

Date: 18th June, 2025

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Scrip Symbol: EIEL

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001
Scrip Code: 544290

Sub: Intimation about Revision in Credit Rating

Dear Sir/Madam,

Pursuant to Regulation 30(6) read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“SEBI Listing Regulations”), we hereby attached herewith the revised credit ratings assigned by CRISIL Ratings Limited for the bank-based facilities of the Company.

The details of the ratings are as follows:

Total Bank Loan Facilities Rated	₹ 463 Crore
Long Term Rating	Crisil A/Stable (Upgraded from 'Crisil A-/Stable')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

Kindly take the above information on record.

Yours Faithfully,

For Enviro Infra Engineers Limited

(Piyush Jain)
Company Secretary & Compliance Officer
M. No. A57000

Rating Rationale

June 17, 2025 | Mumbai

Enviro Infra Engineers Limited

Ratings upgraded to 'Crisil A/Stable/Crisil A1'

Rating Action

Total Bank Loan Facilities Rated	Rs.463 Crore
Long Term Rating	Crisil A/Stable (Upgraded from 'Crisil A-/Stable')
Short Term Rating	Crisil A1 (Upgraded from 'Crisil A2+')

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.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its ratings on the bank loan facilities of Enviro Infra Engineers Limited (EIEL) to '**Crisil A/Stable/Crisil A1**' from 'Crisil A-/Stable/Crisil A2+'.

The rating upgrade factors in the sustained improvement in the business risk profile of the EIEL, on account of healthy execution, high revenue visibility and diversity in order book and counter parties along with healthy operating efficiency. The company showcased healthy growth in revenue of nearly 45% during fiscal 2025 to Rs. 1045 crore (Rs. 726 crores in fiscal 2024). The revenue is further expected to improve by more than 15%. Furthermore, orders book of more than Rs. 1,300 crores (*other than O&M*) reflect healthy revenue visibility over the medium term with diversity in nature of the work and the counter party. The business risk profile has been further aided by improved operating efficiency reflecting operating profitability to over 24% during fiscal 2025 and expected to remain at similar level for fiscal 2026 as well. Company has also prudently managed its working capital cycle leading to healthy return on capital employed ~30-35% for fiscal 2025.

The financials risk profile continues to remain healthy with strong network, low leverage and comfortable debt protection metrics. Furthermore, during fiscal 2025, through initial public offer (IPO) EIEL raised nearly Rs. 517 crores leading to improvement in network to Rs 996 crore in fiscal 2025. These funds are utilised towards payment of running debt leading to improvement in the capital structure with total outside liabilities to adjusted network (TOL/ANW) ratio expected to improve to 0.3-0.4 time from 1.37 times as on fiscal 2024. The debt protection metrics are expected to remain comfortable with an interest coverage ratio of over 9 times, over the medium term, amid steady operating profitability. Liquidity has also strengthened on the back of improved net cash accrual following steady increase in revenue and better profitability. This has improved the cushion between net cash accrual and debt obligation.

The ratings factors in the expertise of the company in the technical projects of waste water an treatment plants and the extensive experience of the promoters in undertaking engineering procurement and construction (EPC) turnkey projects for wastewater plants and healthy financial risk profile of the EIEL group. These strengths are partially offset by the susceptibility to tender-based operations and large working capital requirement.

Analytical Approach

Crisil Ratings has moderately combined the business and financial risk profiles of EIEL and its special purpose vehicle (SPV) -- EIEPL Bareilly Infra Engineers Pvt Ltd (EBIEPL), EIEL Mathura Infra Engineers Private Limited (EMIEPL) and Enviro Infra Engineers (Saharanpur) Private Limited (EIESPL) for its hybrid annuity model (HAM) project. In line with the moderate consolidation approach of Crisil Ratings, the equity requirement and expected cost overrun in under-implementation projects have been factored into the financials of the group.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

Extensive experience of the promoters: The promoters have more than three decade of experience in undertaking EPC turnkey projects for wastewater plants and have established a strong market position for EIEL with timely execution of projects allotted by central and state government. EIEL has successfully executed orders in various segments of the water

and waste management vertical like Water Treatment Plants, Sewage Treatment Plants, Common Effluent Treatment Plants etc., leading to steady revenue growth over the years. The market position is expected to strengthen on account of healthy tender flow from government authorities and the capability of EIEL to successfully bid for tenders and execute orders.

The company showcased healthy growth in revenue of nearly 45% during fiscal 2025 and is further expected to improve by more than 15% in fiscal 2026. Furthermore, orders book of more than Rs. 1,300 crore reflect healthy revenue visibility over the medium term with diversity in nature of the work and the counter party. Crisil Believes that timely execution of order with stable operating profitability will further strengthen the market position of the company.

Healthy financial risk profile: Networth is estimated to be healthy at over Rs 996 crore as on March 31, 2025, with the infusion of funds through the IPO that raised nearly Rs 517 crore. Furthermore, these funds are utilised towards payment of running debt leading to improvement in the capital structure with TOL/ANW ratio expected to improve to 0.3-0.4 times from 1.37 times in fiscal 2024. The debt protection metrics are expected to remain moderate with interest coverage and net cash accrual to total debt ratios of 8-9 times and 3-4 times, respectively. Although the financial risk profile is expected to be comfortable, any large debt or cost overruns in the planned capex would be monitorable.

EIEL has three HAM projects under its SPV's; one is operational and two are under construction. The company invested nearly Rs. 55 crores and expected it to further infuse nearly Rs. 51 crores over the next two years. Of the total investment, nearly ~60% of the investment would be towards under-construction projects, where implementation risk exists. However, as a result of the group's track record in completing previous SPV projects in a timely manner, EIEL is likely to complete these projects without any cost overruns and in a timely manner. Furthermore, company management has acquired the company EIE Renewable Private Limited for executing and managing renewable segments and EIEL invested nearly Rs. 50 crores (*in the form of equity*) as on May 30, 2025, and is expected to infuse nearly Rs. 40-50 crores going forward. Therefore, timely receipts of orders and execution thereafter supporting the overall profile of the EIEL remains key monitorable.

Weaknesses:

Large working capital requirements: Operations continue to remain working capital intensive with estimated gross current assets (GCA's) of 200-220 days over the past three fiscal through FY25. The company books higher revenue in the last quarter, which increases the working capital requirement towards the end of the fiscal and given the nature of the construction business and high work-in progress inventory, the working capital requirement will remain high. Debtor days stood range bound at 60-90 days due to large year end billings, about 90% of the receivables as on March 31, 2025, had an ageing of less than 90 days and the company has limited debtors over 6 months. Inventory days stood at 140-160 days which included unbilled inventory. Crisil Ratings believes the overall inventory holding and GCA shall moderate over the medium term. However, sustained improvement in the same will remain a key monitorable.

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 to a moderate level. While this is partially mitigated being a project developer and management's policy of bidding selectively, sustained increase in operating margins amid competition remains a key sensitivity factor. Also, given the seasonality inherent in the water EPC industry, as more than 70% of the work is done in the 6 dry months of the year due to monsoon impact in the May-October months, the ability to maintain profitability margin through operating efficiency becomes critical.

Liquidity: Strong

Bank utilization is moderate at around 74 percent for the past twelve months ended March 2025. Cash accruals are expected to be over Rs 180-190 crore which are sufficient against term debt obligation of Rs. 3-4 crore over the medium term. In addition, it will act as a cushion to the liquidity of the company. Current ratio are healthy at 1.44 times on March 31, 2024. Free cash and cash equivalents stood at nearly Rs. 290 crores as on March 2025. Low gearing and healthy networth support financial flexibility and provide the financial cushion available in case of any adverse condition or downturn in the business.

Outlook: Stable

Crisil Ratings believes that EIEL will continue to benefit from the extensive experience of the promoters and its healthy orderbook.

Rating sensitivity factors

Upward factors

- Significant improvement in scale of operations with operating margins continue to remain healthy above 20% on a sustainable basis.
- Improvement in the working capital cycle.

Downward factors

- Steep decline in revenue and/or operating margin dropping below 16%, leading to lower-than-expected cash accrual.
- Further stretch in the working capital cycle or higher-than-expected support to SPVs.

About the Group

EIEL, incorporated in 2009, is engaged in the waste-water management project sector, water supply projects; as a project developer (HAM mode) and EPC works contractor, for constructing and operating projects such as drinking water treatment plants (WTPs), sewage treatment plants (STP), Common Effluent Treatment Plants (CETP), Industrial water reuse projects, urban and rural drinking water distribution networks for various government entities. This Delhi-based company is promoted by Mr Sanjay Jain and Mr Manish Jain.

EBIEPL, established in September 2021, and developed a sewage treatment plants at Bareilly (Uttar Pradesh) on HAM basis. The project has been awarded by Uttar Pradesh Jal Nigam and is funded by National Mission for Clean Ganga.

EMIEPL, established in September 2023, is developing sewage treatment plants at Mathura (Uttar Pradesh) on HAM basis. The project has been awarded by Uttar Pradesh Jal Nigam and is funded by National Mission for Clean Ganga

EIESPL, established in March 2024, is developing sewage treatment plants at Saharanpur (Uttar Pradesh) on HAM basis. The project has been awarded by Uttar Pradesh Jal Nigam and is funded by National Mission for Clean Ganga.

Key Financial Indicators

As on / for the period ended March 31		2025	2024	2023
Operating income	Rs crore	1045.67	726.06	333.92
Reported profit after tax	Rs crore	173.36	114.08	56.06
PAT margins	%	16.57	15.70	17.58
Adjusted Debt/Adjusted Net worth	Times	0.13	0.59	0.38
Interest coverage	Times	8.5	9.77	10.59

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Cash Credit	NA	NA	NA	49.50	NA	Crisil A/Stable
NA	Letter of credit & Bank Guarantee	NA	NA	NA	413.50	NA	Crisil A1

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Enviro Infra Engineers Limited	Moderate	To the extent of support towards equity commitment and cost overrun during construction and cash flow mismatches during operations
EIEPL Bareilly Infra Engineers Private Limited		
EIEL Mathura Infra Engineers Private Limited		
Enviro Infra Engineers (Saharanpur) Private Limited		

Annexure - Rating History for last 3 Years

		Current		2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating

Fund Based Facilities	LT	49.5	Crisil A/Stable	--	19-03-24	Crisil A-/Stable	13-04-23	Crisil BBB+/Stable	08-07-22	Crisil BBB/Positive	Crisil BBB-/Stable
			--	--	13-02-24	Crisil A-/Stable		--		--	--
Non-Fund Based Facilities	ST	413.5	Crisil A1	--	19-03-24	Crisil A2+	13-04-23	Crisil A2	08-07-22	Crisil A3+	Crisil A3
			--	--	13-02-24	Crisil A2+		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	4	Kotak Mahindra Bank Limited	Crisil A/Stable
Cash Credit	4	Kotak Mahindra Bank Limited	Crisil A/Stable
Cash Credit	2.5	ICICI Bank Limited	Crisil A/Stable
Cash Credit	4.5	IndusInd Bank Limited	Crisil A/Stable
Cash Credit	5	HDFC Bank Limited	Crisil A/Stable
Cash Credit	4	ICICI Bank Limited	Crisil A/Stable
Cash Credit	3	Axis Bank Limited	Crisil A/Stable
Cash Credit	0.5	IndusInd Bank Limited	Crisil A/Stable
Cash Credit	2	Axis Bank Limited	Crisil A/Stable
Cash Credit	10	HDFC Bank Limited	Crisil A/Stable
Cash Credit	10	Punjab National Bank	Crisil A/Stable
Letter of credit & Bank Guarantee	49	Punjab National Bank	Crisil A1
Letter of credit & Bank Guarantee	34	ICICI Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	27	Axis Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	25.5	IndusInd Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	45	AU Small Finance Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	19	Kotak Mahindra Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	20	HDFC Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	24.5	ICICI Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	21	Punjab National Bank	Crisil A1
Letter of credit & Bank Guarantee	18	Axis Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	30	YES Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	13	Kotak Mahindra Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	19.5	IndusInd Bank Limited	Crisil A1
Letter of credit & Bank Guarantee	30	YES Bank Limited	Crisil A1

Letter of credit & Bank Guarantee	38	HDFC Bank Limited	Crisil A1
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Criteria Details

Links to related criteria

[Basics of Ratings \(including default recognition, assessing information adequacy\)](#)

[Criteria for manufacturing, trading and corporate services sector \(including approach for financial ratios\)](#)

[Criteria for consolidation](#)

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