



Press Release

CMRM INFRAA ENGINEERING PRIVATE LIMITED (ERSTWHILE SREE LAKSHMI ELECT SERVICES)

January 29, 2026

Product	Rating Assigned and Reaffirmed Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	15.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	15.00	-	ACUITE A3 Assigned
Bank Loan Ratings	60.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	95.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs. 75.00 Cr. bank facilities of CMRM Infraa Engineering Private Limited (Erstwhile Sree Lakshmi Electrical Services)(CIEPL). The outlook is 'Stable'.

Acuité has assigned its long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) and short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs. 20.00 Cr. bank facilities of CMRM Infraa Engineering Private Limited (Erstwhile Sree Lakshmi Electrical Services)(CIEPL). The outlook is 'Stable'.

Rationale for reaffirmation:

The rating considers the stable operating performance and healthy financial profile of CIEPL. The Company's revenue stood at Rs.150.62 Cr. in FY2025 as against Rs. 150.25 Cr. in FY2024. The operating margins ranged between 7.14-7.35 percent for the last two years ended FY2025. The financial risk profile of CIEPL continues to be healthy with comfortable debt protection metrics and low gearing. The rating continues to derive strength from the promoters' experienced management.

The rating albeit is constrained by its working capital-intensive operations and highly competitive and fragmented industry with tender-based nature of business for electrical construction works.

About the Company

Telangana based, CMRM Infraa Engineering Private Limited (Erstwhile Sree Lakshmi Electrical Services) was established as a proprietorship concern in the year 2003, promoted by Mr. Chandra Mohan Reddy. In June 2013, it was reconstituted as a partnership firm. Mr. Chandra Mohan Reddy is the firm's managing partner, and his spouse, Mrs. Sowbhagya Lakshmi, is the

firm's other partner. The same directors reconstituted it as a private company in March 2021. The company is an electrical contractor and is a registered Class I contractor with the Government of Telangana, Andhra Pradesh, and Karnataka.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has taken the standalone view of business and financial risk profile of CIEPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management

Established in 2003 by Mr. Chandra Mohan Reddy, who has more than two decades of experience in the electrical and related construction industry. CIEPL is engaged in executing turnkey electrical projects for various government departments of Andhra Pradesh (GoAP), Telangana (GoTS), and Karnataka. The promoter, with extensive industry experience and timely execution of projects, has been able to establish longstanding relationships with various governments as well as private clients. The company is a registered class I contractor with different states and local governing bodies. Apart from working with Transmission Corporations of Telangana and Andhra Pradesh, various power distribution companies (Discoms) of GoAP, GoTS, Karnataka, and other states. The timely execution of the projects has helped the company in improving its market presence, besides continuing business from its reputed clientele.

Scale of operations and sizeable order book position

The operating income of the company has shown muted growth of 0.25 percent in FY2025 as compared to the previous year. It stood at Rs.150.62 Cr. in FY2025 as against Rs 150.25 Cr. in FY2024. Profitability margin i.e. EBITDA margin stood at 7.35 percent in FY2025 as against 7.14 percent in FY2024. The margin is improved mainly due to decrease in raw material cost during FY2025. The company has an unexecuted order book position of Rs.309.39 Cr as on October 31, 2025. The company is planning to execute around Rs.150-200 Cr in next one year, the outstanding order book is 2.01x of the FY2025 revenue. All the orders are related to the distribution and transmission of electrical works in Andhra Pradesh and Karnataka states. Acuité believes that CIEPL's scale of operations will remain stable on account of its sizeable order book position and the ability of the company to win new orders.

Healthy financial risk profile

CMRM financial risk profile is healthy marked by healthy debt protection metrics, low gearing and moderate net worth. The tangible net worth stood at Rs. 37.39 Cr. as on March 31, 2025, as against Rs. 31.43 Cr. as on March 31, 2024. The improvement is on account of accretion of net profit in the reserves. The gearing of the company stood at 0.37 times as on March 31, 2025, against 0.40 times as on previous year. The total debt as on March 31, 2025, consists of working capital limits from banks of Rs.10.00 Cr, term loans of Rs. 1.67 Cr, USL of Rs.2.07 Cr. Further, the interest coverage ratio (ICR) stood at 3.42 times as on March 31, 2025, as against 4.31 times as on March 31, 2024. Debt service coverage ratio (DSCR) stood at 2.79 times as on March 31, 2025, as against 2.34 times as on March 31, 2024. The debt to EBITDA of the company stood at 1.21 times as on March 31, 2025, as against 1.17 times as on March 31, 2024. However, the TOL/TNW stood to 1.86 times as on March 31, 2025, as against 2.12 times as on March 31, 2024. Acuité believes that the financial risk profile of CIEPL will continue to remain comfortable over the medium term in the absence of any major debt-funded capital expenditure.

Weaknesses

Working capital intensive operations

The operations of the company are working capital intensive marked by Gross Current Asset (GCA) days of 236 days in FY2025 as against 208 days in FY2024. Deterioration in GCA days on account of increase in inventory days and also marked by debtors' days. Inventory days stood at 40 days in F2025 as against 22 days in FY2024. Debtor days stood at 113 days in F2025 as against 115 days in FY2024. Additionally, the company is managing its operations with a

minimal working capital limit of Rs. 12.00 Cr. which was moderately utilized at an average of 75 percent during the past 12 months ending October 2025.

Fragmented nature of industry and high regulatory intervention limits pricing flexibility

Given the highly fragmented nature of the pharmaceutical distribution business, the company's pricing flexibility is limited. Besides, CIEPL's operations are also exposed to changes in regulatory policy pertaining to pharmaceutical industry.

Rating Sensitivities

- Substantial improvement in scale of operations while maintaining profitability margins
- Any large debt-funded capital expenditure, resulting in deterioration of financial risk profile
- Any deterioration in working capital cycle and liquidity profile of the company

Liquidity Position: Adequate

The liquidity profile of CIEPL is adequate marked by its adequate net cash accruals to its maturing debt obligations. The company has reported cash accruals of Rs.6.25 Cr. in FY2025 as against current portion of long-term debt (CPLTD) of Rs. 0.10 Cr and expected to generate cash accruals in the range of Rs.7.52-8.65 Cr. against CPLTD of Rs.0.45- 0.67 Cr. over the medium term. Unencumbered cash and bank balances stood at Rs.3.05 Cr as on March 31, 2025. The current ratio of the company stood at 1.56 times as on March 31, 2025. Further, the average bank limit utilization in the last 12 months ended October 25 remained at ~75 percent for fund based and 70 percent for non-fund based. Acuité believes that the liquidity of the company is likely to remain adequate over the medium term on account of working capital-intensive nature of operations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	150.62	150.25
PAT	Rs. Cr.	5.97	5.71
PAT Margin	(%)	3.96	3.80
Total Debt/Tangible Net Worth	Times	0.37	0.40
PBDIT/Interest	Times	3.42	4.31

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

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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
31 Oct 2024	Proposed Bank Guarantee	Short Term	12.00	ACUITE A3 (Assigned)
	Proposed Letter of Credit	Short Term	2.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Proposed Letter of Credit	Short Term	3.00	ACUITE A3 (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	33.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
27 Sep 2023	Proposed Cash Credit	Long Term	2.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	10.00	ACUITE A4+ (Assigned)
	Proposed Bank Guarantee	Short Term	9.00	ACUITE A4+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	25.00	ACUITE A4+ (Reaffirmed)
	Proposed Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Assigned)
29 Aug 2023	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	25.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Guarantee	Short Term	9.00	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
ICICI BANK LIMITED	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A3 Reaffirmed
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.00	Simple	ACUITE A3 Reaffirmed
ICICI BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	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 Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A3 Assigned

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