CNR Infratech

February 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	20.00 (Enhanced from 15.00)	CARE BB; Stable	Reaffirmed
Long-term / Short-term bank facilities	18.50 (Enhanced from 15.00)	CARE BB; Stable / CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of CNR Infratech (CNR) continue to remain constrained by its modest scale of operations, low net worth base, presence in a fragmented and competitive industry, high customer and geographical concentration in its orderbook, moderate profitability that is vulnerable to fluctuations in raw material prices, and the firm's moderate financial risk profile.

However, ratings derive strength from experienced promoters and the firm's moderate orderbook position from a reputed customer base providing healthy revenue visibility in the medium term.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in Total operating Income (TOI) above ₹120 crore and augmentation in orderbook and diversification in counterparty while maintaining its existing profitability.
- Sustained improvement in capital structure marked by overall gearing below unity.

Negative factors

- Lower than envisaged achievement TOI or deterioration in Profit before interest, lease rental, depreciation and taxes (PBILDT) margins below 6% on sustained basis.
- Significant increase in working capital intensity or large debt-funded capital expenditure leading to total outside liability by tangible net worth (TOL/TNW) above 1.7x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the firm will continue to benefit from its experienced promoters and healthy orderbook.

Detailed description of key rating drivers:

Key weaknesses

Modest scale of operations with moderate profit margins

Scale of operations continues to remain modest in the range of ₹30-₹60 crore for five years ended FY25 (FY refers to April 01 to March 31), and this limits the entity's ability to scale up business significantly. Competition in the industry restricts future growth prospects. The firm's TOI improved to ₹60.98 crore in FY25, witnessing an 88% year-on-year increase compared to ₹32.40 crore in FY24, led by improved execution of orders. However, with a decline in order inflow in the previous year and a slow pace of execution in H1FY26, CNR reported TOI of ₹31.13 crore in 9MFY26 (provisional) and is expected to achieve TOI of ₹45 crore in FY26.

CNR's PBILDT margins deteriorated by 85 basis points (bps) year-on-year to 7.15% in FY25 (FY24: 8.00%), led by execution of some orders with lower margin and delay in execution. In 9MFY26, CNR reported PBILDT margins of 16.09%, improving substantially. Higher margins in 9MFY26 are mainly considering the firm's policy to book a major portion of profits near completion

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

of projects, it is yet to book some expenses that are finalised in the last quarter. Accordingly, margins are expected to moderate compared to 9MFY26 levels.

Moderate Financial risk profile
CNR's capital structure has remained moderate marked by overall gearing of 1.49x in FY25 (FY24: 1.53x). Overall gearing remains moderate due to debt-funded capital expenditure in the form of equipment and vehicle loans in the past and higher utilisation of working capital limits at year-end. CNR's coverage indicators, marked by PBILDT interest coverage, remained moderate at 3.38x in FY25 (FY24: 2.70x). Total debt by gross cash accruals (TD/GCA) has also improved to 4.35x in FY25 (FY24: 7.78x).

Geographical and customer concentrated order book
CNR has executed projects mainly in Andhra Pradesh and Karnataka in the past. Currently, CNR's orderbook is geographically concentrated in Andhra Pradesh with orders from two principals namely Tirumala Tirupati Devasthanams (TTD) and Engineering Projects India Limited (EPIL), and some other government parties with smaller orders, leading to high geographical and customer concentration risk. Diversification of orderbook remains a key monitorable from a credit rating perspective.

Presence in intense competitive industry and profitability vulnerable to raw material price volatility
CNR operates in a highly competitive construction industry, where projects are awarded based on the bidder's relevant experience, financial strength, and most competitive bid price. The industry comprises several small and medium-sized players, leading to aggressive bidding and exerting pressure on CNR's profit margins. CNR's profit margins are also vulnerable to fluctuations in input costs as some contracts span over 12 months. However, presence of a price escalation clause mitigates this risk to an extent.

Key strengths

Experienced promoters with established track record of project execution for reputed clientele
CNR started as a proprietorship concern in 1995 and was converted to a partnership firm in October 2018. Nageshwar Rao, Managing Partner, has extensive experience of over three decades in the construction industry and looks after the firm's overall affairs. The firm completed over 30 projects in building development for reputed principals such as TTD, Central Public Works Department (CPWD) and EPIL.

Stable orderbook position providing revenue visibility for the medium term
CNR has executed projects mainly in Andhra Pradesh and Karnataka in the past. Currently, CNR's orderbook is geographically concentrated in Andhra Pradesh which results in high geographical and customer concentration risk. CNR has an outstanding orderbook of ₹83.95 crore as on December 31, 2025 (with ₹53.57 crore from TTD and ₹20.51 crore from Andhra Pradesh Education and Welfare Infrastructure Development Corporation [APEWIDC]), which is to be executed in the next 12 months, translating into an orderbook-to-TOI of 1.38x against TOI of FY25, indicating healthy revenue visibility in the medium term.

Order inflow in FY25 has been lower compared to FY24 owing to intense competition. The management articulated that the firm bid for over ₹300 crore, however, order receipt remained lower as it continues to follow a margin-based approach while bidding. However, presently ₹60 crore pertains to orders in the local geography and given its long-standing presence the firm is likely to get many. Accordingly, the firm is expected to achieve TOI of ₹70 crore in FY27. Hence, the firm's ability to receive orders as envisaged and accrue benefits in terms of TOI and profitability remains to be seen and remains a key monitorable.

Liquidity: Stretched

CNR's liquidity remains stretched with low cash accruals, moderate utilisation of bank limits and high gross current asset days. In FY25 (FY refers to April 01 to March 31), CNR generated cash accruals of ₹3.20 crore (FY24: ₹1.14 crore) against scheduled debt repayment of ~₹1-₹1.5 crore in the next three years. Cash flow from operations remained low at ₹2.84 crore (FY24: ₹7.07 crore). Average of maximum utilisation of fund-based limits was ~83.57% for the 12 months ended December 2025. Average utilisation of bank guarantee (BG) limits remained ~73.40% for 12 months ended December 31, 2025. CNR's gross current asset days remained high at 119 days (201 days in FY24) and operating cycle remained at 79 days (FY24: 68 days).

Applicable criteria

[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial 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

CNR started as a proprietorship by Nageshwar Rao in 1995 and was converted to a partnership firm in October 2018. It is engaged in construction of buildings and city infrastructure. As a Class-1 contractor in Andhra Pradesh, CNR undertakes projects for CPWD, TTD and EPIL with primary operations in Andhra Pradesh and Karnataka.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	32.40	60.98	31.13
PBILDT*	2.59	4.36	5.01
Profit after tax (PAT)	1.06	2.44	2.77
Overall gearing (x)	1.53	1.49	1.57
Interest coverage (x)	2.70	3.38	2.86

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		-	-	-	20.00	CARE BB; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	18.50	CARE BB; Stable / CARE A4

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	20.00	CARE BB; Stable	-	1)CARE BB; Stable (21-Mar-25)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	18.50	CARE BB; Stable / CARE A4	-	1)CARE BB; Stable / CARE A4 (21-Mar-25)	-	-

LT: Long 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 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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Karthik Raj K Director **CARE Ratings Limited** Phone: 91-80-4662 5555 E-mail: karthik.raj@careedge.in Manohar S Annappanavar Associate Director **CARE Ratings Limited** Phone: 912267543436 E-mail: manohar.annappanavar@careedge.in Mayank Sourabh Lead Analyst **CARE Ratings Limited** E-mail: Mayank.Sourabh@careedge.in

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

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