

Shivalay Infra Projects Private Limited

October 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	15.00	CARE A-; Stable	Upgraded from CARE BBB+; Positive
Long-term / Short-term bank facilities	175.00	CARE A-; Stable / CARE A2+	Upgraded from CARE BBB+; Positive / CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Shivalay Infra Projects Private Limited (SIPPL) factors continuous growth in its scale of operations and improvement in its profitability while maintaining its comfortable financial risk profile, lean working capital cycle, and adequate liquidity. Revision also factors growth of the company's orderbook, supported by its strategic entry into project development through the award of its first contract under the hybrid annuity model (HAM). This coupled with the receipt of orders from entities with low counterparty risk, enhances revenue visibility over the medium term. Ratings continue to derive strength from its experienced promoters and established track record of over two decades in road and other civil construction business.

However, ratings strengths are partially offset by geographical and sectorial concentrated operations resulting in limited diversity in the company's revenue stream, working capital intensive operations, and its presence in fragmented construction industry with intense competition in government-sponsored projects. Ratings also factors implementation risk associated with HAM project undertaken under its special purpose vehicle (SPV).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing scale of operations marked by total operating income (TOI) above ₹900 crore with geographical diversification and sustaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 11%.
- Efficient working capital management, further improving the liquidity profile of the company.

Negative factors

- Declining scale of operations with TOI below ₹600 crore or operating margin below 9%.
- Deterioration in total debt/PBILDT beyond 0.75x on a sustained basis.
- Declining free cash and cash equivalent below ₹50 crore.

Analytical approach: Standalone; factoring in corporate guarantee extended by SIPPL to its SPV, Shivalay Infra Khokhra-Mathasur Road Private Limited. Equity commitment of the project-phase SPV and support required in its operational phase has also been factored in SIPPL's analysis.

Outlook: Stable

The 'Stable' outlook indicates CARE Ratings Limited's (CareEdge Ratings') expectation of sustained operational performance by SIPPL, underpinned by adequate orderbook, the promoters' extensive experience, and a strong execution track record.

Detailed description of key rating drivers:

Key strengths

Continuous growth in scale of operations and improvement in profitability

SIPPL reported ~31% y-o-y growth in TOI to ₹632.98 crore in FY25 (Audited; FY refers to April 01 to March 31; FY24: ₹484.73 crore), and improvement in its PBILDT margin to 11.03% in FY25 (FY24: 10.68%). SIPPL has also maintained operating margins despite increase in director's remuneration (9.2% of TOI in FY25 from 7.9% of TOI in FY24), due to high margin projects executed in FY25 and better absorption of operational costs, enabled by the growing scale of operations.

In 5MFY26 (provisional) SIPPL achieved ~₹275 crore in revenue. CareEdge Ratings expects SIPPL to maintain its growth momentum over the medium term, driven by the timely execution of high-value projects awarded in the current year. This, along with operational efficiencies and a robust orderbook, is anticipated to support further improvement in profitability in the medium term.

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

Strengthened orderbook with low counterparty risk

SIPPL has an order book of ₹2,144.54 crore as on July 2025, translating to 3.39x of FY25 TOI (₹1,430.89 crore as on September 02, 2024), reflecting healthy revenue visibility in the medium-term. In addition to several newly awarded high-value work contracts totalling ~₹1,250 crore from nodal government agencies, SIPPL has also entered the development space with the award of its first project under the HAM by the Ministry of Road Transport and Highways (MoRTH) in August 2024, carrying an engineering, procurement, and construction (EPC) value of ₹369.5 crore. These developments are expected to support the continuation of growth momentum and contribute to improved profitability over the medium term.

While the company's order book position remains healthy providing revenue visibility in the medium term, considering over 80% of SIPPL's orderbook pertains to orders at nascent stage (less than 10% execution) or yet to commence, timely execution of such orders within stringent timelines of 12-36 months remains crucial from credit perspective.

Comfortable financial risk profile

SIPPL's capital structure continues to remain comfortable, marked by an overall gearing of 0.17x as on March 31, 2025 (0.11x as on March 31, 2024) on a net worth base of ₹248.61 crore. Marginal deterioration is considering higher utilisation of working capital limits as on balance sheet date. SIPPL's interest coverage ratio remained comfortable at 13.53x in FY25 (PY: 13.52x). Total debt to gross cash accruals (TD/GCA) stood at 0.71x as on FY25 end (0.50x in FY24).

Experienced promoters and established track record in execution of midsize civil construction projects

SIPPL is promoted by Jitendrasinh Rathod, having an experience of over four decades in the construction business. Presently, the business is managed by his sons, Rudraduttsinh Rathod and Abhijitsinh Rathod, and qualified team of professionals.

Key weaknesses**Geographical and segmental concentration**

Order book remains geographically concentrated with Gujarat contributing ~87% while balance one order from Mizoram. The order book is concentrated with majority orders (over 85% of unexecuted orderbook) pertaining to roads, highways while the balance pertains to supply of machine crushed stone ballast, and construction of sewerage network, among others. Order book remains concentrated with top five projects constituting ~64% of unexecuted order value as of July 2025.

Presence in highly fragmented and competitive industry with tender based nature of operations

SIPPL is a mid-sized player operating in an intensely competitive construction industry with presence of large number of contractors. With low counterparty credit risk and a relatively stable payment track record of projects funded by government bodies make it lucrative for all contractors and hence are highly competitive. Thus, aggressive bidding by players exert pressure on profitability. Continued increase in execution challenges, including delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk, and delays in project due to environmental clearance are other external factors that affect credit profile of industry players.

Working capital intensive operations

SIPPL's operations are characterised by high working capital intensity, primarily due to substantial funding requirements for security deposits, retention amounts, and margin money towards contracts, and for non-fund-based facilities. Consequently, gross current assets (GCA) days remained elevated at 208 days in FY25 (previous year: 200 days). However, the company has demonstrated efficient working capital management by availing security deposits and retention money from its sub-contractors, reducing reliance on external debt. This approach has supported liquidity and enabled smoother execution of ongoing projects.

Equity commitment in HAM project and associated execution risks

SIPPL has bagged one HAM project in Gujarat, which is under execution through its project SPV. The project's total cost is ~₹412 crore. SIPPL has an equity commitment of ~₹72 crore and has also extended irrevocable and unconditional corporate guarantee for the project debt to its SPV. While the SPV has achieved financial closure, appointed date is not yet received. Timely receipt of prerequisite clearances and execution of the project per scheduled time and cost parameters remains a key monitorable.

Liquidity: Adequate

SIPPL's liquidity remains adequate with low debt repayment obligations and moderate utilisation of working capital limits. Average utilisation of working capital limits remained moderate at ~65% for 12-months ended August 31, 2025. Operating cycle remained lean at one day in FY25 (FY24: negative four days) considering higher credit period from suppliers and sub-contractors.

SIPPL had free cash and cash equivalent of ₹115 crore as on March 31, 2025 (₹126 crore as on March 31, 2024). The company generated negative cash flow from operations of ₹20.77 crore in FY25 (FY24: positive ₹82.50 crore) owing to increase in receivables and security deposits. The current ratio and quick ratio remain comfortable in FY25 at 1.93x (PY: 1.90x) and 1.87x (PY: 1.88x).

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

Vadodara, Gujarat-based SIPPL was incorporated in June 2016 and it took over the existing business of Shiwalay Enterprise (SE). SE was established as a proprietorship concern in 1999 and executes civil and construction engineering work on EPC basis. SIPPL is registered as an "AA" class and Special Category-I and Special Category-II contractor with the Government of Gujarat.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	484.73	632.98
PBILDT	51.79	69.82
PAT	39.27	54.97
Overall gearing (times)	0.11	0.17
Interest coverage (times)	13.52	13.53

A: Audited; Note: these are latest available financial results

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-Bank Overdraft		-	-	-	15.00	CARE A-; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	175.00	CARE A-; Stable / CARE A2+

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-Bank Guarantee	LT/ST	175.00	CARE A- ; Stable / CARE A2+	-	1)CARE BBB+; Positive / CARE A2 (03-Oct-24)	1)CARE BBB; Positive / CARE A3+ (09-Oct-23)	1)CARE BBB; Stable / CARE A3+ (09-Sep-22)
2	Fund-based - LT-Bank Overdraft	LT	15.00	CARE A- ; Stable	-	1)CARE BBB+; Positive (03-Oct-24)	1)CARE BBB; Positive (09-Oct-23)	1)CARE BBB; Stable (09-Sep-22)

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-Bank Overdraft	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.

Contact us

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About us:

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