KRISHNA AND COMPANY

October 15, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	5.00	CARE B+; Stable	Assigned
Short-term bank facilities	20.00	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of KRISHNA AND COMPANY is constrained by limited track record of business, small sized entity with its constitution as partnership firm and tender based nature of operations. However, rating weaknesses are partially offset by qualified and resourceful partners, and concentrated-yet-improving orderbook position.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in total operating income (TOI) or profits by over 30%.
- Significant improvement in the order book position, both in value and client diversification.

Negative factors

- Decline in TOI and profit before interest, lease rentals, depreciation and taxation (PBILDT) by over 30%.
- Significant delays in collection of receivables impacting liquidity position.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the entity will continue to benefit from extensive experience of promoters and management in the industry.

Detailed description of key rating drivers:

Key weaknesses

Small sized entity with limited track record of operations

The firm operates at a small scale and has a limited net worth base, with revenue from operations of ₹25 crore in FY25 (PY: ₹22.63 crore), considering modest order book in the past and limited works executed. Revenue remained volatile in recent years owing to the firm's limited experience and eligibility constraints in securing large tenders. The firm exited projects in Jharkhand in FY23, which affected order execution and turnover. However, operations have recovered subsequently, supported by execution of orders secured from the Government of Rajasthan.

Competition and tender-based pricing risk

The civil construction industry is intensely competitive, with numerous players vying for projects. KRISHNA AND COMPANY secures contracts primarily through tendering, where awards are made on L1 basis. This mechanism restricts pricing flexibility, exposes the firm to aggressive undercutting by competitors, and often results in thin margins. Dependence on L1 bidding also creates uncertainty in order inflows, as success in tenders is not assured, impacting revenue visibility and profitability.

Partnership nature of firm with risk of capital withdrawal

Being constituted as a partnership firm, it is exposed to the inherent risk of capital withdrawal by partners for personal or business purposes, which may adversely impact the net worth and financial flexibility of the firm. The firm is susceptible to risks of dissolution considering death, retirement, or insolvency of partners. These factors could affect continuity of operations and overall financial stability.

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

Key strengths

Concentrated-yet-improving orderbook position

Although the firm's order book is concentrated in two work orders from the Government of Rajasthan, it has improved and is valued at ~₹100 crore, translating into an order book-to-TOI ratio of ~4x, providing medium-term revenue visibility. However, timely execution of projects and the firm's ability to generate adequate cash flows will remain key monitorable.

Qualified and resourceful partners

The firm's partners have over two decades of experience in the civil construction sector, with operations primarily managed by family. Partners have also demonstrated financial support by infusing unsecured loans to meet operational requirements, which stood at ₹2.11 crore as on March 31, 2025.

Liquidity: Stretched

Reliance on bank borrowings has been moderate, with average fund-based utilisation of ~62% for 12 months ended August 2025. The firm operates in a working capital intensive industry, and with increase in work orders entirely pertaining to the Government of Rajasthan, which typically allows a credit period of ~25 days, reliance on bank borrowings is expected to rise going forward. In case of cash flow shortfall, financial support from partners would be required.

Assumptions/Covenants - Not applicable

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
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

KRISHNA AND COMPANY is a partnership firm established in 2006 by Ram Pratap, Hanuman Ram Bishnoi, Surendra Kumar, Om Prakash Beniwal, Har Lal, and Rajkumar Beniwal. The firm is engaged in civil construction activities, primarily executing irrigation and related infrastructure works for government departments in Rajasthan.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	0.00	22.63	25.00
PBILDT	-0.02	1.21	1.95
PAT	-0.25	0.73	1.56
Overall gearing (times)	0.92	0.82	0.61
Interest coverage (times)	-0.12	4.78	7.70

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

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	5.00	CARE B+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	20.00	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	Non-fund-based - ST-Bank Guarantee	ST	20.00	CARE A4				
2	Fund-based - LT-Bank Overdraft	LT	5.00	CARE B+; Stable				

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-Bank Overdraft	Simple
2	Non-fund-based - 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

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