

## Sadguru Engineers & Allied Services Private Limited

July 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	18.48	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	45.80	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Sadguru Engineers & Allied Services Private Limited (SEAS) to monitor the rating vide email communications dated June 09, 2025, July 17, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Further, SEAS has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on SEAS's bank facilities will now be denoted as CARE BB-; Stable/CARE A4; ISSUER NOT COOPERATING\*.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.**

The rating has been revised on account of non-availability of adequate information thereby leading to uncertainty around credit risk of the company.

The rating continues to remain constraint by the company's tender driven nature of operation with exposure to intense competition, susceptibility of operating margin to volatility in input material prices and labour charges, moderation in capital structure and debt coverage indicators and working capital intensive nature of operations. The ratings, however, derives strength from improvement in financial performance in FY24, reputed clientele, satisfactory order book position and the experience of promoters.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on July 01, 2024, the following were the rating strengths and weaknesses:

#### Key weaknesses

##### Intense competition and tender driven process risk

Companies have to bid for the contracts based on tenders opened by the various public sector units. Upon successful technical evaluation of various bidders, the lowest bid is awarded the contract. The company receives projects which majorly are of a short to medium tenure (i.e. to be completed within period of one to three years). Furthermore, orders are generally tender driven floated by government units indicating a risk of non-receipt of contract in a competitive industry. However, the risk gets mitigated to a certain extent owing to long presence of the company in the industry leading to repeat orders from various departments.

##### Profitability susceptible to volatility in input prices

The prices of major input materials such as bitumen, plywood, stone chips and aluminium are volatile in nature. This apart, any increase in labour prices will further lead to cost overrun and thus would have an impact on the profitability.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Moderation in capital structure and debt coverage indicators

The capital structure of the company stood satisfactory, although moderated during FY24 with overall gearing to 1.25x as on March 31, 2024, from 0.48x as on March 31, 2023, due to increase in debt and mobilisation advance. Accordingly, TD / GCA also moderated to 5.23x in FY24 (PY: 2.15x). The capital structure and debt coverage indicators are expected to remain at elevated levels in the near term owing to expected increase in scale of operations.

### Working capital intensive nature of business

The operations of company are working capital intensive due to tender based and long-term nature of contracts. As the company executes orders mainly for public sector units and government departments the working capital gets stretched. Further the billing, documentation and payment process takes longer time. With the high order in hand and expected increase in scale of operations in near future, the working capital cycle is expected to stay elevated in the near to medium term.

### Key strengths

#### Improvement in financial performance during FY24

SEAS has recorded turnover of Rs 87.24 crore in FY24, an 41% y-o-y basis increase from Rs 61.87 crore in FY23. The improvement in revenue was due to better execution of projects. The PBILDT margin has remained stable and sustained at 11.95% in FY24 compared to 11.54% in FY23 and PAT margin 5.36% (FY23: 5.79%).

Since the company has satisfactory order book position, the scale of operations are expected to improve in the near to medium term, at similar level of margins.

#### Experienced promoters and Reputed clientele

SEAS has been in operation since 2011 and earlier it was setup as a proprietorship concern by Mrs. Rumi Jalan in the year 2007. Mr. Mukesh Jalan having around two decades of experience in the construction industry, looks after the day-to-day operations of the company. He is supported by other directors Mrs. Rumi Jalan and a team of experienced professionals. The company, being PWD Class I(AA) contractor, receives order from reputed organizations like PWD Mizoram, NHIDCL etc.

#### Satisfactory order book position

The company has satisfactory order in hand amount of around Rs 394.66 crore as on March 31, 2024 which is 4.52x times of the FY24 turnover. The order book increased significantly attributable to eligibility of the company to undertake higher valued projects in FY24, along with increase in infrastructure development projects undertaken by government in the northeastern states.

The company also, has an order of Rs 415 crore from NHIDCL which is in finalisation process, although as per the management work on the project has already started. Further, as articulated by the management, the company is in L1 category for projects amounting to ~Rs 45 crore.

### Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Incorporated in August 2011, Sadguru Engineers and Allied Services Private Limited (SEAS) is engaged in civil construction projects, primarily building and road construction, for Engineering Projects India Ltd (EPIL), Indian Oil Corporation Ltd. (IOCL) and Public Works Department (PWD). The company was earlier set up as a proprietorship concern by Mrs. Rumi Jalan in the year 2007.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	61.87	87.24
PBILDT	7.14	10.43
PAT	3.58	4.68
Overall gearing (times)	0.48	1.25

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Interest coverage (times)	8.20	4.75

A: Audited Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Brickwork Ratings has conducted the review on the basis of best available information and has classified SEAS as 'Issuer Not Cooperate' category as the Issuer did not Cooperate vide its press release dated June 26, 2025. The reason provided by Brickwork Ratings is non-furnishing of requisite information for monitoring of ratings.

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

### Annexure-1: Details of instruments/facilities

Name of the Instrument	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		-	-	-	10.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	45.80	CARE A4; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	Feb 2029	8.48	CARE BB-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	10.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (01-Jul-24)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (18-Jul-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (29-Jun-22)
2	Non-fund-based - ST-Bank Guarantee	ST	45.80	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (01-Jul-24)	1)CARE A4; ISSUER NOT COOPERATING* (18-Jul-23)	1)CARE A4; ISSUER NOT COOPERATING* (29-Jun-22)
3	Term Loan-Long Term	LT	8.48	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (01-Jul-24)	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE 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.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: 912267543444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Arindam Saha Director <b>CARE Ratings Limited</b> Phone: + 91-033- 40181631 E-mail: <a href="mailto:arindam.saha@careedge.in">arindam.saha@careedge.in</a></p> <p>Gopal Pansari Associate Director <b>CARE Ratings Limited</b> Phone: + 91-033- 40181647 E-mail: <a href="mailto:gopal.pansari@careedge.in">gopal.pansari@careedge.in</a></p> <p>Roshan Agarwal Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Roshan.agarwal@careedge.in">Roshan.agarwal@careedge.in</a></p>
--	---

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**