



**Press Release**  
**SLR INFRASTRUCTURE PRIVATE LIMITED**  
**June 13, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	11.50	ACUITE BBB   Stable   Reaffirmed	-
Bank Loan Ratings	93.50	-	ACUITE A3+   Reaffirmed
Total Outstanding Quantum (Rs. Cr)	105.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple Ba**) and short-term rating of '**ACUITE A3+**' (read as **ACUITE A three Plus**) on the Rs. 105.00 Cr. bank facilities of SLR Infrastructure Private Limited. The outlook is '**Stable**'.

**Rationale for rating reaffirmation**

The rating reaffirmation reflects the company's experienced management, established track record of operations, and long-standing relationships with government authorities. The rating also takes into account the company's healthy order book position, which reflects steady revenue visibility over the medium term. Furthermore, the financial risk profile of the company stood healthy, marked by improving net worth, below unity gearing (debt-equity) and albeit with moderation in debt protection metrics along with adequate liquidity position. However, the company's operating income declined to Rs. 131.92 Cr. in FY2025(prov.) from Rs.192.32 Cr. in FY2024 and Rs. 228.63 Cr. in FY2023. The rating is further constrained on account of working capital intensive nature of operations and tender based nature of operations.

Going ahead, any sustained decline in the company's operating income and profitability will remain a key rating sensitivity.

**About the Company**

Based in Hyderabad, SLR Infrastructure Private Limited (SLRIPL) was originally a partnership firm (erstwhile known as Vijaya Construction Company) formed in 1989. Prior to that, the business was carried on by the main promoter, Mr. Lakshma Reddy as a proprietary concern since 1974. During 2005-06, the firm was converted into a private limited company under the name "SLR Infrastructure Private Limited". SLRIPL undertakes civil construction activities primarily irrigation contracts, road works and earth works majorly in Andhra Pradesh and Telangana. Currently, the directors of the company are Mr. Sandeep Reddy Seelam, Ms. Jaya Lakshmi Seelam, Mr. Dinesh Reddy Seelam, Mr. Lakshma Reddy Seelam and Mr. Seelam Vijay Kumar Reddy.

**Unsupported Rating**

Not Applicable

## **Analytical Approach**

For arriving at the rating, Acuité has considered the standalone business and financial risk profile of SLRIPL.

## **Key Rating Drivers**

## Strengths

### Extensive experience of the management and healthy order book

SLRIPL is promoted by Mr. Lakshma Reddy and Mr. Vijay Kumar Reddy have an experience of more than four and two decades in the civil construction industry. SLRIPL is a registered special class contractor with Irrigation & CAD department in Telangana and Andhra Pradesh and class-I contractor in Maharashtra. SLRIPL has an unexecuted order book of Rs. 1143.01 Cr. as on May 30th 2025, providing adequate revenue visibility over the medium term to long term. Promoters' extensive experience and established track-record of operations and past track record of completion of projects has helped the company in directly bidding for the government projects. Acuite believes that SLRIPL's long-standing industry experience is expected to benefit the business over the medium term.

### Healthy financial risk profile

The financial risk profile of the company stood healthy, marked by improving net worth, below unity gearing (debt-equity), however there was moderation in debt protection metrics during the year. The tangible net worth of the company increased to Rs. 64.76 Cr. as of March 31, 2025(Prov.), reflecting sustained profitability and an increase from Rs. 56.75 Cr. on March 31, 2024, due to accretion of profits to reserves. The total debt of the company stood at Rs. 13.21 Cr. as on March 31, 2025(Prov.), as against Rs. 14.49 Cr. as on March 31, 2024. The gearing (debt-equity) ratio stood below unity, and it improved to 0.20 times as on 31 March 2025(Prov.) as compared to 0.26 times as on 31 March 2024. The debt protection metrics moderated, however, overall stood healthy where the Interest Coverage Ratio stood at 8.54 times for FY2025(Prov.) as against 14.56 times for FY2024. Debt Service Coverage Ratio (DSCR) stood at 2.04 times in FY2025(Prov.) as against 4.77 times in FY2024. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 1.14 times as on 31 March 2025(Prov.) as against 1.23 times as on 31 March 2024. Net Cash Accruals to Total Debt (NCA/TD) stood at 0.72 times for FY2025(Prov.) as against 0.90 times for FY2024.

Going forward, Acuite believes that the financial risk profile of the company will remain healthy backed by expected steady accruals and no major debt funded capex plans.

## Weaknesses

### Moderation in operating performance

In FY2025 (Prov.), the company's operating income declined to Rs. 131.92 Cr. from Rs.192.32 Cr. in FY2024 and Rs. 228.63 Cr. in FY2023. The decrease in revenue is primarily attributed to the election cycle across states of Karnataka, Telangana, Maharashtra, and Andhra Pradesh. This extended election period led to regulatory adjustments, procedural delays, and temporary disruptions in fund allocation, impacting the company's operating performance. However, the operating margin of the company marginally improved to 10.06 % in FY2025(Prov.) from 9.11% in FY2024. Going ahead, the impact of any sustained moderation in operating performance on the overall financial risk profile and liquidity position in near term will remain a key monitorable.

### Intensive nature of working capital operations

The working capital management of the company is intensive in nature marked by increased Gross Current Assets (GCA) of 323 days in FY2025(Prov.) as compared to 199 days in FY2024. The high GCA days is on account of elevated inventory days and high other current assets majorly comprising of advance to vendors and security deposits receivables. The inventory days increased to 74 days in FY2025(Prov.) as compared to 50 days in FY2024. The debtor days increased to 16 days in FY2025(Prov.) as against 6 days in FY2024. Further, the creditor days stood at 144 days in FY2025(Prov.) as compared to 240 days in FY2024. The average utilization of working capital limits remained moderate with average utilisation of fund-based limits at ~ 56.28% over the last twelve months ending March 2025, and non-fund-based limit utilisation at ~50.28 % during the same period. Acuite believes that the working capital operations of the company will remain at similar levels given the nature of the industry over the medium term.

### Tender based nature of operations

Company operates in a highly competitive industry due to the presence of many organized and unorganized players. The business of the company depends upon the number of tenders floated by the government and bid success rate of the company. SLRIPL's revenue and profitability are susceptible to risks inherent in contract-based operations. Also, Tender based operations limit pricing flexibility in an intensely competitive industry.

## Rating Sensitivities

- Any sustained decline in operating income and profit margins.
- Further elongation of working capital cycle.

## Liquidity Position

## Adequate

The company's liquidity position is adequate marked by generation of sufficient net cash accruals of Rs. 9.54 Cr. in FY2025(Prov.) as against repayment obligations of Rs. 3.84 Cr. during the same tenure. In addition, it is expected to generate sufficient cash accrual against its maturing repayment obligations over the medium term. The unencumbered cash and bank balances of the company stood at Rs. 12.57 Cr. as on March 31, 2025(Prov.). The current ratio stood comfortable at 1.87 times as on March 31, 2025, (Prov.) as compared to 1.72 times as on March 31, 2024. The working capital management of the company is intensive in nature marked by Gross Current Assets (GCA) of 323 days as on 31st March 2025(Prov.), however, the reliance on working capital limits remained moderate with average utilisation of fund-based limits at ~ 56.28% over the last twelve months ending March 2025, and non-fund-based limit utilisation at ~50.28 % during the same period.

Going ahead, liquidity position of the company is likely to remain adequate on account of expected steady accruals.

### **Outlook: Stable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	131.92	192.32
PAT	Rs. Cr.	8.01	11.62
PAT Margin	(%)	6.07	6.04
Total Debt/Tangible Net Worth	Times	0.20	0.26
PBDIT/Interest	Times	8.54	14.56

**Status of non-cooperation with previous CRA (if applicable)**

Not Applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Mar 2024	Bank Guarantee (BLR)	Short Term	45.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	36.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Bank Guarantee	Short Term	12.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	3.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	3.50	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
05 Jan 2023	Bank Guarantee (BLR)	Short Term	17.00	ACUITE A3 (Assigned)
	Bank Guarantee (BLR)	Short Term	13.80	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	62.70	ACUITE A3 (Assigned)
	Cash Credit	Long Term	3.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	3.50	ACUITE BBB-   Stable (Assigned)
	Proposed Cash Credit	Long Term	5.00	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	45.00	Simple	ACUITE A3+   Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.00	Simple	ACUITE A3+   Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE BBB   Stable   Reaffirmed
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.50	Simple	ACUITE A3+   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB   Stable   Reaffirmed

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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