



Press Release

Tejas Construction and Infrastructure Private Limited (TCIPL)

March 19, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity Indicator
Long Term Bank Facilities	34.05	IVR B/Stable (IVR Single B with stable outlook)	--	Rating Assigned	Simple
Short Term Bank Facilities	60.95	IVR A4 (IVR A Four)	--	Rating Assigned	Simple
Total	95.00	Rupees Ninety-Five 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 assigned the rating to the bank facilities of TCIPL derives comfort from healthy order book with revenue visibility, growth in total operating income coupled with moderate profitability, and comfortable capital structure though moderate net worth. However, these ratings are partially offset by weak debt protection metrics, working capital intensive operations, stretched liquidity reflected by near full utilisation of working capital utilisation and susceptibility to risks inherent in tender-based business and geographical concentration in revenue.

The Stable Outlook considered healthy order book from the government authorities and support from experienced promoter.

Key Rating Sensitivities:

Upward Factors

- Sustained improvement in revenue while maintaining current profitability and capital structure along with improvement in working capital cycle leading to improvement in liquidity position.



Press Release

Downward Factors

- Sustained decline in revenue and profitability and/or any further increase in working capital cycle leading to deterioration in liquidity and capital structure of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Healthy order book:

As of 31st December 2024, TCIPL has a healthy unexecuted order book of Rs. 322.28 crore (~2.93x of FY24 revenue), reflects medium term revenue visibility. The order book is well-diversified, and from Maharashtra State Road Development Corporation Ltd., Brihanmumbai Municipal Corporation, M P Jal Nigam Maryadit, Vindyanchal Bhavan, and the Sewage Scheme for District Dhamtari.

Moderate operating profile:

The total operating income grew by 23.35% on y-o-y basis to Rs. 110.26 crore in FY24 (April 1, 2023, to March 31, 2024), driven execution of projects (FY23: Rs. 89.38 crore). However, the EBITDA margin declined, though remained at moderate levels and at 11.34% in FY24 (FY23: 14.12%), due to higher contribution from low margins projects in the overall revenue. During 7MFY25, TCIPL has earned revenue of Rs.58.57 crore with EBITDA margins of 10.24%. The ability to maintain stable revenue growth while maintaining healthy profitability would be a key monitorable.

Comfortable capital structure

The capital structure marginally deteriorated though remained comfortable with overall gearing and TOL/TNW stood at 1.26x and 1.99x respectively as on March 31, 2024 (March 31, 2023: 1.24x and 1.94x) due to increase in unsubordinated unsecured loans by the promoters. Further, the tangible net worth improved to Rs. 53.34 crore as on March 31, 2024 (March 31, 2023: Rs. 51.75 crore) due to profit accretion.

Key Rating Weaknesses

Working capital intensive operations:



Press Release

TCIPL business is working capital intensive in nature reflects by high net working capital cycle of 192 days at the end of FY24 (FY23: 271 days). Though, net working capital cycle has improved with improvement in collection days which has improved to 87 at the end of FY24 (FY23:281). Collection days have improved endue to finance ministries directions to Public Sector Units to clear the dues to MSME. Inventory days were higher due to unbilled revenue at the end of the year.

Moderate debt protection metrics

The debt protection metrics improved though remained moderate with interest coverage at 1.45x in FY24 (FY23: 1.26x) due to lower interest cost. Further, the total debt to NCA also remained moderate at 16.51 years in FY24 (FY23: 17.54 years) due to increase in unsecured borrowings. Along with this, the DSCR remained comfortable in FY24.

Susceptibility to risks inherent in tender-based business and geographical concentration in revenue

As sales are almost entirely tender-based, revenue depends on ability to bid successfully. Intense competition from large, established players and government entities will continue to constrain scalability, pricing power and profitability. Being a regional player, TCIPL executes projects largely in Maharashtra, Assam, Madhya Pradesh, and Jharkhand thus, remains susceptible to any slowdown in tenders floated in the region or changes in government policies.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology – Infrastructure Companies](#)

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



Press Release

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default curing period](#)

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

Liquidity: Stretched

The working capital utilisation of last 12 months ended December 2024 stood at 98.22% indicating stretched liquidity. Though, net cash accrual is expected to remain sufficient for the debt obligation over the medium term. Further, the current ratio stood comfortable at 1.99x as on March 31, 2024.

About the Company

Incorporated in 2007 at Pune, Maharashtra, TCIPL specializes in carrying out turnkey projects and contracts for drinking water delivery systems in the infrastructure and construction industries. It has grown to include state and central underground drainage and sewerage schemes.

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	89.38	110.26
EBITDA	12.62	12.50
PAT	2.05	2.57
Total Debt	64.39	67.13
Tangible Net Worth	51.75	53.34
EBITDA Margin (%)	14.12	11.34
PAT Margin (%)	2.25	2.30
Overall Gearing Ratio (x)	1.24	1.26
Interest Coverage (x)	1.26	1.45

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned	Date(s) & Rating(s) assigned
1.	GECL - Ext	Long Term	1.05	IVR B/Stable	--	--	--
2.	Cash Credit	Long Term	33.00	IVR B/Stable	--	--	--
3.	Bank Guarantee	Short Term	55.00	IVR A4	--	--	--
4.	Bank Guarantee – Proposed	Short Term	0.95	IVR A4	--	--	--
5.	Letter of Credit	Short Term	5.00	IVR A4	--	--	--

Analytical Contacts:

Name: Amey Joshi

Tel: (022) – 6239 6023

Email: amey.joshi@infomerics.com

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.

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



Press Release

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

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
GECL - Ext	--	--	--	Jan 2029	1.05	IVR B/Stable
Cash Credit	--	--	--	Revolving	33.00	IVR B/Stable
Bank Guarantee	--	--	--	--	55.00	IVR A4
Bank Guarantee – Proposed	--	--	--	--	0.95	IVR A4
Letter of Credit	--	--	--	--	5.00	IVR A4

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-tejas-construction-mar25.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.