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TSR Nirmaan Private Limited

May 26, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	41.00 (including proposed limit of Rs 1.00 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Positive (IVR Triple B Minus with Positive Outlook)	Upgraded	Simple
Short Term Bank Facilities	209.00 (including proposed limit of Rs 88.00 crore)	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Upgraded	Simple
Total	250.00 (Rs. Two Hundred and Fifty Crore Only)				

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 upgraded its ratings to 'IVR BBB/Stable/IVR A3+' on the bank facilities of TSR Nirmaan Private Limited (TSRNPL).

The rating upgrade considers healthy order book supporting revenue visibility, comfortable leverage ratios and experienced promoters with a long-term track record of operations. However, these strengths continue to remain partially offset by working capital intensive nature of operations, high client concentration risk and tender driven nature of business in highly fragmented and competitive industry.

The stable outlook reflects Infomerics' expectations that company will continue to benefit from steady improvement in the scale of operations backed by a comfortable order book position and capital structure.



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Key Rating Sensitivities:

Upward Factors

- Significant growth in the scale of operations with improvement in profitability on a sustained basis.
- Significant improvement in capital structure and debt protection metrics.
- Significant improvement in the operating cycle leading to better-than-expected liquidity.

Downward Factors

- Significant decline in scale of operations along with moderation in profitability
- Deterioration in the capital structure with deterioration in overall gearing and/or moderation in interest coverage ratio.
- Further elongation in operating cycle leading to moderation in liquidity position

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Healthy order book supporting business scalability

The company has an unexecuted order book of Rs ~947 crore as of March 2025 to be completed in next 2-3 years. TSRNPL's revenue grew ~40% in FY24 (Refers to the period April 01,23 to March 31,2024) to Rs. 276.84 crore from Rs. 197.13 crore during FY23 and by ~11% during FY25 (provisional) to Rs 304.33 crore, driven by higher execution amidst increased government spending on railway infrastructure. Earnings before interest tax depreciation and amortization (EBITDA) margins remained steady at 12.86% in FY25 (prov.) and 13.24% in FY24 as compared with from 14.24% in FY23. Similarly, profit after tax (PAT) margins remained consistent at 6.51% in FY24 and 6.53% in FY25 as compared with 6.40% in FY23. Infomerics expects that TSRNPL will benefit from healthy order book and consistent execution at steady margins and the same will remain a key monitorable going forward.

Comfortable leverage ratios

Total debt stood at Rs. 65.03 crore as of March 31, 2025 (Provisional) as compared with Rs. 67.98 crore as of March 31, 2024 (Rs 76.70 crore as of March 31, 2023). On the contrary, tangible net worth (TWN) stood at Rs 114.98 crore as compared to Rs 94.91 crore as on



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March 31, 2024 (Rs 76.80 crore as on March 31, 2023). Reduction in debt levels and improvement in tangible net worth due to profit driven accretion in reserves, led to overall gearing ratio to improve to 0.57x as on March 31, 2025 (Prov.) from 0.72x as on March 31, 2024 and 1x as on March 31, 2023. Furthermore, overall indebtedness indicated by TOL/TNW improved to 1.27x as on March 31, 2025 (Prov.) from 1.52x as on March 31, 2024 and 1.62x as on March 31, 2023. Interest coverage remained comfortable at 5.32x in FY25 (provisional) whereas debt service coverage ratio (DSCR) for the next 3 years through fiscal 2028 stood at 1.59x.

Experienced promoters with a long-term track record

The promoter of the company, Mr. T Suresh Kumar Reddy, is a civil engineer by profession has been in the construction industry for nearly three decades and has demonstrated track record of maintaining healthy order book including repeated orders from government departments.

Key Rating Weaknesses

Working capital intensive nature of operations

TSRNPL, being an infrastructure entity, has an inherently elongated operating cycle due to larger project timelines, retention money held till project completion, delays in payment due to administrative issues of government departments and also most projects being executed in later part the fiscal which leads to increase in work-in-progress (WIP), and as a result inventory turnover increases. In FY25 (Prov.), the operating cycle stood at 194 days, extending from 169 days in FY24 (190 days in FY23). A significant portion of working capital remains tied up in completed projects that have yet to be billed to the authority, awaiting certification from their engineers. This delay prolongs the working capital cycle, impacting overall cash flow efficiency. Going forward, any elongation in working capital beyond the existing level will remain a key rating sensitivity factor.

High client concentration risk

The company derives revenues from infrastructure construction projects tendered by Railways and national highway authority of India (NHAI) contributed ~90% of the overall turnover in FY23. This exposes the company to client concentration risk. However, the orders are from central government authorities involved in infrastructure development; the counterparty risk is



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limited due to substantial allocation towards infrastructure sector in central budget. That said, any change in this understanding will remain a key monitorable going forward.

Tender driven nature of business in highly fragmented & competitive industry

TSRNPL's business is dependent on the company's ability to successfully bid for the tenders. Further, the sector is highly fragmented with presence of many players with varied statures & capabilities. This restricts its operating and financial flexibility to some extent.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Criteria on Rating Watch](#)

[Policy on Default Recognition](#)

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

Liquidity –Adequate

TSRNPL's liquidity is expected to remain comfortable in the near to medium term, supported by healthy projected gross cash accruals of Rs 30–50 crore, which are sufficient to cover its debt repayment obligations of Rs 6–8 crore. Further, the average utilization of fund-based working capital limits at ~65% for the 12 months ended March 2025, reflects an adequate liquidity cushion. As of March 31, 2025 (Provisional), the company also had a cash and bank balance of Rs 1.29 crore.

About the Company

TSR Nirmaan Private Limited (TSRNPL) is a Hyderabad based entity, which undertakes civil construction contracts primarily in railways and also does road construction contracts for NHAI. The company is promoted by Mr. T Suresh Kumar Reddy, who is a civil engineer by profession and has nearly three decades of experience in civil construction projects. Its projects cover a range of infrastructure work including track reconstruction, construction of



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railway tunnels, high embankment works, deep cut in hard rock works, minor and major bridges including rail under bridge (RUB)/rail over bridge (ROB), manufacturing and installation of steel girders, fabrication and erection of steel grinders, amongst others.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	276.84	307.36
EBITDA	36.66	39.52
PAT	18.11	20.07
Total Debt	67.98	65.03
Tangible Net Worth	94.91	114.98
EBITDA Margin (%)	13.24	12.86
PAT Margin (%)	6.51	6.53
Overall Gearing Ratio (x)	0.72	0.57
Interest Coverage (x)	3.60	5.32

* Classification as per Infomerics' standards.



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Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (2025-26)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24		Date(s) & Rating(s) assigned in 2022-23
					-	March 27, 2024	January 18, 2024	December 08, 2022
1	Cash Credit	Long Term	35.00	IVR BBB/Stable	-	IVR BBB-/Positive	IVR BB+/Negative ISSUER NOT COOPERATING*	IVR BBB-/Stable
2	Bank Overdraft	Long Term	5.00	IVR BBB/Stable	-	IVR BBB-/Positive	IVR BB+/Negative ISSUER NOT COOPERATING*	IVR BBB-/Stable
3	Proposed Cash Credit	Long Term	1.00	IVR BBB/Stable	-	IVR BBB-/Positive	IVR BB+/Negative ISSUER NOT COOPERATING*	IVR BBB-/Stable
4	Bank Guarantee	Short Term	121.00	IVR A3+	-	IVR A3	IVR A4+ ISSUER NOT COOPERATING*	IVR A3
5	Proposed Bank Guarantee	Short Term	88.00	IVR A3+	-	IVR A3	IVR A4+ ISSUER NOT COOPERATING*	IVR A3

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit 1	-	-	-	-	30.00	IVR BBB/Stable
Cash Credit 2	-	-	-	-	5.00	IVR BBB/Stable
Proposed Cash Credit	-	-	-	-	1.00	IVR BBB/Stable
Bank Overdraft 1	-	-	-	-	3.00	IVR BBB/Stable
Bank Overdraft 2	-	-	-	-	2.00	IVR BBB/Stable
Bank Guarantee 1	-	-	-	-	75.00	IVR A3+
Bank Guarantee 2	-	-	-	-	20.00	IVR A3+
Bank Guarantee 3	-	-	-	-	18.00	IVR A3+
Bank Guarantee 4	-	-	-	-	8.00	IVR A3+
Proposed Bank Guarantee	-	-	-	-	88.00	IVR A3+

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-TSRNPL-may25.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.