Sonu Infratech Limited

August 03, 2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 58.58 Crore (Reduced from Rs. 60.00 Crore)**	**Regulator^**
Long Term Rating	**IVR BBB-/Stable (Rating Reaffirmed)**	**RBI**
Short Term Rating	**IVR A3 (Rating Reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics 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.*

Rationale

Infomerics Ratings has reaffirmed the long-term and short-term ratings assigned to the bank facilities of Sonu Infratech Limited (SIL). The reaffirmation reflects the company's growth in scale of operations, as evidenced by the ~14% increase in total operating income (TOI) in FY2026 (FY refers to period from April 01 to March 31), along with its comfortable financial risk profile. Going forward, the company's TOI is expected to register a healthy growth in FY2027, supported by a healthy order book. The ratings also continue to factor in experienced promoters and long track record of the company in the construction segment. However, the ratings remain constrained by company's moderate working capital intensity, susceptibility of operating margins to volatility in input prices, and the highly competitive, tender based nature of construction business.

Also, Infomerics Ratings has withdrawn its rating assigned to working capital demand loan on the basis the request letter from the company and the 'No dues certificate' from the lenders as the same have been fully paid off. The rating withdrawal is in accordance with Infomerics policy on withdrawal of ratings.

Outlook: Stable

The Stable outlook reflects the expected healthy growth in the company's revenue and profitability over the medium term, supported by steady execution of its order book.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	**Consolidated** Analytical approach has been revised from standalone to consolidated following the acquisition of Arpit Techno Infra

Approach	Comments
	Private Limited by SIL as a wholly owned subsidiary. Given that the acquired company operates in the same line of business, a consolidated approach has been adopted.
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Growth in scale of operations supported by healthy order book

SIL's scale of operations continues to be supported by healthy unexecuted orderbook of Rs. 316.35 crore as on June 01, 2026, equivalent to 1.63x times its FY 2026 total operating income (TOI) of Rs. 193.88 crore, providing healthy near-to-medium term revenue visibility. The order book is primarily concentrated in Gujarat and Madhya Pradesh, with majority of projects expected to be executed over next 1-2 years. Top customers in the order book include Reliance Industries Limited (~42%), Ramaraja Construction Company (~37%), Kalpataru Projects International Ltd (~8%) and Nayara Energy Limited (~8%). Additionally, its wholly owned subsidiary, Arpit Techno Infra Private Limited has an unexecuted orderbook of Rs. ~21 crore as on June 01, 2026.

Supported by steady execution of orders, SIL's TOI increased by ~14% to Rs. 193.88 crore in FY 2026 from Rs. 170.30 crore in FY 2025. EBITDA and PAT margins improved to 15.16% and 6.70% respectively in FY 2026 from 14.11% and 6.47% respectively in FY 2025. Going forward, the company expects revenue growth of ~15% in FY 2027, while maintaining EBITDA and PAT margins at around ~16% and ~8%, respectively. Timely execution of the existing order book and achievement of the projected revenue growth and profitability remain key monitorable.

Comfortable financial risk profile

The company's financial risk profile remained comfortable, supported by lower debt levels, improvement in net worth, and healthy debt coverage metrics. Total debt reduced to Rs. 45.61 crore as on March 31, 2026, from Rs.66.17 crore as on March 31, 2025, primarily on account of lower working capital borrowings. Adjusted tangible networth improved to Rs. 80.42 crore as on March 31, 2026, (March 31, 2025: Rs.56.89 crore) driven by accretion to reserves. Consequently, the overall gearing and TOL/ATNW improved to 0.57x and 1.07x respectively as on March 31, 2026, from 1.16x and 2.14x respectively as on March 31, 2025. Supported by higher EBITDA and lower debt, the total debt to EBITDA ratio improved to 1.55x in FY2026, from 2.75x in FY2025. Debt coverage metrics also remained comfortable, with the interest coverage ratio and debt service coverage ratio (DSCR) at 4.55x and 1.48x respectively in FY2026.

Experienced promoters with long track record of operations

SIL has an established operational track record of over two decades in civil construction business, while its main promoter, Mr. Ramji Shreenarayan Pandey, has more than two decades of industry experience and is actively involved in the day-to-day management of the business. The promoters' industry experience, established relationships with customers and suppliers, are expected to continue supporting the company's business profile and growth prospects.

Weaknesses

Moderate working capital intensity

SIL's operations remain working capital intensive, as reflected in the elongation of its operating cycle from 79 days in FY 2025 to 163 days in FY 2026. This was primarily due to increase in collection days from 91 days in FY 2025 to 157 days in FY 2026 and average inventory holding period from 48 days in FY 2025 to 83 days in FY 2026. Further the creditor days also increased from 60 days in FY 2025 to 77 days in FY 2026. Infomerics believes the working capital intensity of operations is likely to remain moderate over the medium term.

Susceptibility of operating margin to volatility in input prices

The company's operating margins remain susceptible to fluctuations in input costs, as raw materials and labour constitute a significant portion of its cost structure. Any sharp increase in raw material prices or labour and subcontracting costs, particularly where cost escalation clauses are absent or inadequate, could exert pressure on the company's profitability.

Intense competition and tender-based nature of business

The company operates in the highly fragmented and competitive civil construction industry, where contract awards are predominantly based on competitive bidding. The tender-based procurement process limits pricing flexibility and exerts pressure on operating margins. Further, the company remains exposed to sector specific risks, including fluctuations in new order inflows and delays in project execution. However, repeat orders from reputed customers like Reliance Industries Limited reflect the company's established execution capabilities and long-standing customer relationships.

Liquidity – Adequate

The company's liquidity is expected to remain adequate, supported by expected healthy cash flow from operations against its scheduled debt repayment obligations of Rs. 9.63 crore in FY 2027, Rs. 12.00 crore in FY 2028 and Rs. 4.48 crore in FY 2029. Further the average fund based working capital utilization stood moderate at ~83% during the 12 months ended May 2026. The company has free cash and cash equivalents of Rs. 0.27 crore as on March 31, 2026.

Rating Sensitivities

Upward Factors

- Timely execution of order book as envisaged along with improvement in profitability on a sustained basis.

Downward Factors

- Decline in scale of operations and profitability impacting the liquidity position.
- Sharp changes in leverage impacting the debt coverage metrics
- Stretch in working capital cycle impacting liquidity position of the company.

About the Company

Sonu Infratech Limited, promoted by Mr. Ramji Shreenarayan Pandey, was initially established as a partnership firm in 2001 and was subsequently converted into a public limited company in May 2022. The Gujarat-based company operates in the construction sector, undertaking projects related to industrial and commercial buildings, along with civil infrastructure works such as roads, substations, bridges, and allied structures. In March 2025, the company acquired its group company, Arpit Techno Infra Private Limited based in Gujarat, engaged in the business of civil construction and infrastructure development, making it a wholly owned subsidiary.

Key Financial Indicators (Consolidated):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	170.30	193.88
EBITDA	24.03	29.40
PAT	11.04	13.03
Total Debt	66.17	45.61
Tangible Net Worth (TNW)	59.52	80.83
EBITDA Margin (%)	14.11	15.16
PAT Margin (%)	6.47	6.70
Overall Gearing (times)	1.11	0.56
Interest Coverage (times)	4.67	4.55

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: company*

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	149.22	169.52
EBITDA	21.46	25.68
PAT	9.89	11.38
Total Debt	57.16	35.51
Tangible Net Worth (TNW)	59.46	79.12
EBITDA Margin (%)	14.38	15.15
PAT Margin (%)	6.62	6.69
Overall Gearing (times)	0.96	0.45
Interest Coverage (times)	4.85	4.85

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: company*

Applicable Criteria

Consolidation of Companies

Rating Methodology for Infrastructure Companies.

Financial Ratios and Interpretation (Non-Financial Sector).

Criteria for assigning Rating outlook.

Policy on Default Recognition and Post Default Curing Period

Complexity Level of Rated Instruments/Facilities

Policy on withdrawal of rating

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					May 14, 2025	--	--
1	Fund based facilities	LT/ST	36.58	IVR BBB-/ Stable/IVR A3	IVR BBB-/Stable/IVR A3	--	--
2	Non-Fund based facilities	ST	22.00	IVR A3	IVR A3	--	--

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook	Listing Status	Regulator^	Complexity Indicator
Term Loan	--	--	--	March 2030	7.08	IVR BBB-/Stable	NA	RBI	Simple
Working Capital Demand Loan	--	--	--	--	0.00 (Reduced from Rs. 3.40 crore)	--*	NA	RBI	Simple
Cash Credit	--	--	--	--	18.00	IVR BBB-/Stable	NA	RBI	Simple
Bank Guarantee	--	--	--	--	22.00	IVR A3	NA	RBI	Simple
Cash Credit (Vendor Financing)	--	--	--	--	2.00	IVR BBB-/Stable	NA	RBI	Simple
Purchase Financing	--	--	--	--	2.50	IVR A3	NA	RBI	Simple
Proposed Fund based	--	--	--	--	7.00	IVR BBB-/Stable	NA	RBI	Simple

* Withdrawn

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_sonuinfra_aug26_fbc1a39e8b.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis:

Name of the entity	Extent of Consolidation	Rationale for Consolidation
Arpit Techno Infra Private Limited	Full	Wholly owned subsidiary

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.

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