September 14, 2026

Swastik Bridge & Road Contract LLP: [ICRA]BB-(Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Cash credit	19.75	[ICRA]BB-(Stable); Assigned	RBI
Long-term – Fund-based – Overdraft	11.40	[ICRA]BB-(Stable); Assigned	RBI
Long-term – Unallocated limits	0.85	[ICRA]BB-(Stable); Assigned	RBI
Total	**32.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI's investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of Financial Sector Regulators (FSRs) other than SEBI.

Rationale

The assigned rating favourably factors in Swastik Bridge & Road Contract LLP's (SBRC) established track record of over a decade in civil construction, primarily involving bridge construction and allied road projects. The firm predominantly executes projects as a subcontractor to primary contractors, leveraging their credentials for order acquisition. SBRC's operating income increased at a healthy compounded annual growth rate (CAGR) of approximately 60.7%, rising from Rs. 26.7 crore in FY2022 to Rs. 178.2 crore in FY2026 (provisional), reflecting a significant scale-up in operations. Its operating income stood at Rs. 158.8 crore in FY2025 and improved to Rs. 178.2 crore in FY2026, supported by continued execution of the company's order book.

The rating remains constrained by SBRC's moderate capitalisation, with a net worth of Rs. 14.4 crore as on March 31, 2026. The firm's liquidity profile remains stretched, as reflected in the limited cushion available in its working capital limits and low, free cash balances, restricting financial flexibility for meeting incremental working capital requirements. The company's profitability remains exposed to intense competition and the tender-driven nature of the industry. The firm's dependence on primary contractors for securing orders and the associated commission payouts to such contractors also constrain its business profile. Moreover, its business requires securing a large amount of deposit/retention money with the main contractor in the absence of any bank guarantees (BGs) sanctioned. Further, SBRC remains vulnerable to inherent sectoral risks such as execution delays, cost overruns and elongated receivable cycles. Its outstanding order book stood at approximately Rs. 254.5 crore as on June 30, 2026, providing only moderate revenue visibility over the near-to-medium term.

The Stable outlook reflects ICRA's expectation that SBRC will continue to benefit from the execution of its order book and its ability to secure incremental orders through its established relationships with primary contractors, supporting revenue visibility over the medium term. The outlook also factors in the expectation that incremental borrowings towards working capital requirements or capital expenditure (capex) will remain prudent and commensurate with its scale of operations, thereby supporting the firm's credit profile.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and established track record in civil construction industry – SBRC benefits from its promoters' extensive experience and established track record of over a decade in civil construction, primarily involving bridge construction and allied road infrastructure works. The firm has executed projects across Bihar, Uttar Pradesh and Tamil Nadu, while its ongoing portfolio spans Maharashtra, Gujarat and West Bengal. Its execution capabilities are demonstrated by the sizeable Rs. 774.1-crore Siliguri highway project (West Bengal), the firm's largest ongoing project, which had achieved 73.1% completion as on June 30, 2026. The firm's experience in executing large and technically complex infrastructure projects, together with its established relationships with stakeholders in the sector, supports its operational profile.

Repeat orders from established customer base – SBRC benefits from its enduring relationships with established counterparties, resulting in a steady flow of repeat orders. These relationships facilitate participation in large Government infrastructure projects through access to requisite bidding credentials, technical qualifications, BGs, and financial support. The projects are executed on a back-to-back basis, supporting order inflow and business visibility.

Credit challenges

Moderate scale of operations and moderate net worth base – SBRC's financial profile remains constrained by its moderate scale of operations and modest net worth base. The firm reported operating income of Rs. 178.2 crore in FY2026 (provisional), while its tangible net worth stood at Rs. 14.4 crore as on March 31, 2026, limiting its financial flexibility and ability to absorb project-related or business shocks. The capital structure remained leveraged, as reflected in a TOL/TNW of 5.2 times as on March 31, 2026. Further, its liquidity position remains stretched by its modest cash balances and limited cushion in working capital facilities. The absence of adequate BG limits restricts the firm's ability to independently bid for large projects and expand its scale of operations, thereby increasing its dependence on primary contractors for technical credentials, BGs and financial support.

Moderate order book – SBRC's outstanding order book remained moderate at Rs. 249.5 crore as on June 30, 2026, equivalent to around 1.4 times its FY2026 operating income of Rs. 178.2 crore. The order book comprised only three projects and remained highly concentrated, with the Siliguri project accounting for Rs. 208.0 crore, or 83.4%, of its pending order book. The Jalgaon and Rajula projects accounted for Rs. 24.5 crore and Rs. 17.0 crore, respectively, representing 9.8% and 6.8% of its pending order book. Further, no fresh orders were secured during Q1 FY2027, while the firm reported operating revenue of Rs. 74.65 crore as on September 3, 2026. Although its current order book provides near-term revenue visibility, the firm's ability to secure fresh orders and diversify its project portfolio remains important for sustaining its scale of operations over the medium term.

Intensely competitive industry due to presence of various small plyers – SBRC operates in an intensely competitive and tender-driven civil construction industry, characterised by numerous small and established players in the field. Competitive bidding limits pricing flexibility and exposes profitability to fluctuations in raw material, labour and other project-execution costs. Further, the firm's reliance on primary contractors for securing orders entails retention of 2-2.5% of the billed value by such contractors, thereby limiting value accretion from projects and constraining its overall profitability.

Risk of capital withdrawal, given its constitution as a partnership firm – SBRC being a limited liability partnership, is exposed to discrete risks, including the possibility of capital withdrawals by the partners and limited ability to raise capital, among others. Any substantial capital withdrawal could weaken the firm's capital structure and liquidity position, thereby constraining its financial flexibility.

Liquidity position: Stretched

The company's liquidity position is expected to remain stretched due to the limited buffer in its fund-based working capital limits and minimal free cash and bank balances. The company has fund-based working capital limits of Rs. 19.8 crore, with an average utilisation of around 95% over the past 12 months ending in July 2026. The company has repayment obligations of Rs. 1.0–1.5 crore during FY2027–FY2029, which is expected to be met through internal accruals and timely support from its promoters. It does not have any major debt-funded capex plans over the medium term, while its liquidity is likely to be supported by timely receipt of payments from key customers.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a sustained increase in its revenue and earnings, leading to an improvement in its net worth and liquidity position while maintaining comfortable debt coverage metrics.

Negative factors – Pressure on the rating could arise if there is a material decline in revenues and earnings or any elongation of working capital cycle or large capex or substantial capital withdrawal resulting in moderation in the debt coverage indicators and liquidity position on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial statements.

About the company

SBRC is an Ahmedabad-based limited liability partnership, incorporated in 2015 and engaged in bridge construction and allied road infrastructure works. The firm primarily undertakes bridge construction projects, along with the development of approach roads and related civil infrastructure. Over the years, SBRC has executed bridge projects across Bihar, Uttar Pradesh and Tamil Nadu, while its ongoing portfolio comprises bridge construction projects in Jalgaon (Maharashtra), Amreli (Gujarat), and Siliguri (West Bengal). The firm is promoted by Mr. Maheshkumar Narrotamdas Patel, who has over four decades of experience in the construction industry. As on March 31, 2026, the partnership was equally held by Mr. Patel and Mrs. Kailashben Maheshkumar Patel, with a profit-sharing ratio of 50% each.

Key financial indicators (audited)

SBRC standalone	FY2025	FY2026*
Operating income	158.8	178.2
PAT	3.3	3.8
OPBDIT/OI	4.8%	5.2%
PAT/OI	2.1%	2.1%
Total outside liabilities/Tangible net worth (times)	6.8	5.2
Total debt/OPBDIT (times)	1.5	3.5
Interest coverage (times)	4.9	4.1

*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; * Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024		
			Date	Rating	Date	Rating	Date	Rating	Date	Rating	
Fund-based – Cash credit	Long term	19.75	Sep 14, 2026	[ICRA]BB- (Stable)	-	-	-	-	-	-	
Fund-based – Overdraft	Long term	11.40	Sep 14, 2026	[ICRA]BB- (Stable)	-	-	-	-	-	-	
Unallocated limits	Long term	0.85	Sep 14, 2026	[ICRA]BB- (Stable)	-	-	-	-	-	-	

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Overdraft	Simple
Long-term – Unallocated limits	Not Applicable

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	Financial sector regulator#
NA	**Fund-based – Cash credit**	NA	10.25%	NA	19.75	[ICRA]BB-(Stable)	RBI
NA	**Fund-based – Overdraft**	NA	10.25%	2031	11.40	[ICRA]BB-(Stable)	RBI
NA	**Unallocated limits**	NA	NA	NA	0.85	[ICRA]BB-(Stable)	RBI

Source: Company

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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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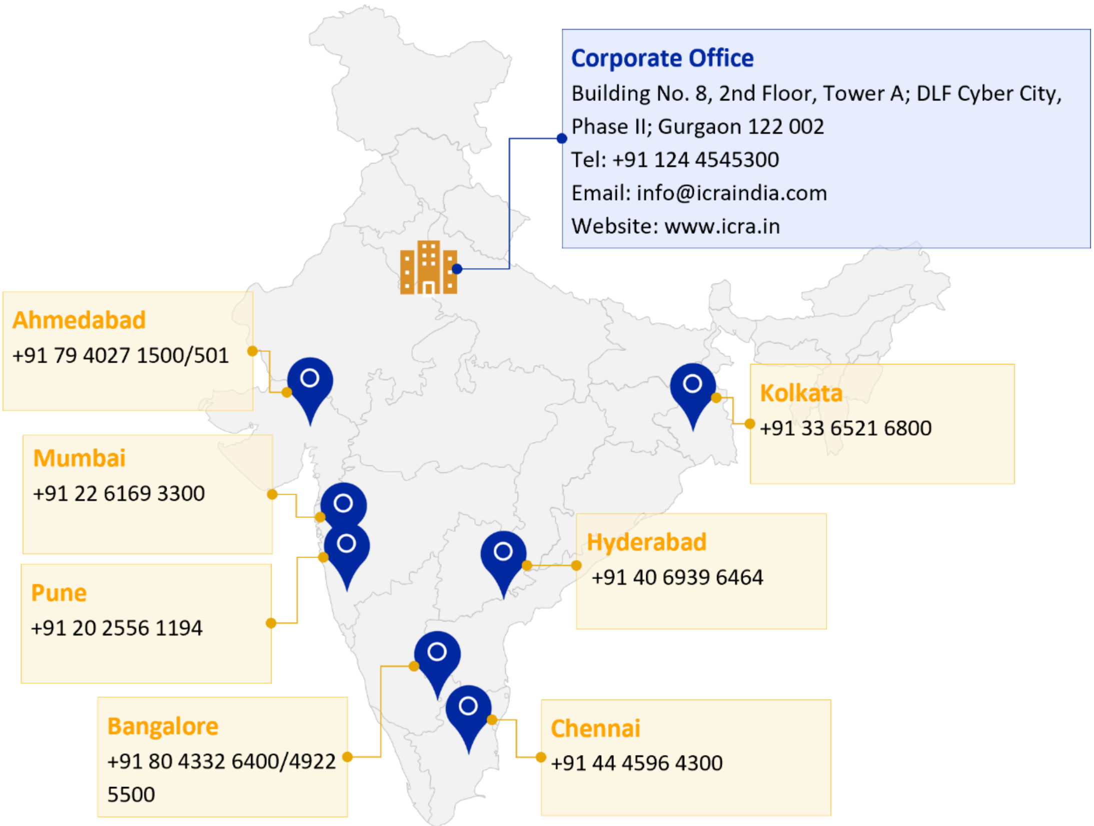

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