

SS Rail Works Private Limited

December 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	125.00 (Enhanced from 35.00)	CARE BBB; Stable	Reaffirmed
Short Term Bank Facilities	235.00 (Enhanced from 198.00)	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to facilities of SS Rail Works Private Limited (SS Rail) derives strength from significant improvement in total operating income (TOI) and profitability in FY25 (FY refers to April 01 to March 31), extensive experience of its promoters in executing signalling and telecommunication contracts for the Indian Railways, healthy and geographically diversified order book across different railway zones, and comfortable financial performance with adequate liquidity and a stable industry outlook. However, the rating is constrained by SS Rail's moderate financial risk profile due to moderation in capital structure, highly fragmented and competitive tender-driven industry, segmentally concentrated order book, and inherent execution risk associated with railway infrastructure projects.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in TOI while maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) levels intact on a sustained basis.
- Further strengthening and timely execution of orders in hand.
- Improvement in liquidity position with gross current asset days (less than 120 days).

Negative factors

- Sustenance of overall gearing at FY25 levels or any further deterioration.
- Sharp elongation of operating cycle leading to liquidity issues.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes the company's credit risk profile will remain stable, supported by satisfactory cash flows and a healthy order book.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with established track record

SS Rail was incorporated by Srinivasulu Reddy, an electronics engineer with around four decades of experience in the industry. In FY21, the company's management was transferred to his son, Manish Reddy, Managing Director (MD). Manish Reddy is an MBA from Cornell University and an electronics graduate from BITS Pilani and has around four years of experience in logistics operations and ~10 years overall.

Improved scale of operations and profitability

SS Rail's TOI increased by 28% from ₹399.32 crore in FY24 to ₹512.76 crore in FY25, owing to incremental order inflow and timely execution. The company booked revenue of ₹264.31 crore in H1FY26. The major growth driver is the government's focus and investment in infrastructure projects, particularly in the railway sector, which is expected to continue. In FY25, the PBILDT margin improved to 12.95% from 10.59% in FY24 owing to improvement in scale, resulting in better absorption of fixed costs. Profit after taxation (PAT) margin also improved to 7.80% in FY25 (PY: 6.30%). Going forward, SS Rail is likely to maintain its profitability in the medium term.

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

Healthy revenue visibility backed by geographically diversified and healthy orderbook

The company holds an order book of ₹2,136.73 crore as on November 25, 2025. This outstanding order book represents ~4x the income from operations in FY25. Project duration varies depending on factors such as size and type. Anticipated execution of these outstanding orders is scheduled for the coming 3-4 years. The order book ensures revenue visibility from Rail Vikas Nigam Limited (RVNL), IRCON International Limited, South Central Railway, Southern Railway, and NF Railway in the near-to-medium term. The company remains well-diversified geographically by successfully completing work orders and ongoing projects in Telangana, Andhra Pradesh, West Bengal, Assam, Bihar, Jharkhand, Uttar Pradesh, Rajasthan, Karnataka, and Chhattisgarh. This diversification shields the company from state-specific macroeconomics and policies.

Association with reputed clients

The company specialises in signalling and telecom projects and railway civil Engineering projects on a turnkey basis, and provides siding infrastructure for private clients. With over three decades of experience in railway infrastructure projects, the company has a proven track record of successful execution and adherence to quality and specifications. This has enabled the company to consistently secure orders from Indian Railways. The company's association with reputed clients mitigates counterparty credit risk. However, changes in bidding criteria or reduction in spending by Indian Railways could lower the order book and impact revenue visibility.

Comfortable working capital cycle

The company's operating cycle remains highly comfortable, with creditors largely supporting working capital requirements. The company's inventory days are 32 days (FY24: 14 days) and creditor days at 74 days (FY24: 65 days), leading to an operating cycle of 28 days for FY25. Collection periods, including security deposits, stand at 70 days (PY: 65 days). The company's major raw materials include signalling and telecommunication equipment and cables. The company largely procures communication equipment from Siemens and cables from local railway-approved vendors and has a credit period of ~60 days.

Stable industry outlook

The Indian construction market size is ~US\$740 billion and is expected to register a compound annual growth rate (CAGR) of ~6.87% in 2025-2030. Despite near-term challenges in certain construction sectors, growth momentum is expected to continue in this period. Lending towards construction remains stable. Risks involved in lending to the construction industry include high investments, long gestation periods, high sunk costs, sovereign risk, and social and environmental issues. Due to current market volatility, a single bank may not be willing to risk financing infrastructure projects.

The global railway signalling system market size stood at US\$19.48 billion in 2024 and is projected to grow to US\$32.49 billion by 2030, exhibiting a CAGR of 8.9% in this period. By 2025-end, the government plans to increase total length of national highways to 1,80,000 km and rail lines to 1,20,000 km. The government has announced an outlay of ₹2.55 lakh crore in the Union Budget for FY26. Total planned investment in signalling and telecommunications upgrade plan is ~₹56,955 crore for five years ending 2026.

Indian Railways is developing technology with 15,000 km being converted to automatic signalling and 37,000 km fitted with 'KAVACH', a domestically developed train collision avoidance system. With an expected investment of ~₹57,000 crore, Indian Railways aims to deploy modern signalling and telecom systems on oversaturated and high-traffic routes.

Key weaknesses**Highly competitive industry because of fragmented and tender-driven business**

The construction industry is fragmented with regional medium-scale players and large entities engaged in execution of turnkey projects for railway infrastructure development. Tender-driven construction contracts pose intense competition and exert pressure on profit margins for players. However, high entry barriers in terms of technical qualifications and past track record for similar project execution insulate risk to some extent.

Moderate capital structure and debt coverage indicators

The company's capital structure has moderated over FY24 and FY25, as overall gearing rose to 1.36x in FY25, as total debt increased to ₹167.95 crore in FY25 from ₹68.77 crore in FY24 (₹34.33 crore in FY23). Increase in debt was mainly due to higher use of working capital borrowings following the push from railways towards engineering, procurement and construction (EPC) projects; other components comprised equipment loans and unsecured borrowings. Work orders increased from ₹891.42 crore in FY23 to ₹1,256.50 crore as on September 30, 2024, and further to ₹2,136.73 crore as on November 25, 2025, and are expected to increase further; incremental debt was availed to manage liquidity and meet higher working capital requirements. With

increased debt, PBILDT interest coverage and total debt to gross cash accruals (TD/GCA) ratio moderated although remained satisfactory at 4.55x (PY: 5.43x) and 4.41x (PY: 2.61x) as on March 31, 2025.

Revenue concentration in a single segment and consequent exposure to project execution risk

Considering SS Rail's focus solely on signalling and telecommunication works for railways, and execution timeframe of ~6-36 months, commencement and pace of project execution depend on completion of primary infrastructure and receipt of requisite clearances from regulatory bodies. This exposes SSRPL to delays in execution.

Liquidity: Adequate

GCA generated by the company stood at ₹41.69 crore in FY25. In FY26, projected GCA is ₹43.01 crore with debt repayment obligations of ~₹42.26 crore, tightly matched against accruals. The company had comfortable cash and investments of ₹26.33 crore as on March 31, 2025. Working capital utilisation for eight months ended November 2025 stood at ~82%. Overall gearing stood at 1.36x as on March 31, 2025.

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](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Electrical Equipment	Other Electrical Equipment

Hyderabad-based SS Rail was established in 2014 by Srinivasulu Reddy Annamreddy, Padmavathi Annam Reddy, Venkat Manish Reddy Annamreddy and Manmitha Ammanreddy. SS Rail was formed to take over S&S Enterprises, which was set up in 1995 as a proprietorship concern of Srinivasulu Reddy Annamreddy. SS Rail Works Private Limited (SSRWPL) is engaged in executing EPC work for railway projects, primarily in signalling and telecommunication infrastructure. SSRWPL primarily executes tender-based projects for Indian Railways.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26 (UA)
Total operating income	399.32	512.76	~316.00
PBILDT	42.28	66.41	
PAT	25.15	40.02	
Overall gearing (times)	0.77	1.36	
Interest coverage (times)	5.43	4.55	

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	125.00	CARE BBB; Stable
Non-fund-based - ST-BG/LC		-	-	-	235.00	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	125.00	CARE BBB; Stable	1)CARE BBB; Stable (10-Dec-25) 2)CARE BBB; Stable (09-Apr-25)	1)CARE BBB; Stable (28-Nov-24)	1)CARE BBB; Stable (27-Dec-23)	-
2	Non-fund-based - ST-BG/LC	ST	235.00	CARE A3+	1)CARE A3+ (10-Dec-25) 2)CARE A3+ (09-Apr-25)	1)CARE A3+ (28-Nov-24)	1)CARE A3+ (27-Dec-23)	-

LT: Long term; ST: 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 - ST-BG/LC	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in</p> <p>Niraj Thorat Assistant Director CARE Ratings Limited Phone: +91-40-4010 2030 E-mail: Niraj.Thorat@careedge.in</p> <p>Mayank Sourabh Lead Analyst CARE Ratings Limited E-mail: Mayank.Sourabh@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**