

October 08, 2026

Unique Construction: [ICRA]BBB(Stable)/[ICRA]A3+ assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator [#]
Long-term – Fund-based – Cash credit	22.00	[ICRA]BBB(Stable); assigned	RBI
Long-term/Short-term – Non-fund-based – BG/LC	275.00	[ICRA]BBB(Stable)/[ICRA]A3+; assigned	RBI
Long-term/Short-term Unallocated limits	3.00	[ICRA]BBB(Stable)/[ICRA]A3+; assigned	RBI
Total	300.00		

*Instrument details are provided in Annexure I

[#]SEBI's grievance redressal/dispute resolution and SEBI 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 other than SEBI

Rationale

The assigned ratings factor in Unique Construction's (UC) established track record of over two decades in executing civil infrastructure projects and its demonstrated expertise across water supply, sewerage, river rejuvenation, flood protection and urban infrastructure projects. The firm has developed a strong standing within the Surat infrastructure ecosystem and maintains longstanding relationships with government authorities, particularly Surat Municipal Corporation (SMC), which remains its key customer. Moreover, the ratings note a sizeable order book of approximately Rs. 3,750 crore as on August 31, 2026, translating into an order book-to-operating income ratio of around 5.2 times. The order book comprises several large projects, which are expected to support revenue generation over the medium term. The operating income increased to Rs. 720 crore in FY2026 from Rs. 416 crore in FY2023, aided by execution of large-scale infrastructure projects. The ratings consider the firm's comfortable financial profile, characterised by adequate coverage indicators reflected by interest coverage of 6.7 times in FY2026 and moderate leverage of 1.9 times in FY2026.

The ratings, however, remain constrained by the high customer, project and geographical concentration risks. SMC accounted for around 70% of revenues in FY2026, while the project portfolio remains concentrated in Gujarat, particularly Surat and adjoining regions. In addition, the top five projects constitute nearly 68% of the outstanding order book, exposing the firm to concentration risks. UC remains vulnerable to execution risks associated with large infrastructure projects, including delays arising from regulatory approvals, land acquisition and project-specific bottlenecks. Accordingly, timely execution of the large order book and resolution of project-specific challenges will remain a key monitorable. Nevertheless, these risks are partly mitigated by the firm's established execution track record, strong relationships with government counterparties, healthy order book position and specialised expertise in municipal and environmental infrastructure projects. ICRA notes the risk associated with potential capital withdrawal, given the partnership nature of entity. Nonetheless, comfort can be drawn from the history of limited withdrawals.

The Stable outlook reflects ICRA's expectation of sustenance of comfortable financial risk profile, supported by healthy order book visibility, moderate debt levels and limited capex requirements.

Key rating drivers and their description

Credit strengths

Established track record and experienced promoter – UC has an established track record of over two decades in the civil infrastructure construction segment and is led by Dr. Paresh Patel, who possesses more than 30 years of industry experience. The firm has developed expertise across water supply, sewerage, river rejuvenation, flood protection, bridges and urban infrastructure projects, while maintaining longstanding relationships with government authorities, particularly SMC. The firm's execution track record and technical capabilities support its competitive position in the infrastructure segment.

Healthy order book providing medium-term revenue visibility – The firm had an unexecuted order book of approximately Rs. 3,750 crore as on August 31, 2026, translating into an order book-to-operating income ratio of about 5.2 times of the operating income in FY2026, providing healthy medium-term revenue visibility. The order book is spread across water supply infrastructure, bridges and flyovers, roads, flood protection works, sewerage as well as buildings and includes marquee projects such as Tapi barrage and flyover project, high-rise office building at Majura, flood protection works in River Tapi and 24x7 water supply projects.

Adequate financial risk profile supported by comfortable leverage and debt coverage metrics – UC's financial profile remains adequate, aided by low debt levels, healthy debt coverage indicators and moderate leverage. As on March 31, 2026, total debt stood at around Rs. 26 crore against a tangible net worth of Rs. 203 crore, while interest coverage and DSCR remained healthy at 6.7 times and 7.4 times, respectively. The firm's financial risk profile is likely to remain adequate, driven by healthy cash accruals and limited debt-funded capex, thereby maintaining moderate leverage and comfortable coverage metrics.

Credit challenges

Order book exposed to customer and geographical concentration risks – The business profile remains susceptible to customer, project and geographical concentration risks. UC derived around 70% of its FY2026 revenues from SMC, while approximately 90% of revenues are generated from Surat. Around 97% of the identified order book is concentrated in Gujarat, primarily Surat and adjoining regions. However, the concentration has helped the firm for better resource mobilisation and manage the construction cost within a range. The top five projects constitute nearly 59% of the order book, exposing the firm to customers, project and regional concentration risks, despite government-backed clients.

Moderate profitability levels with intense competition in construction industry – The firm's profitability remains moderate, with operating margins primarily ranging within 6.6-6.8% during FY2024-FY2026. While UC focuses on technically complex projects, profitability remains constrained by the inherently competitive nature of the construction sector and its high reliance on subcontracting with on average more than 50% of the work being sub-contracted in the past three years.

Risk associated with partnership nature of the entity – Being a partnership firm, UC remains vulnerable to the inherent risk of capital withdrawal by partners, which could affect its capital structure and liquidity profile. However, the withdrawals have been limited during the last five years except Rs. 18 crore in FY2025. While the management does not envisage any significant withdrawals over the medium term, the firm remains exposed to capital withdrawals given the partnership nature of the entity.

Liquidity position: Adequate

UC's liquidity is expected to remain adequate, supported by healthy cash accruals and surplus free cash balances of around Rs. 5.5 crore as on March 31, 2026, against scheduled debt repayment obligations of Rs. 2.4 crore in FY2027. Further, the firm has aggregate fund-based working capital limits of Rs. 20 crore, with average utilisation remaining moderate at around 31% during the twelve months ended June 2026. The firm does not have any major capex plans in the near to medium term.

Rating sensitivities

Positive factors – The rating could be upgraded in case of significant scale up in the firm's revenues and profitability, while maintaining adequate liquidity, along with diversification in its geographical and customer wise order-book on a sustained basis.

Negative factors – The rating could witness a downward revision in case of any adverse impact on the firm's revenue and profitability leading to deterioration in debt protection metrics. Further, any sizeable dividend payout or higher working capital requirement affecting UC's liquidity position can trigger a downward rating revision. Specific trigger which could lead to rating downgrade will be TOL/TNW of more than 2 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	NA
Consolidation/Standalone	The ratings are based on the standalone operational and financial profile of the firm.

About the company

Established in 2001, Unique Construction (UC) is a partnership firm based in Surat, Gujarat and is promoted by Dr. Paresh Patel, who has over three decades of experience in the infrastructure sector. The firm is an AA-class government-approved contractor that executes civil infrastructure projects across water supply, sewerage systems, environmental infrastructure, roads, bridges, flyovers, buildings and smart city developments. Over the years, UC has developed a strong presence in Gujarat, particularly in Surat. It has executed projects for municipal, state and Central Government authorities. The firm's business model is focused on technically complex infrastructure projects, particularly in the water, wastewater and environmental infrastructure segments.

Key financial indicators

Unique Construction (Standalone)	FY2025	FY2026
Operating income	703.8	720.3
PAT	46.3	43.6
OPBDIT/OI	6.8%	6.8%
PAT/OI	6.6%	6.1%
Total outside liabilities/Tangible net worth (times)	1.7	1.9
Total debt/OPBDITA (times)	0.7	0.5
Interest coverage (times)	10.4	6.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

CRA	Rating Action	Date of Release
Infomerics Ratings	IVR BBB-/Negative/A3; ISSUER NOT COOPERATING	February 25, 2026
CRISIL	Crisil B /Stable/Crisil A4 (ISSUER NOT COOPERATING)	February 28, 2026

Any other information: None

Rating history for past three years

Current rating (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	October 08, 2026	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	22.00	[ICRA]BBB(Stable)	-	-	-	-	-	-
Non-fund based – BG/LC	Long-term/Short term	275.00	[ICRA]BBB(Stable) / [ICRA]A3+	-	-	-	-	-	-
Unallocated limits	Long-term/Short term	3.00	[ICRA]BBB(Stable) / [ICRA]A3+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term/Short-term – Non-fund based – BG/LC	Simple
Long-term/Short-term – Unallocated limits	NA

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	NA	NA	22.00	[ICRA]BBB(Stable)	RBI
NA	Non-fund based – BG/LC	NA	NA	NA	275.00	[ICRA]BBB(Stable) / [ICRA]A3+	RBI
NA	Unallocated limits	NA	NA	NA	3.00	[ICRA]BBB(Stable) / [ICRA]A3+	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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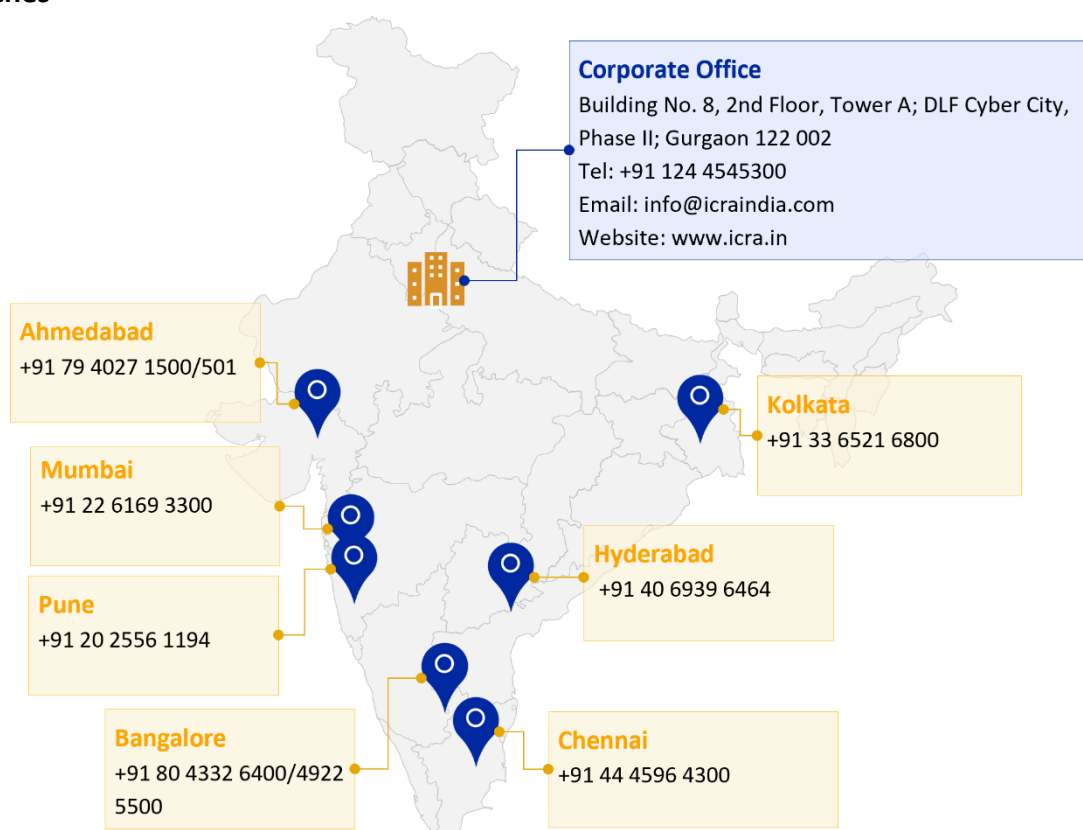
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