



Press Release

Triconnect Infra Private Limited

April 09, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Proposed Long Term Facilities	3.00	IVR BB-/Stable (IVR Double B minus with Stable outlook)	-	Assigned	Simple
Proposed Short Term Facilities	12.00	IVR A4+ (IVR A Four Plus)	-	Assigned	Simple
Total	15.00	(Rupees Fifteen 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 its rating to the Bank facilities of Triconnect Infra Private Limited (TIPL) which derive strength from extensive experience of the promoters and average financial risk profile. However, the ratings are constrained by susceptibility of operating margin to volatile input prices, tender-based nature of operations with intense competition in the industry and moderate scale of operations.

The outlook is stable in view of moderate unexecuted order book providing medium term revenue visibility.

Key Rating Sensitivities:

Upward Factors

- Timely execution of existing contracts and receipt of fresh contracts.
- Improvement in the financial risk profile, especially net worth.



Press Release

Downward Factors

- Decline in operating income or operating margins leading to lower-than-expected net cash accruals.
- Any cost overruns in ongoing project leading to weakening of financial or liquidity profile.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of promoter

With nearly two decades of experience, the directors of TIPL have been involved in executing projects for various public works departments, panchayats, and the railways. It has an order book of ~Rs. 199.00 crore as on February 28, 2025 providing medium term revenue visibility. Additionally, TIPL is handling the maintenance of the Hingana-Kanholibara-Chowki-Jungad-Wadgaon-Kelzar Road, constructed under the HAM Model, which is now in its fourth year of a 10-year maintenance contract.

Average financial risk profile

As of March 31, 2024, the company's overall gearing and total outside liabilities to Adjustable tangible net worth ratios were moderate, standing at 0.45 times and 0.82 times, respectively. Debt protection metrics were adequate, with an interest coverage ratio of 9.16 times and a DSCR of 8.80 times in FY24(refers to the period from 1st April 2023 to 31st March 2024). However, the company's adjusted net worth was relatively small at Rs. 20.69 crore as on March 31, 2024. The financial risk profile is expected to improve gradually, driven by consistent growth in reserves, the absence of significant debt-funded capital expenditure, and a reduced reliance on external debt.



Press Release

Key Rating Weaknesses

Moderate scale of operations

Although revenues grew from Rs. 11.32 crore in FY23(refers to the period from 1st April 2022 to 31st March 2023) to Rs. 18.65 crore in FY24, the company's scale of operations remains relatively small, limiting its scalability, bargaining power, and pricing flexibility. The operating performance heavily relies on the company's ability to secure and maintain tenders. Furthermore, the company may encounter strong competition from other players, which could keep margins at a moderate level. The PAT margin was low at 2.96% in FY24, though it showed an improvement from 0.88% in FY23. The company scale is expected to improve as it is executing the order book in FY2025 and onwards.

Susceptibility of operating margin to volatile input prices

Major raw materials used in civil construction activities are steel & cement. Stone, asphalt/bitumen and sand are also used in road construction activities. The raw material & labour (including subcontracting) cost forms the majority chunk of the total cost of sales. 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 cost, although the same risk has been mitigated to some extent with the presence of inherent price escalation clause added in the contracts. Raw material purchases account for more than 70% of the total cost, meaning any changes in input prices can significantly impact the company's profitability.

Tender-based nature of operations with intense competition in the industry

The company is mostly getting its orders through tenders floated by various government departments. As the infrastructure industry is highly fragmented due to the presence of many organized and unorganized players, the tender driven nature of business leads to volatility in revenue and profitability. Further, being in the infrastructure segment the company is exposed to inherent risks associated in this industry like slowdown in new order inflows, risks of delays in execution, delay in payments from the government, fluctuating input costs etc. Further, since the nature of operations is tender based, the business depends on the ability to bid for contracts successfully.



Press Release

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

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

Liquidity –Adequate

The company's liquidity position is adequate, marked by gross cash accruals Rs. 1.95 crore in FY24 against the maturing debt obligations of Rs.0.14 crore. Going forward, it is expected to generate cash accrual in the range of Rs. 2.75-Rs. 12.60 crore. against the maturing repayment of Rs. 0.75 crore obligations over the medium term. Additionally, the promoters are expected infuse funds into the business in the form of unsecured loans as and when required. The working capital limits are marked by low utilizations of ~ 20% for 12 months ended January 2025. The current ratio stands at 3.48 times as on March 31, 2024.

About the Company

Triconnect Infra Private Limited (TIPL) is involved in a wide range of road construction projects, including Two Lane Highways, State Highways, and Major District Roads. The company also works on roads for Urban Development Town Planning Schemes, as well as resurfacing, renewing, and reconstructing city roads. Over the past few years, TIPL has been constructing more than 100 Lane Kilometres of roads annually. They have expertise in both Bituminous and Concrete Roads.

With significant experience in large-scale road projects, TIPL is actively involved in government tenders and various road-related projects. The company is an AA-class contractor with a diversified portfolio, and a skilled technical workforce.

The company has successfully completed construction of 2 HAM projects in April 2022 as an EPC contractor for 2 companies namely Hingna Kelzar Roadways Pvt Ltd and Patansawangi Hingna Roadways Pvt Ltd.



Press Release

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	11.32	18.65
EBITDA	1.74	2.29
PAT	0.10	0.56
Total Debt	10.25	9.24
Adjusted Tangible Net Worth (ATNW)	7.90	20.69
EBITDA Margin (%)	15.37	12.28
PAT Margin (%)	0.88	2.96
Overall Gearing Ratio on ATNW (x)	1.30	0.45
Interest Coverage (x)	34.80	9.16

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	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
1.	Proposed Long Term Bank Facilities	Long Term	3.00	IVR BB-/Stable	-	-	-
2.	Proposed Short Term Bank Facilities	Short Term	12.00	IVR A4+	-	-	-

Analytical Contacts:

Name: Gaurav Jain

Tel: (020) 29913006

Email: gaurav.jain@infomerics.com



Press Release

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.

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
Proposed Long Term	-	-	-	-	3.00	IVR BB-/Stable
Proposed Bank Guarantee	-	-	-	-	12.00	IVR A4+



Press Release

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-triconnect-apr25.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.