SD Infra Private Limited

June 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	78.02 (Reduced from 78.75)	CARE BB; Stable	Reaffirmed
Short Term Bank Facilities	72.00	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The ratings assigned to the bank facilities of SD Infra Private Limited (SDIPL) continue to be constrained by moderate capital structure, geographically concentrated order book position, elongated operating cycle, presence in highly competitive tender-based industry and working capital intensive operations. The ratings however, derive strength from the extensive experience of promoters in construction sector, long track record of operations with established clientele and growing scale of operations and comfortable profitability margins.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations to above ₹300 crore with PBILDT margin above 14% on sustained basis
- Improvement in debt coverage metrics with total debt/ gross cash accruals (TDGCA) below 3x

Negative factors

- Any debt-funded capex or delay in capital infusion leading to deterioration in the capital structure with overall gearing above 3x.
- Decline in operating income below ₹200 crore

Analytical approach:

Standalone

Outlook: Stable

The stable outlook reflects that the company is expected to sustain its financial and operational performance with revenue visibility in the medium term through comfortable order book position.

Detailed description of key rating drivers:

Key weaknesses

Moderate capital structure, however improved in FY26

The capital structure of SDIPL remained moderate, with overall gearing improving to 1.32x as on March 31, 2026 from 2.89x as on March 31, 2025, supported by an increase in paid-up capital from ₹20 crore to ₹40 crore during the year following the conversion of unsecured loans into equity. During FY26 (refers to April 01 to March 31), the company availed term loans of approximately ₹49 crore, primarily to fund capex for addition of fixed assets, partly repay unsecured loans and reduce working capital borrowings. The debt protection metrics also improved, albeit remaining moderate, with total debt to gross cash accruals (TD/GCA) at 4.03x as on March 31, 2026, compared with 5.97x as on March 31, 2025.

Concentrated order book position

The order book position stood at ₹493.58 crore as on March 31, 2026, translating to 1.73 times of FY26 income. The order book is concentrated with top three orders constitute 38% of total order book value. The orders are also highly concentrated in Tamil

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

Nadu, which forms 98% and remaining from Andhra Pradesh. Geographical concentration of orders exposes the company to region-specific risks, such as regulatory changes, political developments, or economic slowdowns, which may adversely impact order inflows and execution timelines

Highly competitive and tender-based industry
The civil construction industry is highly competitive and working capital intensive in nature. Due to the competition in bidding for Government contracts, the margins are generally under pressure and relatively low. There is limited revenue diversity for SDIPL even though contracts are concentrated in Tamil Nadu and Andhra Pradesh. Revenue is thus vulnerable to progress on these projects and are dependent on the company's ability to bid successfully for these tenders. There are numerous fragmented & unorganized players operating in the industry which makes the civil construction space highly competitive.

Key Strengths

Vast experience of the promoters in the construction sector
The business of SDIPL, was started as a proprietorship firm, 23 years back by Mr. Devendran (one of the promoters), the wholetime director of SDIPL, with the guidance of his brother Mr. A.S. Nethaji, who is an Ex-structural Engineer of a renowned company, Bharat Heavy Electricals Limited (BHEL) (rated CARE AA-; Stable/ CARE A1+). Mr. Devendran, then converted his business into partnership firm, named SD Infra (SDI) in the year 2016 along with his brother A.S. Nethaji and his sons Mr. D. Manjunath and Mr. D. Balaji. They have then started SDIPL in the year 2020 to takeover the business of SDI. During FY24, all the assets and liabilities of firm (SDI), along with the business were transferred to SDIPL.

Long track record of operations in the construction sector with reputed clientele
SDI group has operational track record of more than two decades. SDI group, based out of Trichy, Tamilnadu, is engaged in execution of road laying works, upgradation and maintenance of roads as per tenders issued by National Highways Authority of India (rated CARE AAA; Stable), State Highways Departments. It is also involved in construction of bridges, Vehicle under passes and construction of retainer walls. It is registered as a "Class 1" contractor with the Government of Tamil Nadu, Karnataka and Andhra Pradesh.

Growing scale of operations and comfortable profitability margins
The scale of operations has improved with growth in total operating income (TOI) from ₹263.36 crore in FY25 to ₹285.20 crore in FY26 with y-o-y growth of 8.30%. The PBILDT margins stood healthy at 15.52% in FY26 as against 14.26% in FY25 due to execution of high margin contracts. The company has booked income of ₹21.57 crore in April 2026.

Liquidity: Stretched

The liquidity profile of SDIPL remains stretched, with accruals tightly matched against repayment obligations. The operating cycle improved to 111 days in FY26 from 125 days in FY25, primarily on account of higher work-in-progress inventory. The company has sanctioned fund-based working capital limits of ₹40.00 crore (reduced from ₹50 crore in April 2026) and non-fund based limits of ₹72.00 crore. The average utilisation of fund-based limits remained high at 96.16%, while non-fund based utilisation stood at 84.44% for the twelve months ended March 2026. Further, the free cash balance declined to ₹2.71 crore as on March 31, 2026, from ₹10.49 crore as on March 31, 2025, indicating limited liquidity cushion.

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
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

SDIPL, is a private limited company, incorporated in the year 2020, by Mr. Devendiran and his family to take over the running business of SDI, Partnership firm. SD Infra Group, based out of Trichy, Tamilnadu, is engaged in undertaking construction and maintenance of roads & bridges for National Highways Authority of India (NHAI) and State Highways Departments. During FY24, all the assets and liabilities of SDI, along with the business were transferred to SDIPL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (P)
Total operating income	255.65	263.36	285.20
PBILDT*	34.64	37.57	44.27
Profit after tax (PAT)	12.62	11.10	14.51
Overall gearing (x)	2.87	2.89	1.32
Interest coverage (x)	3.42	3.11	3.52

A: Audited; P: Provisional; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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		-	-	-	40.00	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	March 2033	38.02	CARE BB; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	72.00	CARE A4

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 2026-2027	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
1	Non-fund-based - ST-Bank Guarantee	ST	72.00	CARE A4	-	1)CARE A4 (21-Aug-25) 2)CARE A4; ISSUER NOT COOPERATING* (04-Aug-25)	1)CARE A4 (14-May-24)	-
2	Fund-based - LT-Cash Credit	LT	40.00	CARE BB; Stable	-	1)CARE BB; Stable (21-Aug-25) 2)CARE B+; Stable; ISSUER NOT COOPERATING* (04-Aug-25)	1)CARE B+; Stable (14-May-24)	-
3	Fund-based - LT-Term Loan	LT	38.02	CARE BB; Stable	-	1)CARE BB; Stable (21-Aug-25) 2)CARE B+; Stable; ISSUER NOT COOPERATING* (04-Aug-25)	1)CARE B+; Stable (14-May-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	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

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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