

Sarjan Infracon Private Limited

January 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	77.00	CARE BBB-; Stable / CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Sarjan Infracon Private Limited (SIPL) continue to derive comfort from vast experience of its promoters in the construction industry, established track record of operations in execution of mid-sized road, canal and other civil construction work on engineering, procurement and construction (EPC) basis, moderate orderbook with low counterparty risk, and its diversified revenue profile in terms of geography. Ratings also take cognisance of SIPL's comfortable capital structure, moderate debt coverage indicators, and adequate liquidity.

However, ratings continue to remain constrained considering moderate scale of operations and profitability, its presence in an intensely competitive and fragmented construction sector.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely execution of the orderbook and receipt of new orders leading to growth in total operating income (TOI) to over ₹300 crore while maintaining its profit before interest, lease rentals, depreciation, and tax (PBILDT) margin at 9% on a sustained basis.
- Improvement in its debt coverage indicators marked by PBILDT interest coverage of over 4x and total debt to gross cash accruals (TD/GCA) below 3x on a sustained basis.

Negative factors

- De-growth in TOI below ₹70 crore with reduced revenue visibility.
- Further deterioration in liquidity with increase in gross current asset days or major debt-funded capex adversely affecting the debt coverage indicators.

Analytical approach: Standalone

Outlook: Stable

Stable outlook assigned to long-term facilities reflects established track record of the promoters in construction segment, healthy revenue visibility with recovery in scale of operations and its comfortable financial risk profile.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record in road construction segment

SIPL's promoters have an extensive experience in the construction industry with over three generation legacy in the business. Jayantilal Patel, SIPL's founding member, has over four decades of experience in the construction industry from his family construction business, M/s Bhavna Construction Company. Currently, his son, Dipak Patel, Master's in Structural Engineering, having over a decade of experience, manages SIPL's overall business administration with Deepak Kumar Patel.

Comfortable capital structure and moderate debt coverage indicators

SIPL's net worth base remained moderate at ₹43.36 crore as on March 31, 2025. Capital structure remained comfortable marked by overall gearing of 0.44x as on March 31, 2025 (0.33x as on March 31, 2024).

Debt coverage indicators remain moderate marked by PBILDT interest coverage and TD/GCA of 4.16x and 3.25x, respectively, as on March 31, 2025 (2.84x and 2.41x, respectively, as on March 31, 2024).

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

Moderate revenue visibility with geographical diversification

As on December 20, 2025, SIPL had an orderbook of ₹233.97 crore (₹165.05 crore as on January 09, 2025), translating to revenue visibility of 1.43x of TOI in FY25 (1.09x of TOI in FY24). The company received two new orders from Ahmedabad Municipal Corporation having total contract value of ₹152.96 crore providing moderate revenue visibility.

Orderbook is geographically diversified across Gujarat (65% of the orderbook), followed by Maharashtra (15%), Manipur (14%), and Orissa (6%). Around 94% orders in the current orderbook pertain to road projects, reflecting high segmental concentration.

Key weaknesses

Moderate scale of operations and profitability

SIPL reported TOI of ₹163.25 crore in FY25 (FY24: ₹151.78 crore) backed by healthy billings from Manipur and Ankleshwar projects. In 8MFY26, the company reported a TOI of ₹38.98 crore due to delayed execution in Gujarat orders amidst extended rainy season. SIPL is envisaged to achieve TOI of ~₹120-140 crore in FY26.

SIPL's PBILDT margin remained moderated at 5.56% in FY25 (FY24: 6.49%) due to Manipur project, which is sub-contracted. Profit after tax (PAT) margin stood at 2.55% in FY25 (FY24: 2.14%).

Susceptibility of profitability to fluctuations in input prices

Execution period of contracts awarded to SIPL usually ranges from 18 to 24 months. Thus, its profitability remains susceptible to fluctuations in input prices such as steel, cement, and sand, among others. However, certain orders have in-built price escalation clause, which mitigates the risk arising out of adverse movements in input prices to an extent.

Presence in a competitive and fragment construction industry

SIPL is a small-sized player operating in the intensely competitive construction industry, where projects are awarded based on relevant experience of the bidder, financial capability and most attractive bid price. The competitive intensity is considering the presence of large number of contractors resulting in aggressive bidding, which restricts the margins. However, thrust of the government on infrastructure development is expected to augur well for construction players such as SIPL in the medium term.

Liquidity: Adequate

SIPL's liquidity remained adequate marked by moderate GCA against no term debt repayment obligation, moderate utilisation of its working capital limits and satisfactory working capital cycle. Average month-end utilisation of fund-based and non-fund-based limits remained at 50% and 59%, respectively, in trailing 12 months ended November 2025, providing liquidity position.

The company's operating cycle stood at 53 days in FY25 (FY24: 50 days). Debtors remained high as on March 31, 2025, due to heavy billing in Q4FY25 (~50% of FY25 TOI). The company's cash flow from operations (CFO) stood at ₹4.85 crore as on March 31, 2025. Current ratio and quick ratio stood at 1.46x and 1.04x, respectively, as on March 31, 2025. The company had free cash and liquid investments of ₹3.96 crore as on March 31, 2025.

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 SIPL is a civil construction company engaged in the construction and maintenance work of roads, bridges, and pavements. It is also involved in irrigation and airport projects by constructing allied works such as lining of canal, service road, pavement, runway, and taxiway. It was incorporated by Jayantibhai Patel as a private limited company in September 2006 and is registered as "AA Class Contractor" (highest on the scale of AA to E) with Government of Gujarat (GoG) and "A class contractor" with Government of Madhya Pradesh and also possesses ISO 9001: 2000 certificate.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (UA)
Total operating income	151.78	163.25	38.98
PBILDT*	9.85	9.07	-
Profit after tax (PAT)	3.25	4.16	-
Overall gearing (x)	0.33	0.44	-
Interest coverage (x)	2.84	4.16	-

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

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA:

ACUITE has put the rating assigned to bank facilities of SIPL under issuer non-cooperation category considering ACUITE's inability to carry out a rating exercise in the absence of the requisite information from the company per the press release dated November 03, 2025.

ICRA has put the rating assigned to bank facilities of SIPL under issuer non-cooperation category considering ICRA's inability to carry out a rating exercise in the absence of the requisite information from the company per the press release dated May 28, 2025.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Bank Overdraft	-	-	-	-	8.00	CARE BBB-; Stable / CARE A3
Fund-based - LT/ ST-Cash Credit	-	-	-	-	8.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-Bank Guarantee	-	-	-	-	61.00	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	-	-	-	1)Withdrawn (05-Apr-24)	1)CARE BBB-; Stable (06-Apr-23)	1)CARE BBB-; Stable (01-Apr-22)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	61.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (11-Feb-25) 2)CARE BBB-; Stable / CARE A3 (05-Apr-24)	1)CARE BBB-; Stable / CARE A3 (06-Apr-23)	1)CARE BBB-; Stable / CARE A3 (01-Apr-22)
3	Fund-based - LT-Bank Overdraft	LT	-	-	-	-	-	1)Withdrawn (01-Apr-22)
4	Fund-based - LT/ ST-Cash Credit	LT/ST	8.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (11-Feb-25) 2)CARE BBB-; Stable / CARE A3 (05-Apr-24)	1)CARE BBB-; Stable / CARE A3 (06-Apr-23)	-
5	Fund-based - LT/ ST-Bank Overdraft	LT/ST	8.00	CARE BBB-; Stable / CARE A3	-	1)CARE BBB-; Stable / CARE A3 (11-Feb-25) 2)CARE BBB-; Stable / CARE A3 (05-Apr-24)	1)CARE BBB-; Stable / CARE A3 (06-Apr-23)	-

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/ ST-Bank Overdraft	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	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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