	3	-