

Srinivasa Edifice Private Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	33.00 (Enhanced from 25.00)	CARE BBB; Stable	Assigned
Long Term / Short Term Bank Facilities	180.00	CARE BBB; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Srinivasa Edifice Private Limited (SEPL) drives strength from experienced management and resourceful promoters, healthy orderbook position with moderate counterparty risk, increasing scale of operations, comfortable capital structure and debt coverage metrics and stable demand outlook for construction industry in India.

However, ratings are constrained due sectorial and geographical concentration risk, susceptibility to risks associated with the tender-driven business model and fragmented nature of the construction sector with tender-based nature of operations and execution challenges.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in the scale of operations, with improved geographical diversification
- Sustenance of collection days to below 30 days with overall gearing less than 0.50x

Negative factors

- Elongation of the operating cycle beyond 60 days.
- Delay in execution of orders along with irregular order flow impacting revenue visibility

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects satisfactory order book position, which is expected to aid growth of the company's scale of operations and support its profitability.

Detailed description of key rating drivers:

Key strengths

Experienced management and resourceful promoters: Mr. Y. V. Krishna Mohan, the Chairman & Managing Director of SEPL has over two decades of experience in working with different zones of the Indian Railways and in the aggregate manufacturing industry. He looks after the day-to-day operations of the company and assisted by the team of experienced professionals.

Healthy orderbook position with moderate counterparty risk: As on March 31, 2025, SEPL has a total order book of Rs. **1672.78** crore in hand which translates to 3.60x of gross billing of FY25 (UA) which further indicates medium to long term revenue visibility. All the projects are backed by Central or state Government bodies such as the Indian Railways, R&B Department, and Airport Authority of India, mitigating the counterparty risk. Despite the satisfactory order book, the company also has a few slow-moving orders due to issues of land acquisition and pending clearances.

Increasing scale of operation: Over the past five years, the company has demonstrated a consistent improvement in its financial performance. Total operating income (TOI) increased steadily from Rs. 204.69 crore in FY21 to Rs. 557.76 crore in FY24, before moderating to Rs. 464.02 crore in FY25, driven by better execution of orders. Similarly, operating profit (PBILDT) improved from Rs. 25.04 crore in FY21 to Rs. 58.97 crore in FY24 and stood at Rs. 53.88 crore in FY25. The PBILDT margin remained broadly stable, ranging between 10% and 12% during the period, indicating consistent operating efficiency. Profit after tax (PAT) also increased significantly from Rs. 3.66 crore in FY21 to Rs. 26.18 crore in FY24 and Rs. 22.76 crore in FY25. PAT margin

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

improved steadily from 1.79% in FY21 to 4.90% in FY25, reflecting better profitability. Going forward, the scale of operations is expected to remain healthy, with profitability likely to remain in line with the trend observed over the past few years.

Comfortable capital structure and debt coverage metrics: The debt profile of SEPL over the past five years continues to comprise term loans, working capital borrowings (CC), mobilisation advances, and unsecured loans from promoters. Total debt levels have remained volatile, reducing from Rs. 54.96 crore in FY21 to Rs. 40.06 crore in FY22 and rising again to Rs. 89.23 crore in FY24 before declining to Rs. 54.24 crore in FY25. The overall gearing remained comfortable and has improved from 1.22x in FY21 to 0.50x in FY25, primarily on account of accretion of profits to reserves. The Total Debt to GCA has shown consistent improvement from 3.88x in FY21 to 1.48x in FY25 indicating better debt servicing ability, supported by improved cash accruals. Furthermore, PBILDT interest coverage ratio improved from 2.90x in FY21 to 5.74x in FY25 on account of increase in PBILDT levels over the years. Overall, the capital structure and debt coverage indicators have improved and remained satisfactory.

Stable demand outlook for construction industry in India: The construction industry contributes around 8% to India's Gross domestic product (GDP). Growth in infrastructure is critical for the development of the economy and hence, the construction sector assumes an important role. The focus of the government on infrastructure development is expected to translate into huge business potential for the construction industry in the long run. Massive outlay of USD 1.97 trillion under The National Infrastructure Pipeline (NIP) and large budgetary allocation corroborate the same. Union budget 2021 allocates capital outlay of Rs. 5.5 trillion includes allocation of Rs. 1.2 trillion to Roads, Rs 1.1 trillion to Railway, Rs 0.69 trillion to Marine, Rs 0.37 trillion to urban infrastructure. The construction industry in India is expected to grow by 11.2% to reach INR 25.31 trillion in 2024. A CAGR of 9.6% is projected during 2024-2028, with the country's construction output expected to reach INR 36.58 trillion by 2028, indicating substantial growth potential.

Key weaknesses

Geographically concentrated orderbook: SEPL's order book is geographically skewed, with a significant concentration of orders in Andhra Pradesh and Telangana. As per the table below, Andhra Pradesh accounts for 44.49% and Telangana for 26.29% of the total order value, together constituting over 70% of the overall order book. The remaining orders are distributed across other states such as Odisha (16.35%), West Bengal (3.67%), Maharashtra (3.44%), Tamil Nadu (2.72%), Karnataka (1.77%), and Jharkhand (1.26%).

Fragmented nature of the construction sector with tender-based nature of operations and execution challenges:

The infrastructure sector in India is highly fragmented with a large number of small and mid-sized players. This, coupled with the tendering process in order procurement results in intense competition within the industry, fluctuating revenues and restrictions in profitability. Additionally, the continued increase in execution challenges, including delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk, and delays in projects due to environmental clearance are other external factors that affect the credit profiles of industry players. All these are tender-based and the revenues are dependent on the ability of the company to bid successfully for these tenders. Profitability margins come under pressure because of the competitive nature of the industry. Also, there are numerous fragmented and unorganised players operating in the segment, which makes the civil construction space highly competitive. However, the company's long industry experience mitigates this risk to some extent.

Liquidity: Adequate

Adequate liquidity is marked by generation of Rs. 39.89 crore gross cash accruals as against repayment of Rs. 24.23 crore in FY25. The average fund based working capital utilisation remained lower at 88% for past 12 months ended April 2025. As on June 4, 2025, the company has unencumbered cash of Rs. 5 crore and unutilised limits of around 9 crores against the CC facility to support the working capital requirements

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Nonfinancial Sector](#)
[Construction Sector](#)
[Infrastructure Sector Ratings](#)
[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

SEPL is an engineering construction company with over 20 years of experience in infrastructure development. It has a strong presence across sectors like Indian Railways, MoRTH, NHAI, and various state governments, particularly in Andhra Pradesh and Telangana. The company has completed over 200 projects across 10 states, specializing in road and bridge construction.

Particular	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	254.44	557.76	464.02
PBILDT	31.66	58.97	53.88
PAT	10.31	26.18	22.76
Overall gearing (times)	1.36	1.03	0.50
Interest coverage (times)	3.60	5.93	5.74

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA:

Acuite migrated the rating assigned to bank facilities of Srinivasa Edifice Private Limited into the Issuer Not Cooperating category vide press release dated October 16, 2024, considering its inability to review in the absence of the requisite information from the company.

CRISIL migrated the rating assigned to bank facilities of Srinivasa Edifice Private Limited into the Issuer Not Cooperating category vide press release dated March 28, 2025, considering its inability to review in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	33.00	CARE BBB; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	180.00	CARE BBB; Stable / CARE A3

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE BB-; ISSUER NOT COOPERATING* (28-Jun-22) 2)Withdrawn (28-Jun-22)
2	Fund-based - LT-Cash Credit	LT	33.00	CARE BBB; Stable				
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	180.00	CARE BBB; Stable / CARE A3				

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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