August 03, 2026

BSR Infratech India Limited: Ratings reaffirmed; outlook revised to Positive from Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long-term – Fund-based – Cash credit	300.00	300.00	[ICRA]A(Positive); reaffirmed; outlook revised to Positive from Stable	RBI
Long-term/ Short-term – Non-fund based – Bank guarantee	1140.00	1440.00	[ICRA]A(Positive)/ [ICRA]A2+; reaffirmed; outlook revised to Positive from Stable	RBI
Long-term – Fund-based – Term loan	16.95	6.37	[ICRA]A(Positive); reaffirmed; outlook revised to Positive from Stable	RBI
Long-term/ Short-term – Non-fund based – Proposed limits	304.05	14.63	[ICRA]A(Positive)/ [ICRA]A2+; reaffirmed; outlook revised to Positive from Stable	RBI
Long-term – Fund-based – Proposed limits	25.00	-	-	RBI
Total	**1,786.00**	**1,761.00**		

**Instrument details are provided in Annexure I*

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI

Rationale

The rating reaffirmation with revision of outlook to Positive for BSR Infratech India Limited (BSR) factors in the expectation of strong revenue growth in the near to medium term, aided by the significant increase in order book to Rs. 11,098 crore as on April 30, 2026, from Rs. 4,135 crore as on March 31, 2025, driven by the receipt of more than Rs. 6,000 crore of fresh orders from Andhra Pradesh Capital Region Development Authority (APCRDA) and Amaravati Development Corporation Limited (ADCL) in FY2026. These agencies are implementing projects for development in Amaravati Capital Region that are funded by multilateral agencies through Central Government assistance, which is expected to support timely payment receipts. The company already reported revenue growth of 60% in FY2026, with improvement in margins and coverage metrics. The interest coverage ratio rose to 5.4 times in FY2026 from 5.0 times in FY2025 and is estimated to remain above 5 times over the medium term.

The company's order book position recorded a higher share of Central Government funded projects, which increased to nearly 66% of the outstanding order book as on April 30, 2026 from 39% as on March 31, 2025. The order book remains well diversified across layouts, building, roads, irrigation and electrical segments, while the project concentration remains moderate with the top five projects accounting for around 32% of the outstanding order book as on April 30, 2026. The company benefits from its established track record of over two decades in executing irrigation, building, road and infrastructure projects across multiple states. At present, BSR is executing works for APCRDA, ADCL and various agencies under the state governments of Karnataka and Telangana, resulting in low counterparty credit risk. Further, the rising share of Central Government-funded projects is expected to support timely receipt of payments and strengthen the company's cash flow generation and liquidity profile.

The ratings are, however, constrained by the company's working capital intensive nature of operations, despite improvement in FY2026. The NWC/OI reduced to 18% in FY2026 from 29% in FY2025, primarily driven by sizeable mobilisation advances of Rs. 707 crore availed during the year. Nevertheless, the debtor days remained elevated at 141 days as on March 31, 2026 owing to sizeable billing during the last quarter of the fiscal, resulting in gross debtors increasing to Rs. 1,222 crore from Rs.

728 crore in the previous year. The ageing profile remains comfortable with speedy recovery from APCRDA, though receivables from Karnataka state authorities remained relatively stretched. While collections improved subsequently with gross debtors declining to Rs. 989.8 crore as on June 30, 2026, the working capital requirements are likely to remain range-bound considering the increased scale of operations and expected recovery of mobilisation advances in FY2027. Going forward, the pace of recovery of mobilisation advances and meaningful recovery of sticky receivables from certain projects remains vital for meaningful reduction in leverage (TOL/TNW) metrics and remain the key monitorables.

The ratings are constrained by the high geographical concentration risk with a predominant share of the order book confined to Andhra Pradesh and Karnataka. Further, around 35% of the order book is in the nascent stages of execution (less than 10% of execution) resulting in moderate execution risk, as most of these orders were received over the past six months. The ratings factor in the stiff competition in the construction sector, which could put pressure on the new order inflows, margins and the company's exposure to sizeable contingent liabilities in the form of bank guarantees, mainly for contractual performance, mobilisation advance and retention money. Nonetheless, ICRA draws comfort from its established execution track record and absence of invocation of guarantees in the past.

Key rating drivers and their description

Credit strengths

Strong order book position with improved order book profile – The order book position improved to Rs. 11,098 crore as on April 30, 2026, from Rs. 4,135 crore as on March 31, 2025, owing to receipt of more than Rs. 6,000 crore of orders from APCRDA and ADCL in FY2026. The share of Central Government projects increased to nearly 66% as on April 30, 2026, from 39% as on March 31, 2025, with the receipt of orders from APCRDA and ADCL, which are the implementing agencies for projects in the Amaravati Capital Region. These projects are funded by multilateral agencies through Central Government assistance, which is expected to support timely payment receipts.

Healthy revenue growth and comfortable coverage metrics – BSR's revenues witnessed strong growth over the last five years, at a CAGR of 28.2% to Rs. 2,682.2 crore in FY2026 from Rs. 775.2 crore in FY2021, supported by strong order book position and execution. The revenues recorded healthy growth of 60% in FY2026, and the momentum is expected to sustain in the medium term on the back of strong order book position and healthy execution prospects. The company's debt coverage metrics remain comfortable, with the interest coverage ratio of 5.4 times in FY2026 against 5.0 times in FY2025. The same is projected to remain above 5 times over the medium term on account of increase in earnings. Further, the operating margin rose to 11.5% in FY2026 from 11.3% in FY2025 and is likely to improve over the medium term, aided by operating leverage benefits and better absorption of fixed costs.

Established track record and strong capabilities in execution of projects for reputed clients – BSR has an established track record of over two decades in the execution of irrigation, building, road and infrastructure projects, with demonstrated capabilities in undertaking and completing projects across multiple states in a timely manner. At present, the company is executing works for various agencies of the state governments of Andhra Pradesh, Karnataka and Telangana, resulting in low counterparty credit risk. Further, the increased share of Central Government-funded projects in the order book is expected to support timely receipt of payments from key customers, thereby strengthening the company's cash flow generation and liquidity profile.

Credit challenges

Moderate working capital intensity despite improvement in FY2026 – The company's business remains working capital intensive, despite an improvement with NWC/OI reducing to 18% in FY2026 from 29% in FY2025, primarily driven by the receipt of sizeable mobilisation advances of Rs. 707 crore from key projects during the year. Nevertheless, the debtor days remained elevated at 141 days as on March 31, 2026, owing to sizeable billing during the last quarter of the fiscal, resulting in gross debtors increasing to Rs. 1,222 crore from Rs. 728 crore in the previous year. The ageing profile remains comfortable with speedy recovery from APCRDA, though the receivable from Karnataka state authorities remained relatively stretched. While collections improved subsequently with gross debtors declining to Rs. 989.8 crore as on June 30, 2026, the working capital requirements are likely to remain range-bound, considering the increased scale of operations and expected recovery of mobilisation advances in FY2027. Going forward, the pace of recovery of mobilisation advances and meaningful recovery of sticky receivables from certain projects remains vital for a decrease in leverage (TOL/TNW) metrics and remain the key monitorables.

Order book exposed to high geographical concentration and execution risk – The company's order book is spread across four states (Andhra Pradesh, Karnataka, Telangana and Maharashtra). However, the geographical concentration risk is high with Andhra Pradesh contributing to 66.3% of the outstanding order book as on April 30, 2026. Further, around 35% of the order book is in the nascent stages of execution (less than 10% of execution) resulting in moderate execution risk. Nevertheless, most of these orders were received over the past six months. The billing is expected to improve in these projects in the near term.

Risks associated with construction sector including volatility in operating profits and sizeable non-fund-based exposure – The company is vulnerable to the cyclicality inherent in the construction industry and intense competition in the tender-based contract award system, resulting in the risk of volatility in order inflows, revenues and pressure on profit margins. However, its long presence and established relationships with clients provide comfort. Most of the contracts have the provision for price variation of key raw materials such as cement and steel, which protects the profitability to an extent. Further, the company is exposed to sizeable contingent liabilities in the form of BGs of Rs. 658.4 crore, letter of credit (LC) of Rs. 345.7 crore and surety bonds of Rs. 777.2 crore as on March 31, 2026, mainly towards performance guarantee, mobilisation advances and procurement of raw materials. Nonetheless, ICRA draws comfort from BSR's healthy execution track record and no invocation of guarantees in the past.

Liquidity position: Adequate

BSR's liquidity is adequate, supported by cushion available in the form of unutilised fund-based working capital facilities (Rs. 73 crore as on June 30, 2026), existing cash balances and mobilisation advances received for the ongoing projects. The company has debt repayment obligations of around Rs. 45.0 crore and planned capex of around Rs. 40 crore in FY2027, which is proposed to be funded through a mix of external debt and internal cash accruals.

Rating sensitivities

Positive factors – ICRA could upgrade BSR's ratings if there is a material improvement in revenues and earnings resulting in improvement in leverage, debt coverage metrics and liquidity position, on a sustained basis. Further, meaningful recovery of sticky receivables remains vital for a rating upgrade.

Negative factors – Pressure on BSR's ratings may arise if any material decline in billing, profitability and/or significant elongation in the working capital cycle adversely impacts the leverage, debt coverage metrics and liquidity position. A specific credit metric for a downgrade is interest cover of less than 4.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

BSR Infratech India Limited (BSR) was initially set up as a partnership firm in 2006. It was later reconstituted as a limited company in 2008. BSR executes civil construction projects predominantly in the irrigation, buildings, and road segments for the government authorities in Karnataka and Andhra Pradesh. It is promoted by Mr. Srinivasa Rao Balusu, who is the Managing Director of the company.

Key financial indicators (audited)

	FY2025	FY2026*
Operating income	1674.8	2682.2
PAT	103.2	165.2
OPBDIT/OI	11.3%	11.5%
PAT/OI	6.2%	6.2%
Total outside liabilities/Tangible net worth (times)	1.5	2.3
Total debt/OPBDIT (times)	1.3	0.7
Interest coverage (times)	5.0	5.4

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * Provisional numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Aug 03, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash credit	Long term	300.00	[ICRA]A (Positive)	Jul 08, 2025	[ICRA]A (Stable)	Oct 04, 2024	[ICRA]A- (Stable)	Jul 13, 2023	[ICRA]A- (Stable)
				Jul 03, 2025	[ICRA]A (Stable)				
Non-fund based – Bank guarantee	Long term/ Short term	1440.00	[ICRA]A (Positive)/ [ICRA]A2+	Jul 08, 2025	[ICRA]A (Stable)/ [ICRA]A2+	Oct 04, 2024	[ICRA]A- (Stable)/ [ICRA]A2+	Jul 13, 2023	[ICRA]A- (Stable)/ [ICRA]A2+
				Jul 03, 2025	[ICRA]A (Stable)/ [ICRA]A2+				
Fund-based – Term loan	Long term	6.37	[ICRA]A (Positive)	Jul 08, 2025	[ICRA]A (Stable)	Oct 04, 2024	[ICRA]A- (Stable)	Jul 13, 2023	[ICRA]A- (Stable)
				Jul 03, 2025	[ICRA]A (Stable)				
Non-fund based – Proposed limits	Long term/ Short term	14.63	[ICRA]A (Positive)/ [ICRA]A2+	Jul 08, 2025	[ICRA]A (Stable)/ [ICRA]A2+	Oct 04, 2024	[ICRA]A- (Stable)/ [ICRA]A2+	-	-
				Jul 03, 2025	[ICRA]A (Stable)/ [ICRA]A2+				
Fund-based – Proposed limits	Long term	-	-	Jul 08, 2025	[ICRA]A (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term/ Short-term – Non-fund Based – Bank guarantee	Simple
Long-term – Fund-based – Term loan	Simple
Long-term/ Short-term – Non-fund based – Proposed limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial sector regulator#
NA	**Long-term – Fund-based – Cash credit**	NA	NA	NA	300.00	[ICRA]A(Positive)	RBI
NA	**Long-term/ Short-term – Non-fund based – Bank guarantee**	NA	NA	NA	1440.00	[ICRA]A(Positive)/ [ICRA]A2+	RBI
NA	**Long-term – Fund-based – Term loan**	FY2021	NA	FY2028	6.37	[ICRA]A(Positive)	RBI
NA	**Long-term/ Short-term – Non-fund based – Proposed limits**	NA	NA	NA	14.63	[ICRA]A(Positive)/ [ICRA]A2+	RBI

Source: Company

 # SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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