Crisil Ratings

Rating Rationale

November 28, 2025 | Mumbai

Udayshivakumar Infra Limited

Ratings downgraded to 'Crisil BBB-/Negative/Crisil A3'

Rating Action

Total Bank Loan Facilities Rated	**Rs.267.55 Crore**
Long Term Rating	**Crisil BBB-/Negative (Downgraded from 'Crisil BBB/ Stable')**
Short Term Rating	**Crisil A3 (Downgraded from 'Crisil A3+')**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has downgraded its ratings on the bank facilities of Udayshivakumar Infra Limited (UIL) to **'Crisil BBB-/ Negative/Crisil A3'** from 'Crisil BBB/Stable/Crisil A3+'.

The downgrade reflects the significant deterioration in the business performance of UIL in fiscal 2025, with revenue declining to Rs 289.67 crore from Rs 577.28 crore in fiscal 2024. The company generated revenue of Rs 116 crore in the first half of fiscal 2026 and is likely to clock Rs 300 crore for the full fiscal. The steep decline in revenue was on account of the lower contribution of the toll collection segment. Operating margin fell to 1.19% in fiscal 2025 from 7.29% in fiscal 2024. Profitability continues to remain muted with operating losses in first half of current fiscal. The company has incurred loss in the toll segment on account of mismatch in the assessment of traffic and toll collection vis-à-vis toll charges to be paid to the government. The working capital cycle has lengthened as indicated by increase in gross current assets (GCAs) to 167 days as on March 31, 2025, from 106 days a year earlier on account of stretched receivables. Sustained improvement in the business performance will be monitorable.

The ratings continue to reflect UIL's strong track record of operations and the extensive experience of the promoter in the civil construction industry, healthy order book providing revenue visibility and comfortable capital structure. These strengths are partially offset by susceptibility to risks inherent in tender-based business and working capital-intensive operations.

Analytical Approach

Crisil Ratings has evaluated the standalone business and financial risk profiles of UIL.

Key Rating Drivers - Strengths

Strong track record of operations and extensive experience of the promoter: Since its inception, UIL has successfully completed various infrastructure projects from different government departments and agencies. The promoter Mr Udayshivakumar Rajanna has experience of over 20 years in the civil construction sector. This has given him an in-depth understanding of the market dynamics and enabled him to establish healthy relationships with suppliers and customers.

Healthy order book providing revenue visibility: Orders of Rs 1,475 crore as on October 31, 2025, are to be executed over the next 12-24 months. The healthy order book provides significant revenue visibility over the medium term.

Comfortable capital structure: Gearing was 1 time as on March 31, 2025, on account of moderate reliance on debt. In the absence of any significant debt-funded capital expenditure, the gearing is expected to improve over the medium term.

Key Rating Drivers - Weaknesses

Susceptibility to risks inherent in tender-based business: Revenue and profitability depend entirely on the ability to win tenders. Also, intense competition leads to aggressive bidding to get contracts, which restricts the operating margin. Also, given the cyclicality inherent in the construction industry, the ability to maintain profitability margin through operating efficiency becomes critical.

Working capital-intensive operations: GCAs were sizeable over 100 days over the three fiscals ended March 31, 2025, driven by large receivables and inventory. The company is required to extend long credit period and holds large work-in-process and inventory due to business need.

Liquidity - Adequate

Bank limit utilisation was moderate at 53% on average for the 12 months through October 2025. Cash accrual is expected at Rs 12-20 crore against term debt obligation of Rs 10-14 crore over the medium term.

Outlook Negative
Outlook is negative on account of the deterioration in profitability and stretch in the working capital cycle.

Rating sensitivity factors
Upward factors
- Increase in revenue by and sustenance of operating margin over 7%, leading to higher cash accrual
- Improvement in the working capital cycle
- Sustenance of financial risk profile and adequate liquidity

Downward factors
- Subdued operating margins less than 5% due to higher raw material costs or change in revenue mix.
- Large debt-funded capital expenditure weakens capital structure
- Substantial increase in working capital requirements thus weakening the liquidity and financial risk profiles

About the Company
UIL was formed as a sole proprietorship named M/s Udayshivakumar at Davangere, Karnataka, in August 2002 and was reconstituted as a partnership firm named M/s Udayshivakumar in 2014. It was reconstituted as a private limited company named Udayshivakumar Infra Pvt Ltd in 2019 and then as a public limited company with the current name in August 2022. UIL undertakes civil construction works such as construction of roads and bridges, canal works and irrigation works for state government, central government and government civic bodies and corporations. It also manufactures ready-mix concrete (RMC). UIL is listed on the National Stock Exchange and Bombay Stock Exchange and is promoted by Mr Udayshivakumar Rajanna.

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	289.7	577.3
Reported profit after tax (PAT)	Rs crore	-7.2	30.2
PAT margin	%	-2.47	5.23
Adjusted debt/Adjusted networth	Times	0.4	0.2
Interest coverage	Times	0.5	7.8

Status of non cooperation with previous CRA:
UIL has not cooperated with Brickwork Ratings India Pvt Ltd, which has classified it as non-cooperative through release dated February 06, 2023. The reason provided by Brickwork Ratings India Pvt Ltd is non-furnishing of information for monitoring of ratings.

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Bank Guarantee	NA	NA	NA	186.00	NA	Crisil A3
NA	Cash Credit	NA	NA	NA	50.00	NA	Crisil BBB-/Negative
NA	Term Loan	NA	NA	31-Mar-28	31.55	NA	Crisil BBB-/Negative

Annexure - Rating History for last 3 Years

	Current			2025 (History)		2024		2023		2022		Start of 2022
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	81.55	Crisil BBB-/ Negative		--	03-12-24	Crisil BBB/ Stable	12-10-23	Crisil BBB/ Stable		--	--

			--		--		--	29-09-23	Crisil BBB/ Stable		--	--
Non-Fund Based Facilities	ST	186.0	Crisil A3		--	03-12-24	Crisil A3+	12-10-23	Crisil A3+		--	--
			--		--		--	29-09-23	Crisil A3+		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	**21**	**HDFC Bank Limited**	**Crisil A3**
Bank Guarantee	**165**	**State Bank of India**	**Crisil A3**
Cash Credit	**30**	**State Bank of India**	**Crisil BBB-/Negative**
Cash Credit	**20**	**HDFC Bank Limited**	**Crisil BBB-/Negative**
Term Loan	**31.55**	**HDFC Bank Limited**	**Crisil BBB-/Negative**

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)

Media Relations	Analytical Contacts	Customer Service Helpdesk
Ramkumar Uppara Media Relations **Crisil Limited** M: +91 98201 77907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com **Kartik Behl** Media Relations **Crisil Limited** M: +91 90043 33899 B: +91 22 6137 3000 **kartik.behl@crisil.com** **Divya Pillai** Media Relations **Crisil Limited** M: +91 86573 53090 B: +91 22 6137 3000 **divya.pillai1@ext-crisil.com**	Jayashree Nandakumar Director **Crisil Ratings Limited** D:+91 44 6656 3466 jayashree.nandakumar@crisil.com Athul Unnikrishnan Sreelatha Associate Director **Crisil Ratings Limited** B:+91 22 4040 5800 athul.sreelatha@crisil.com Vinidra V Senior Rating Analyst **Crisil Ratings Limited** B:+91 22 4040 5800 vinidra.v@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 3850 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com For Analytical queries: ratingsinvestordesk@crisil.com

Note for Media:
This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper/magazine/agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to Crisil Ratings. However, Crisil Ratings alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites and portals.

About Crisil Ratings Limited (A subsidiary of Crisil Limited, an S&P Global Company)

Crisil Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

Crisil Ratings Limited ('Crisil Ratings') is a wholly-owned subsidiary of Crisil Limited ('Crisil'). Crisil Ratings Limited is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI").

For more information, visit www.crisilratings.com

About Crisil Limited

Crisil is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: TWITTER | LINKEDIN | YOUTUBE | FACEBOOK

DISCLAIMER

This disclaimer is part of and applies to each credit rating report and/or credit rating rationale ('report') provided by Crisil Ratings Limited ('Crisil Ratings'). For the avoidance of doubt, the term 'report' includes the information, ratings and other content forming part of the report. The report is intended for use only within the jurisdiction of India. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as Crisil Ratings provision or intention to provide any services in jurisdictions where Crisil Ratings does not have the necessary licenses and/or registration to carry out its business activities. Access or use of this report does not create a client relationship between Crisil Ratings and the user.

The report is a statement of opinion as on the date it is expressed, and it is not intended to and does not constitute investment advice within meaning of any laws or regulations (including US laws and regulations). The report is not an offer to sell or an offer to purchase or subscribe to any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The recipients of the report should rely on their own judgment and take their own professional advice before acting on the report in any way.

Crisil Ratings and its associates do not act as a fiduciary. The report is based on the information believed to be reliable as of the date it is published, Crisil Ratings does not perform an audit or undertake due diligence or independent verification of any information it receives and/or relies on for preparation of the report. THE REPORT IS PROVIDED ON "AS IS" BASIS. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, CRISIL RATINGS DISCLAIMS WARRANTY OF ANY KIND, Crisil Ratings uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011, to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on Crisil Ratings' use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: https://www.crisilratings.com/en/home/our-business/ratings/credit-ratings-scale.html