



Press Release

JSR Infra Developers Private Limited

September 05, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	53.41	IVR BBB+/Negative (IVR Triple B Plus with Negative Outlook)	IVR BBB+/ Stable (IVR Triple B Plus with Stable Outlook)	Reaffirmed; Outlook revised	Simple
Short Term Facilities	216.89 (Reduced from Rs 230.07)	IVR BBB+/ Negative/ IVR A2 (IVR Triple B Plus with Negative Outlook/ IVR Single A Two)	IVR BBB+/Stable/ IVR A2 (IVR Triple B Plus with Stable Outlook/ IVR Single A Two)	Reaffirmed; Outlook revised	Simple
Total	270.30 (Rupees Two Hundred and Seventy Crore and Thirty Lakh)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the Bank facilities of JSR Infra Developers Private Limited (JSR) based on the strengths derived from its moderate financial risk profile, ability to sustain margin gains through cost efficiencies despite project disruptions impacting revenue, experienced promoters and qualified management team and its reputed client base. However, the ratings are constrained by moderate orderbook with near term revenue visibility, project execution risk, working capital intensive nature of operations, profitability susceptible to fluctuation in raw-material prices and intense competition and fragmented industry.

The revision in the rating outlook to 'Negative' factors in the limited revenue visibility over the medium term for the projected period.

Key Rating Sensitivities:

Upward Factors

- A sustained growth in revenues while maintaining profitability and sustained improvement in debt protection metrics and liquidity and
- Improvement in the order book position & working capital cycle

Downward Factors

- Any delays in execution of orders resulting in decline in revenue or



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- Any deterioration in overall gearing above 1.00x or
- Any substantial increase in receivables leading to tight liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Moderate financial risk profile**

The capital structure of the company stood comfortable with the tangible net worth standing at Rs 340.50 crore as on 31-03-2025. The overall gearing ratio of the company stood at 0.24x as on 31-03-2025 (Prov.) as against 0.25x on 31-03-2024 and 0.53x on 31-03-2023 due to low overall debt level. The TOL/TNW which marks the overall indebtedness stood at 0.74x as on 31-03-2025 (Prov.) as against 0.79x on 31-03-2024 and 0.91x on 31-03-2023. The interest coverage ratio improved to 5.81x in FY25(Prov.) from 3.70x in FY24. The DSCR stood at 5.83x in FY25 (Prov.) as against 2.42x in FY24. The corporate guaranteed amount provided by JSR to its subsidiary has increased to Rs 294.69 crore as on 31-05-2025 owing to change in scope of the HAM project. The adjusted total debt (including corp. guarantee) is Rs 375.63 crore as on 31-03-2025 (Prov.) and Rs 319.19 crore as on 31-03-2024

- **Project disruptions impact top line; cost efficiencies drive margin gains**

The company's total operating income (TOI) declined to Rs.279.74 crore in FY25(Prov.) from Rs.463.19 crore in FY24 and Rs.461.17 crore in FY23, reflecting a year-on-year drop of ~60% in FY25 (Prov.). The decline in TOI was primarily due to changes in project scope, delays from force majeure events, policy restrictions, and supply issues. EBITDA stood at Rs.34.83 crore in FY25(P), with a margin of 12.45%, compared with Rs.39.99 crore and 8.63% in FY24; the margin improvement was driven by reductions in raw material costs and work expenditure. PAT for FY25 (Prov.) stood at Rs.25.00 crore, with a margin of 8.67%, against Rs.32.15 crore and 6.66% in FY24

- **Experienced promoters and qualified management team**

The promoter, Mr. Jagannathan Sekar, is a first- generation entrepreneur who has around two-decade experience in the construction sector. The other directors of the company Mrs. Sekar Jayasree looks after the day-to-day operations of the company. The directors are supported by a team of experienced and qualified professionals. The long-standing experience of the promoter has enabled the company to reinforce its footing in the



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construction business and establish relations with suppliers and subcontractors over the years.

- **Reputed Clientele**

The company primarily undertakes road construction and irrigation projects for government entities. In FY25(Prov.), its entire revenue came from road projects, with the National Highways Authority of India (NHAI) contributing ~70% of the total. The company also participates in joint ventures to secure orders and acts as a sub-contractor for other contractors. Its clientele includes the Public Works Department, State Highways Department, Tamil Nadu Road Infrastructure Development Corporation, and other government agencies.

Key Rating Weaknesses

- **Moderate orderbook with near term revenue visibility**

The company has a moderate order book of Rs.437.00 crore, with ~80% expected to be executed by FY26, leaving only a small portion of work for the remaining period and providing primarily near-term revenue visibility. Although it has a sizeable bid pipeline of around Rs.2,000.00 crore, from which it anticipates securing at least Rs.500.00 crore at an expected bid success rate of 25%, Infomerics notes that no new orders were secured in the past two financial years. Timely securing and execution of new orders will remain a key monitorable.

- **Project execution risk**

Timely completion and adherence to specifications determine a project's value, while delays can strain collections, liquidity, and project salability. Infrastructure companies remain exposed to risks from terrain, environmental clearances, labour and material shortages, adverse weather, and policy hurdles, which may cause cost overruns and execution delays. The company's operations remain concentrated in Tamil Nadu, with FY25 revenues entirely from road construction, making it vulnerable to region-specific challenges. Its key road projects faced delays from force majeure events, policy restrictions, and supply issues, leading to reduced scope and extended timelines.

- **Working capital intensive nature of operations**

JSR's business is working capital intensive on account of high collection period which includes retention money and EMD. Further, a large part of working capital remains blocked in unbilled contractual revenue and receivable. The operating cycle deteriorated



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to 316 days in FY25 (Prov.) as against 172 days in FY24 and 141 days in FY23. The average inventory period increased to 263 days in FY25 (Prov.) as against 156 days in FY24 and 124 days in FY23. The collection days stood at 112 days in FY25(Prov.) as against 72 days in FY24 and 101 days in FY23.

- **Profitability susceptible to fluctuation in raw material prices**

The major raw materials used in civil construction activities are steel & cement and in road construction activities are stone, steel, cement and sand which are usually sourced from large players/dealers at proximate distances. The raw material & labour (including sub-contracting) cost forms the majority chunk of the total cost of sales for the last three years. As the raw material prices & labour (including sub-contracting) cost are volatile in nature, the profitability of the company is subject to fluctuation in raw material prices & labour (including subcontracting) cost. However, the company has an in-built price variation clause for major raw materials like cement, bitumen & steel in majority of its contracts.

- **Intense competition and fragmented Industry**

The company operates in service sector, which is marked by the presence of several mid-to-big size players in the organised as well as unorganised sector. Also, due to the service nature of its operations, the entry barriers remain low, resulting in high competition and consequently limited pricing flexibility which limits the pricing power of company.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

Liquidity – Adequate

The cash accruals of the company stood at Rs 28.97 crore in FY25(Prov.) as against debt repayment obligations of Rs 6.28 crore as on 31-03-2025 (Prov.). The expected cash accruals stand around Rs 35 to 60 crore against repayment obligations of Rs 1 to 3 crore. The overall



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gearing ratio stood at 0.24x as on 31-03-2025(Prov.). The current ratio stood comfortable at 2.24x as on 31-03-2025(Prov.) with free cash and cash equivalents of Rs 36.02 crore as on 30-06-2025. The average working capital limits stood at 49.69% for the 12 months ended July 2025 with the last 4-month average ended July 2025 standing at 92.64%. The operating cycle stood at 316 days in FY25 (Prov.).

About the Company

JSR Infra Developers Private Limited was incorporated in 2015 by Mr. J Sekar and Mrs. Sekar Jayasree. The company is registered as a “Class one” contractor for Tamil Nadu and executes civil engineering construction and infrastructure contracts for National Highway Authority of India (NHAI), Public Work Department(PWD) and highway department of Tamil Nadu.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	463.19	279.74
EBITDA	39.99	34.83
PAT	32.15	25.00
Total Debt	78.79	80.94
Tangible Net Worth	317.50	340.50
EBITDA Margin (%)	8.63	12.45
PAT Margin (%)	6.66	8.67
Overall Gearing Ratio (x)	0.25	0.24
Interest Coverage (x)	3.70	5.81

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No	Name of Security/Facilities	Current Ratings (2025-2026)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-2025	Date(s) & Rating(s) assigned in 2024-2025	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-2023
					Date (June 12, 2024)	Date (June 05, 2024)	Date (April 11, 2025)	Date (Jan 12, 2022)
1.	Cash Credit	Long Term	50.00	IVR BBB+/Negative	IVR BBB+/Stable	IVR BBB-/Negative, ISSUER NOT COOPERATING*	IVR BBB+/Stable	IVR BBB+/Stable
2.	Overdraft	Long Term	3.41	IVR BBB+/Negative	IVR BBB+/Stable	IVR BBB-/Negative, ISSUER NOT COOPERATING*	IVR BBB+/Stable	IVR BBB+/Stable
3.	Bank Guarantee	Long Term/Short Term	42.69	IVR BBB+/Negative/IVR A2	IVR BBB+/Stable/IVR A2	IVR BBB-/Negative/IVR A3, ISSUER NOT COOPERATING*	IVR BBB+/Stable/IVR A2	IVR BBB+/Stable/IVR A2
4.	Proposed Bank Guarantee	Long Term/Short Term	174.20	IVR BBB+/Negative/IVR A2	IVR BBB+/Stable/IVR A2	IVR BBB-/Negative/IVR A3, ISSUER NOT COOPERATING*	IVR BBB+/Stable/IVR A2	IVR BBB+/Stable/IVR A2

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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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
Cash Credit	-	-	-	-	50.00	IVR BBB+/ Negative
Overdraft	-	-	-	-	3.41	IVR BBB+/ Negative
Bank Guarantee	-	-	-	-	42.69	IVR BBB+/ Negative/ IVR A2
Proposed Bank Guarantee	-	-	-	-	174.20	IVR BBB+/ Negative/ IVR A2

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-JSR-Infra-sep25.pdf>

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

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.