



Press Release
SIDDHARAJ PROJECTS PRIVATE LIMITED
May 19, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE BB- Stable Upgraded	-
Bank Loan Ratings	5.00	-	ACUITE A4+ Upgraded
Total Outstanding Quantum (Rs. Cr)	20.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE BB-**' (read as **ACUITE Double B Minus**) from '**ACUITE B+**' (read as **ACUITE B Plus**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A Four Plus**) from '**ACUITE A4**' (read as **ACUITE A Four**) on the Rs.20.00 Cr. bank facilities of Siddharaj Projects Private Limited (SPPL). The outlook is '**Stable**'.

Rationale for upgrade

The rating upgrade reflects the improvement in the scale of operations and comfortable order book position. The rating also considers the established track record and industry experience of the promoters in the civil construction works. However, the rating strength is partially offset by the moderate financial risk profile, working capital intensive operations and concentrated order book.

About the Company

Gujarat based, Siddharaj Projects Private Limited (SPPL) was incorporated in 2009. The company is engaged in the business of construction and repairing works of canals, roads etc. It is promoted by Mr. Gambhirsinh Balujibhai Barad, Mrs. Shivani Siddhrajsinh Barad, Mrs. Vaishaliba Prashantsinh Barad and Mr. Krishna Anirudhhasinh Barad.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Siddharaj Projects Private Limited (SPPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management

Incorporated in 2009, SPPL is managed by Mr. Gambhirsinh Balujibhai Barad, Mrs. Shivani Siddhrajsinh Barad, Mrs. Vaishaliba Prashantsinh Barad and Mr. Krishna Anirudhhasinh Barad. Although operations started in 2021, the directors have been engaged in the industry for around two decades. Additionally, the company is supported by a

qualified management team. The company's extensive industry experience is evident in their strong and long-standing relationships with customers and suppliers. Acuite believes, the company will benefit from the extensive experience of the directors in maintaining long standing relations with suppliers and customers.

Improved operating performance backed by comfortable order book position

The company reported a significant increase in revenue, reaching Rs. 51.42 Cr. in FY 2024, up from Rs. 12.37 Cr. in FY 2023. Furthermore, the company reported revenue of Rs. 53.25 Cr. (Est)for FY25. The company has a

comfortable order book, with unexecuted orders worth around Rs. 279.54 Cr., which gives revenue visibility for the medium term. The company achieved an operating margin of 12.49 per cent in FY2024, compared to 16.76 per cent in FY2023, while the PAT margin improved to 4.80 per cent in FY2024 from 2.42 per cent in FY2023. The operating margin and PAT margin is estimated to be in the range of 12.00 – 13.00 per cent and 4.00 – 5.00 per cent in FY2025. Acuité believes that SPPLs operating performance would remain stable over the medium term backed by its comfortable order book position.

Weaknesses

Moderate financial risk profile

The financial risk profile of SSPL is moderate, marked by moderate net worth, low gearing, and moderate debt protection metrics. The net worth of the company stood at Rs. 21.45 Cr. as of March 31, 2024 compared to Rs. 3.45 Cr. as of March 31, 2023. This improvement in net worth is mainly attributed to the receipt of part premiums from shareholders against the original equity issue. The gearing of the company improved and stood at 0.25 times as of March 31, 2024, compared to 4.17 times as of March 31, 2023. Further, debt protection metrics are moderate, with the debt service coverage ratio (DSCR) at 1.86 times in FY 2024, compared to 1.26 times in the previous year. Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 0.76 times as of March 31, 2024, compared to 5.51 times as of March 31, 2023. The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.55 times in FY 2024, compared to 0.03 times in the previous year. Acuite believes that the financial risk profile of SSPL will remain moderate over the medium term.

Working capital intensive operations

The company's operations remained working capital intensive, as reflected in GCA of 245 days in FY2024 against 613 days in FY2023. The Debtors' collection period improved and stood at 73 days in FY2024, as compared to 339 days in FY2023. Inventory days marginally improved to 159 days in FY2024 from 165 days in FY2023. Additionally, the creditors' days stood at 130 days in FY2024, as compared to 260 days in FY2023. The GCA days and working capital cycle have shown year-on-year improvement, primarily due to quicker customer payments, resulting in reduced debtor days. Furthermore, the company's fund-based working capital limit utilization remained moderate, with average utilization of fund-based bank facilities at ~78 per cent over the last 12 months ending March 2025. Acuité believes that the working capital operations of the company will continue to remain intensive due the nature of its business.

Concentrated Order Book

SPPL has an unexecuted order book of approximately Rs.279.54 crore from 3 projects. Out of the 3 projects the company has 2 projects from a single client. Thus, the company faces a high level of concentration, with around 75 per cent of its unexecuted orders coming from a single customer. Thus, any delays in approvals or funding for this project likely to adversely impact the operating profile of the company. The concentration risk, however, is mitigated to an extent by the long-standing relationship with the customer.

Rating Sensitivities

Significant improvement in scale of operations and profitability.

Working capital management

Timely execution of orders in hand

Changes in financial risk profile

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by sufficient net cash accruals of Rs. 2.98 Cr. in FY2024 against its no maturing debt obligations in the same year. Further, the company is expected to generate cash accruals in the range of Rs. 3.22 – 4.06 Cr., compared to maturing repayment obligations of around Rs. 0.09 Cr. – 0.10 Cr. over the medium term. The cash and bank balance as of FY24 stood at Rs. 0.07 Cr., compared to Rs. 0.44 Cr. in FY23. The working capital limit utilisation is moderate at 78 per cent over the past 12 months ending March 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	51.42	12.37
PAT	Rs. Cr.	2.47	0.30
PAT Margin	(%)	4.80	2.42
Total Debt/Tangible Net Worth	Times	0.25	4.17
PBDIT/Interest	Times	1.86	1.26

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Feb 2024	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	15.00	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
UCO Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE A4+ Upgraded (from ACUITE A4)
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BB- Stable Upgraded (from ACUITE B+)

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About Acuité Ratings & Research

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