

November 28, 2025

## M/S Skyway Infraprojects Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	32.00	32.00	[ICRA]BBB+ (Stable); reaffirmed
Long-term/ Short-term – Non-fund based – Bank guarantee	200.00	200.00	[ICRA]BBB+ (Stable)/ [ICRA] A2+; reaffirmed
<b>Total</b>	<b>232.00</b>	<b>232.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The rating reaffirmation for M/S Skyway Infraprojects Private Limited (SIPL) favourably factors in the long-standing experience of its promoters with an established operational track record of over four decades, and comfortable financial risk profile, marked by low leverage and healthy debt coverage metrics. In absence of any major capex/investment plans, the capital structure and coverage indicators are expected to remain comfortable, going forward. The ratings are supported by SIPL's established operational track record in execution of water supply and sewerage projects for a reputed clientele like Municipal Corporation of Greater Mumbai (MCGM), which reduces the counterparty credit risk to an extent. The company has an outstanding order book of Rs. 1,144 crore as on March 31, 2025, translating into an OB/OI of 1.8 times of its OI in FY2025, providing medium-term revenue visibility.

However, the ratings are constrained by the moderate scale of operations and operating margins. The margins remained flat at 7.6% in FY2025 (FY2024: 7.6%) supported by royalty income received from two JV orders in Madhya Pradesh. SIPL's credit profile is exposed to project concentration risk (top five orders accounting for 57% of the total unexecuted order book as on March 31, 2025) and high client-cum-regional concentration risk with top two counterparties comprising 70% of the unexecuted order book. Further, SIPL is exposed to moderately high execution risk as ~53% of the orders worth Rs. 1,144 crore as on March 31, 2025, are in mid-execution stages (21–60%). Consequently, satisfactory project progress in the recently awarded contracts remains a key rating monitorable in the near term. The ratings factor in the stiff competition in the construction sector, which could put pressure on new order inflows and the company's exposure to sizeable contingent liabilities in the form of bank guarantees, mainly for contractual performance, mobilisation advance and retention money. Nonetheless, ICRA draws comfort from its execution track record and absence of invocation of guarantees in the past.

The Stable outlook on SIPL's rating reflects ICRA's opinion that the company will benefit from its long track record of operations in the construction industry, an adequate order book and a comfortable capital structure.

### Key rating drivers and their description

#### Credit strengths

**Established track record of operations and experienced promoters in water and sewerage works; reputed client profile –** SIPL was established in 1978 and has more than four decades of experience in execution of sewerage works/treatment, water supply and building construction works. Over the years, the company has executed several projects for various reputable government entities such as Municipal Corporation of Greater Mumbai, Madhya Pradesh Nagar Nigam Maryadit, Surat Municipal Corporation and Vadodara Municipal Corporation.

**Comfortable financial risk profile** – The company’s financial risk profile is comfortable with TOL/TNW of 0.4 times as on March 31, 2025. Further, it has healthy coverage indicators with interest coverage of 12.8 times and DSCR of 11.2 times on account of low debt levels. In absence of any major capex/investment plans, the capital structure and coverage indicators are expected to remain comfortable, going forward.

**Adequate order book position providing medium-term revenue visibility** – The company has an outstanding order book of Rs. 1,144 crore as on March 31, 2025, translating into OB/OI of 1.8 times of its OI in FY2025, providing medium-term revenue visibility. Its ability to secure future contracts, along with the execution of current orders is critical to sustain the revenue growth going forward.

### Credit challenges

**Moderate scale of operations and operating profitability margins** – The scale of operations, though improved year-on-year by 12%, remained moderate at Rs. 637 crore in FY2025 and maintained a moderate operating margin of 7.6% in FY2025 (FY2024: 7.6%), mainly driven by royalty income received from two JV orders in Madhya Pradesh. The operating margins are anticipated to remain stable in the medium term.

**High geographical and customer concentration risks** – The entity faces moderate project concentration risk (top five orders accounting for 57% of the total unexecuted order book as on March 31, 2025) and high client-cum-regional concentration risk with top two counterparties constituting 70% of the unexecuted order book, with Municipal Corporation of Greater Mumbai (MCGM) representing 45% and Madhya Pradesh Nagar Nigam Maryadit (MPJNM) accounting for the balance.

**Moderately high execution risk** – SIPL is exposed to moderately high execution risk as ~53% of the Rs. 1,144 crore order book as on March 31, 2025, are in mid-execution stages (21–60%). Consequently, satisfactory project progress in the recently awarded contracts remains a key rating monitorable in the near term. While ICRA notes SIPL’s exposure to sizeable contingent liabilities in the form of bank guarantees, comfort is drawn from its execution track record and absence of invocation of guarantees in the past.

### Liquidity position: Adequate

SIPL has adequate liquidity, marked by sufficient cushion in working capital limits and cash balances. The company has unencumbered bank deposits of ~Rs. 22 crore and unutilised fund-based limits of Rs. 70 crore as on March 31, 2025. Moreover, in absence of any major capex plans and repayment obligations, along with expectation of healthy cash flow from operations, its liquidity position is likely to remain adequate, going forward.

### Rating sensitivities

**Positive factors** – ICRA could upgrade SIPL’s ratings if there is substantial growth in revenues, along with a material improvement in operating margin and diversification in business profile, while maintaining comfortable leverage and debt coverage metrics.

**Negative factors** – Pressure on SIPL’s ratings could arise if there is sustained pressure on revenue or earnings resulting in a material weakening of debt coverage metrics or liquidity position. Moreover, elongation of working capital cycle thereby impacting the liquidity position could trigger a rating downgrade.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Construction</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

SIPL, initially known as Sky-Way Construction Company, was founded in 1978 and was subsequently converted into a private limited company in 2008. It is based out of Mumbai and promoted by Mr. Mool Singh Deora, Mr. Berishal Singh Deora and their family. The company undertakes infrastructure development projects related to water supply, sewerage, stormwater drain and cement mortar lining. While the company has executed orders in Rajasthan, Gujarat and Goa in the past, the current orders are mainly in Maharashtra and Madhya Pradesh. It mainly executes orders for Government entities and is registered as an “AA” category contractor with MCGM, who drives a large share of its current, unexecuted order book.

### Key financial indicators (audited)

SIPL Standalone	FY2024	FY2025
Operating income	571.0	637.3
PAT	33.9	37.2
OPBDIT/OI	7.6%	7.6%
PAT/OI	5.9%	5.8%
Total outside liabilities/Tangible net worth (times)	0.4	0.4
Total debt/OPBDIT (times)	0.52	0.54
Interest coverage (times)	16.2	12.8

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA:** ACUITE has maintained the rating for SIPL’s bank loans in the non-cooperating category as ‘ACUITE BB/ ACUITE A4+ (ISSUER NOT COOPERATING)’ on its website.

**Any other information:** None

## Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs crore)	Nov 28, 2025	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based-Cash credit</b>	Long Term	32.00	[ICRA]BBB+ (Stable)	Aug 28, 2024	[ICRA]BBB+ (Stable)	Jul 05, 2023	[ICRA]BBB+ (Stable)	Sep 01, 2022	[ICRA]BBB+ (Stable)
<b>Non-fund based-Bank guarantee</b>	Long Tem/ Short Term	200.00	[ICRA]BBB+ (Stable)/ [ICRA]A2+	Aug 28, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2+	Jul 05, 2023	[ICRA]BBB+ (Stable)/ [ICRA]A2+	Sep 01, 2022	[ICRA]BBB+ (Stable)/ [ICRA]A2+

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term/ Short-term – Non-fund based – Bank guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based-Cash credit	NA	NA	NA	32.00	[ICRA]BBB+ (Stable)
NA	Non-fund based -Bank guarantee	NA	NA	NA	200.00	[ICRA]BBB+ (Stable)/ [ICRA]A2+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis – Not Applicable**

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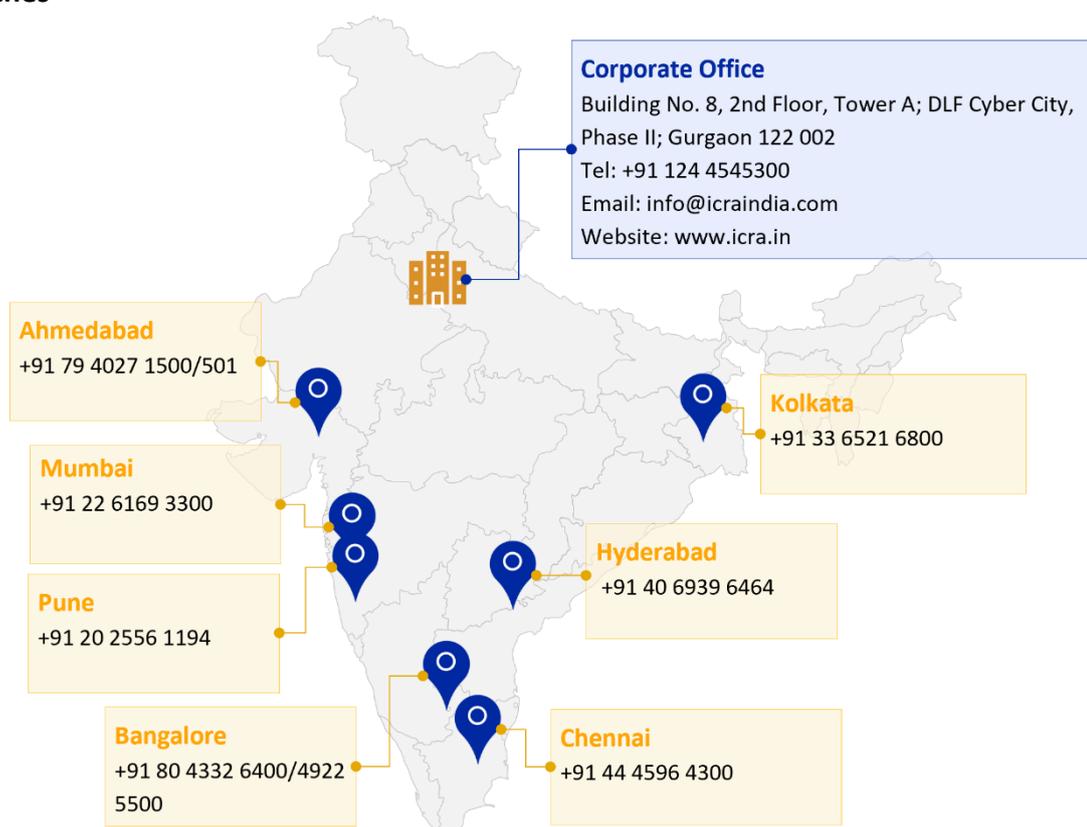
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