Jayvarudi Infracon Private Limited

September 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	16.00	CARE BBB; Stable	Assigned
Long-term / Short-term bank facilities	103.00	CARE BBB; Stable / CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Jayvarudi Infracon Private Limited (JIPL) derive strength from its experienced promoters and established track record in executing water supply projects (WSP) and sewerage works, and its healthy orderbook position with limited counter party risk. Ratings also derive comfort from JIPL's comfortable capital structure, debt coverage indicators, and adequate liquidity position.

However, these rating strengths are partially offset by JIPL's moderate despite growing scale of operations and moderate profitability, and its presence in a highly competitive tender-driven construction sector with intense competition in government sponsored projects.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Healthy execution of the current order book and inflow of new orders leading to significant improvement in total operating income (TOI) of the company to over ₹400 crore on a sustained basis with healthy revenue visibility and greater geographical diversification.
- Improvement in profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 7% on a sustained basis.

Negative factors

- Decline in scale of operations with TOI below ₹200 crore with decline in PBILDT margin below 6% on a sustained basis.
- Deterioration in total outside liabilities to tangible net worth (TOL/TNW) above 1.50x.
- Significant increase in working capital requirement adversely affecting liquidity indicators with gross current asset (GCA) days exceeding 250 days.

Analytical approach: Standalone

Outlook: Stable

Stable outlook is considering CARE Ratings Limited's (CareEdge Ratings') expectation that JIPL will continue to benefit from its experienced promoters, adequate orderbook position and thrust of the government on development of water infrastructure in the country.

Detailed description of key rating drivers:

Key strengths

Healthy orderbook with limited counterparty risk

As on May 31, 2025, JIPL has an outstanding order book of ₹1,129.11 crore, translating into revenue visibility of 5.24x of FY25 TOI. The orderbook is spread across four states, with major orders from Gujarat (61%), followed by Maharashtra (19%), Manipur (14%), and Madhya Pradesh (6%).

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

With a high volume of work in water infrastructure, water supply projects (WSPs) continue to dominate JIPL's orderbook, constituting ~58% of total orderbook, followed by sewerage/drainage works (41%) and remaining civil works.
Counterparty credit risk remains limited as all orders are from government and local urban development authorities under programmes funded by state governments and central government. However, timely allocation and release of funds by the government remains crucial.

Comfortable capital structure and debt coverage indicators
Due to low reliance on debt, the company's capital structure stood comfortable in the last three years ended FY25, with an overall gearing of 0.07x at FY25-end (0.12x at FY23-end). JIPL has nil term debt outstanding (o/s) on March 31, 2025. TOL/TNW stood at 0.76x at FY25-end (PY: 0.51x).

Coverage indicators of the company also stood comfortable with PBILDT interest coverage and total debt/gross cash accruals (GCA) of 5.21x (PY: 4.50x) and 0.49 years (PY: 1.00 years), respectively, in FY25.
With no major debt-funded capex planned, CareEdge Ratings expects JIPL to maintain its comfortable financial risk profile in the medium term.

Established track record of operations with experienced promoters
JIPL is specialised in execution of engineering, procurement, and construction work (EPC) for water Supply, sewerage and drainage works with presence in states of Gujarat and Madhya Pradesh. JIPL is also a registered "AA" Class Contractor with Roads and Building Division, Government of Gujarat.

The promoters, Bhikhusinh Laxmansinh Vaghela, Daljitsinh Bhikhusinh Vaghela, and Dilipsinh Laxmansinh Vaghela have over three decades of industry experience and have established good market position with timely execution of projects. The management is supported by a technically qualified team of ~50-60 professionals, including engineers/consultants deputed at various project sites.

Key weaknesses

Moderate despite growing scale of operations with moderate profitability
JIPL's TOI grew at a compounded annual growth rate (CAGR) of 25% from FY22-FY25 and stood moderate at ₹216 crore in FY25 (PY: ₹172.58 crore).

Owing to its moderate scale and higher subcontracting of works (subcontracting expense stood at 51% and 75% of cost of sales in FY25 and FY24, respectively), operating margin of the company has also remained moderate in the range of 6.5%-7% for the past three years ended FY25. The company's PBILDT and profit after tax (PAT) margins of the company stood at 6.63% (PY: 6.80%) and 5.09% (PY: 4.75%), respectively, in FY25.

In 4MFY26, the company has booked engineering, procurement, and construction (EPC) revenue of ~₹60 crore. It expects to book revenue of ~₹270-280 crore for entire FY26, with majority revenue expected to be booked in Q4 per industry trend.

Presence in an intensely competitive and fragmented construction industry
JIPL is a mid-sized player in an intensely competitive and fragmented construction industry, where projects are awarded based on bidder's relevant experience, financial capability, and most competitive bid price. Moreover, low counterparty credit risk and relatively stable payment track record of projects funded by central and state government bodies, makes these projects lucrative for the contractors and hence are highly competitive. Aggressive bidding by the company or delay in project progress due to unavailability of regulatory clearances may affect the contractor's credit profile and exert pressure on margins

Profitability susceptible to fluctuations in input prices
The execution period for contracts awarded to JIPL usually ranges from 12 to 30 months. Thus, profitability remains susceptible to input price fluctuations. However, a significant portion of JIPL's orderbook includes in-built price escalation clause for major inputs, which helps mitigates the risk associated with adverse changes in input prices to a large extent.

Liquidity: Adequate
JIPL's liquidity position remains adequate characterised by sufficient cushion in its GCA against debt repayment obligations and moderate utilisation of working capital borrowings. Average utilisation of fund-based and non-fund-based limits remained at 30% and 78% respectively in 12 months-ended June 2025. Due to EPC segment being high working capital intensive, gross current asset days of JIPL stood elongated at 224 days at FY25-end (PY: 215 days) due to high retention money and margin money

outstanding at year end. Operating cycle of company stood at 95 days in FY25 (PY: 96 days). Cash flow from operations stood positive at ₹11.12 crore in FY25.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
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

Ahmedabad, Gujarat-based JIPL was originally incorporated as a partnership firm, "Jayvarudi Construction Company" in 2002 by Bhikhusinh Laxmansinh Vaghela, Daljitsinh Bhikhusinh Vaghela, and Dilipsinh Laxmansinh Vaghela and later on was converted into a Private limited company in 2018.
JIPL is primarily engaged in executing EPC work for water supply, sewerage, and drainage works with presence in Gujarat and Madhya Pradesh. JIPL is also a registered "AA" Class Contractor with Roads & Building Division, Government of Gujarat.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	154.88	172.58	216.09
PBILDT	10.19	11.74	14.33
PAT	6.15	8.20	10.99
Overall gearing (times)	0.17	0.12	0.07
Interest coverage (times)	3.68	4.50	5.21

A: Audited; Note: these are latest available financial results, In 4MFY26, company has booked EPC revenue of ~₹60 crore.

Status of non-cooperation with previous CRA: Not applicable

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		-	-	-	16.00	CARE BBB; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	103.00	CARE BBB; Stable / CARE A3+

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	16.00	CARE BBB; Stable				
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	103.00	CARE BBB; Stable / CARE A3+				

LT: Long term; LT/ST: Long term/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 - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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.

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