

Unique Construction (Revised)

September 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	250.00	CARE BBB; Stable / CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Unique Construction (UC) consider the firm's established track record of executing large projects for government/semi-government authorities, adequate capital structure and debt coverage metrics. CARE Ratings Limited's (CareEdge Ratings) expects that the company will sustain its adequate performance in the medium term supported by healthy orderbook position with an unexecuted order book of ~₹3,500 crore as on June 30, 2025, translating into an order book-to-operating income ratio of 5.07x. UC's total operating income (TOI) grew by ~36% y-o-y to ₹703.83 crore in FY25 driven by execution of civil contracts majorly for the Surat Municipal Corporation (SMC). CareEdge Ratings notes that while the firm has a sizeable orderbook, orders exhibit significant project and counterparty concentration with over 95% of orders from SMC, which exposes the firm to the risks emanating from deterioration in counterparty's financial position and other regulatory and political risks. Its two largest projects account for over 60% of the total order book and project-specific hurdles or slower-than-anticipated execution of such large projects could materially impact UC's financial risk profile. Risks are mitigated to an extent by UC's track record of executing projects for the SMC and timely execution of projects translating to envisaged revenue will be crucial.

Ratings continue to favourably factor in UC's adequate capital structure marked by overall gearing (including mobilisation advances) and total outside liabilities to total net worth (TOL/TNW) of 0.70x and 2.19x, respectively, as on March 31, 2025 (PY: 0.75x and 2.42x, respectively). Debt protection metrics marked by PBILDT interest coverage and total debt to gross cash accruals (TD/GCA) continued to remain comfortable at 10.45x and 2.32x, respectively in FY25 (PY: 12.62x and 2.57x, respectively). Going forward, CareEdge Ratings expects UC to maintain an adequate financial risk profile. However, rating strengths are partially offset by execution risk pertaining to timely completion of orders and geographical concentration of orderbook. Ratings also factor moderate TOI, presence in competitive and fragmented industry and risk of capital withdrawal from the partnership firm.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in TOI and improvement in its profit before interest, lease rentals, depreciation and taxation (PBILDT) margin on a sustained basis.
- Improvement in TOL/TNW below 1.25x led by rising net worth base above ₹200 crore on a sustained basis.
- Timely sanction of additional working capital limits supporting the execution of order book.

Negative factors

- Delays in project execution resulting in moderation in TOI below ₹300 crore and PBILDT margins below 5% on a sustained basis.
- Increase in TOL/TNW above 2.5x or decline in PBILDT interest cover below 6x on a sustained basis.
- Increase in working capital intensity of operations leading to moderation in gross current asset days on a sustained basis.
- Significant withdrawal of capital funds from the firm impacting liquidity.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectations that UC will maintain an adequate financial risk profile in the near-to-medium term considering execution of the current orderbook position and experienced partners.

Detailed description of key rating drivers:

Key strengths

Extensive experience of partners and track record of project execution

The firm was established in 2001 by Paresh Patel and Priyank Patel, who bring in over two decades of extensive experience in the infrastructure industry. This long-tenure in the field gives the firm a competitive advantage through strong relationships with

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

both suppliers and customers. UC is led by qualified professionals, who possess the necessary technical expertise and skills, offering a synergistic benefit that ensures successful project execution and commissioning. The firm has a demonstrated track record of executing fairly large-sized infrastructure projects, including cable-stayed bridges, and sewage systems, among others, for the SMC, which provide comfort on the firm's execution capability.

Healthy orderbook position provides revenue visibility

As on June 30, 2025, the firm had a confirmed unexecuted orderbook of over ₹3,500 crore translating into an order book-to-total operating income (OB/TOI) of ~5x in FY25, which provides revenue visibility in the medium term. The weighted average execution timeline for the existing orderbook is ~3 years, which could translate into some execution risk. Going forward, timely execution of the current orderbook, while maintaining healthy orderbook position reflecting improvement in scale of operations will be a key monitorable.

Adequate capital structure and debt coverage indicators

The firm's capital structure remains comfortable marked by overall gearing (including mobilisation advances) and TOL/TNW of 0.70x and 2.19x, respectively, as on March 31, 2025 (PY: 0.75x and 2.42x, respectively) indicating limited reliance on external debt, partly also due to the relatively higher proportion of subcontracting in overall execution. As the firm has an asset-light model which limits capex requirements, the long-term debt obligations are minimal. The business is also supported by unsecured loans from partners worth ₹12.90 crore as on March 31, 2025. Debt protection metrics marked by PBILDT interest coverage and TD/GCA continued to remain comfortable at 10.45x and 2.32x, respectively in FY25 (PY: 12.62x and 2.57x, respectively). Going forward, CareEdge Ratings expects UC to maintain an adequate financial risk profile.

Key weaknesses

Concentrated orderbook

While the firm has a sizeable orderbook, its orders exhibit significant project and counterparty concentration. Of the total unexecuted order book of ~₹3,500 crore as on June 30, 2025, over 95% orders from the SMC, which exposes the firm to the risks emanating from deterioration in counterparty's financial position and other regulatory and political risks. Two largest projects account for over 60% of the total order book, with the largest project alone accounting for 38% of the order book. Delays in execution of such projects, including delays from the counterparty, could materially impact UC's business risk profile. Risks are mitigated to an extent by UC's track record of executing projects for the SMC.

Execution risk pertaining to timely completion of contracts and substantial proportion of subcontracting

As on June 30, 2025, ~58% of UC's orderbook comprises slow-moving projects. These contracts were awarded 2-3 years ago and have encountered challenges such as land acquisition and delays in forest clearance. Although pace of execution is expected to improve going forward as the handover of land is expected to complete shortly, consistent progress and timely revenue recognition from these projects remain key rating monitorable. The firm's reliance on subcontractors for project execution is relatively higher compared to peers, which limits its profitability and increases project execution risk.

Tender-driven nature of operations and presence in competitive and fragmented construction industry

The construction sector in India is highly fragmented with a large number of small and mid-sized players, which and the tendering process in order procurement results into intense competition within the industry, translating to fluctuating revenues and restrictions in profitability. The nature of contracts awarded to UC require high technical expertise such as construction of flyover bridges, water supply system, sewage systems projects among others where competition is limited, which provides some comfort.

Risk of capital withdrawals associated with partnership constitution

The firm remains exposed to risks of capital withdrawal by the partners which could materially impact the firm's net worth base and capital structure, limiting its financial flexibility to an extent. However, partners have demonstrated limited propensity of capital withdrawal in the recent years, which mitigates the risk to an extent.

Liquidity: Adequate

UC's liquidity position is adequate marked by negligible term debt repayment obligations of ₹1.70 crore against envisaged gross cash accruals of ₹40 crore in FY26. Fixed deposits of ₹78 crore were lien marked against bank guarantee (BG) limits and retention money as on August 31, 2025. Average utilisation of fund-based working capital limits is 61% and that for non-fund based is 82% for 12-months ending Julu 2025. Going forward, timely sanction of additional bank limits to fund execution of orderbook in hand is crucial.

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

Incorporated in 2001 by Paresh Patel and family, UC is a AA-class government-approved contractor, engaged in the execution of infrastructure projects. The firm undertakes government, semi-government, and sub-contracting assignments, focusing on the construction of roads, bridges, pumping stations, and drainage systems across Gujarat and Karnataka. Its registered office is in Surat, Gujarat.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (P)	Q1FY26 (UA)
Total operating income	512.49	703.83	155.00
PBILDT	33.95	48.47	NA
PAT	22.69	32.64	NA
Overall gearing (times)	0.75	0.70	NA
Interest coverage (times)	12.62	10.45	NA

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

CRISIL Ratings Limited, vide its PR dated December 16, 2024, retained the credit rating for bank facilities of UC under non-cooperation category citing non-availability of information and non-cooperation by UC.

Infomercials Ratings, vide PR dated September 08, 2025, moved the credit rating for bank facilities of UC under non-cooperation category citing non-availability of information and non-cooperation by UC.

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/ ST-Cash Credit	-	-	-	-	20.00	CARE BBB; Stable / CARE A3+
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	230.00	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	Non-fund-based - LT/ ST-BG/LC	LT/ST	230.00	CARE BBB; Stable / CARE A3+				
2	Fund-based - LT/ ST-Cash Credit	LT/ST	20.00	CARE BBB; Stable / CARE A3+				

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/ ST-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of entities consolidated:** Not applicable

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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