

Sri Buddha Engineering and Constructions Private Limited

October 30, 2025

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|---------------------------------|--|
| Long Term Bank Facilities | 154.35 | CARE D; ISSUER NOT COOPERATING* | Downgraded from CARE BB; Positive and moved to ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from SBEC vide e mail dated August 20, 2025 to October 21, 2025 and No default statement (NDS) for the month ended on September 30, 2025 to monitor the rating. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Sri Buddha Engineering and Constructions Private Limited's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating has been revised on account of reported delays in debt servicing, with the account classified as Non-Performing Asset (NPA) based on confirmation received during interaction with the banker. The rating action is in line with CARE's policy on default recognition.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

At the time of last rating assignment on April 03, 2025, the following were the rating strengths and weaknesses (updated for the information available based on conduct).

Key weaknesses

Delay in debt servicing: As per feedback from SBEC's lender, there were delays reported in the debt servicing of its rated facilities and the account has been classified as NPA.

Geographical concentration risk: SBEC's clients are all concentrated in 2 states, that is, Maharashtra and Odisha exposing the company to geographical concentration risks. The company's performance is heavily tied to the economic conditions of those two states. If either state experiences an economic downturn, recession, or a slowdown in construction activities, it could significantly impact the company's revenue and profitability. Any adverse regulatory changes in either state could pose significant challenges, leading to increased costs or project delays. To mitigate these risks, the company is trying to expand its operations to additional regions, diversifying its client base across various industries. Diversification will reduce regional economic and regulatory vulnerabilities, enhancing the company's stability and growth potential.

Fragmented nature of construction sector with tender-based nature of operations and execution challenges: The infrastructure sector in India is highly fragmented and competitive with many small and mid-sized players. This coupled with tendering process in order procurement results in intense competition within the industry, fluctuating revenues, and restrictions in profitability. Additionally, continued increase in execution challenges including delays in land acquisition, regulatory clearances, aggressive bidding, interest rate risk and delays in project due to environmental clearance are other external factors that affect the credit profile of industry players. All these are tender-based and the revenues are dependent on the ability of the company to bid successfully for these tenders. Profitability margins come under pressure because of competitive nature of the industry.

Leveraged capital structure with moderate debt coverage indicators: The capital structure of the company consists of term loans, working capital borrowing and unsecured loans from the promoters. The overall gearing ratio of the company deteriorated to 3.17x as on March 31, 2025 (from 2.56x as on March 31, 2024). This is primarily on account of additional construction equipment loans and enhanced working capital limits availed during the fiscal, to execute the new orders resulted in high debt levels. Net worth of the company improved and stood at Rs.51.47 crore as on March 31, 2025 (FY24: Rs. 10.81 crores)

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

at the back of equity of infusion of promoters to meet the capex and working capital requirements. Despite, increase in net worth levels, significant increase in debt levels with resulted in leveraged financial risk profile. The debt coverage indicator marked by PBILDT/ Interest coverage remains comfortable at 5.41x whereas TDGCA remained high at 5.59x in FY25.

Elongation in operating cycle: The operating cycle of the company has elongated to 94 days in FY25 (88 days in FY24). The company has managed to reduce its average inventory period to 36 days as compared to 67 days in FY24. However, there are delays in terms of recovery of bills resulting in increased collection period. Collection period increased to 81 days from 51 days in FY24 resulting in slight elongation of operating cycle. Delay in recovery of bills resulted in stretched liquidity position and subsequent delays in meeting the debt obligations.

Key strengths

Healthy order book position providing long term revenue visibility: As of July 31, 2025, order book position stood at Rs. 1876.76 crores which provides long term revenue visibility of about 8.74x based on Gross billing for FY25. The work order consists of order received from Western coal fields for amount Rs. 1900 crores in the month of December 2024 for Over burden removal and extraction of coal with execution timeline of 63 months providing strengthening the order book position. To support the increased orders, company has invested in fixed assets in current fiscal which was funded through debt and infusion of funds by promoters.

Improved scale of operations in FY25: Revenue of the company witnessed growth by about 2.71x i.e., to Rs.214.65 crore on account of high value orders added to the order book, faster execution of bagged orders and supply of construction material to reputed clients such as Ultratech cements, Megha Engineering, PSK Infra etc. In line with TOI, PBILDT and PAT levels of the company improved to Rs.43.34 crore and Rs.18.31 crores respectively. PBILDT and PAT margins of the company stood comfortable at 20.19% and 8.53% respectively.

Experienced promoters: The company is promoted by Mrs. Kodithem Varalakshmi, Mr. Kodithem Rajasekhar and Mrs. Vannam Sravani. Mrs. Kodithem Varalakshmi is also the proprietor of M/s. Lakshmi Sainath Stone Crushers and Maabagala Transport. She has more than 10 years of experience in this line of business. Mr Koditham Rajasekhar looks after the marketing activities of the company and Mrs Vannam Sravani looks after the day-to-day operation of the company. The family has been in the construction and allied business for more than 2 decades and owns the first stone crusher unit in the Kurnool district. The promoters of the company have established their presence in the industry which helps the company to get more orders.

Stable industry outlook: The construction industry is growing at a compound annual growth rate (CAGR) of over 6% and is expected to reach a massive \$1.4 trillion by 2025. Government initiatives like National Infrastructure Pipeline (NIP) with a \$1.4 trillion budget are propelling growth across various sectors like roads, railways, and renewable energy. India's rapid urbanization is a key driver. The government's focus on developing smart cities and tier 2 & 3 cities is creating significant demand for infrastructure development. By 2030, 70% of India's GDP is expected to come from cities, creating a massive demand for housing and infrastructure. This translates to a need for 25 million new mid-end and affordable housing units by 2030 itself. Rapid infrastructure development in India is expected to have a significant positive impact on the construction sector. The increased project volume, demand for building materials and equipment, job creation, and economic benefits all contribute to a thriving construction industry. The confluence of government support, demographic shifts, and a growing economy presents a significant opportunity for companies involved in construction and building material supply.

Liquidity: Poor

The liquidity position of the company remained poor with ongoing delays in debt servicing.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Infrastructure Sector Ratings](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|--------------|--------------|--------------------|
| Industrials | Construction | Construction | Civil Construction |

Sri Buddha Engineering and Constructions Private Limited (SBEC) was incorporated on August 26, 2019, with a head office in Kurnool, Andhra Pradesh. The company is engaged in the business of construction and supply of construction materials to individuals, businesses, government bodies and non-government organisations (NGOs). The company has a unit located in Gooty, Anantapur, Andhra Pradesh to supply stones in different sizes to road contractors and builders throughout Anantapur and Kurnool district. The company has also entered into quarry sub lease agreement with M/s Lakshmi Sainath Stone Crushers for 10 years from January 27, 2021, to January 27, 2031, for supply of raw materials for stone crushing.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (UA) |
|----------------------------|--------------------|---------------------|
| Total operating income | 79.22 | 214.65 |
| PBILDT | 9.30 | 43.34 |
| PAT | 4.45 | 18.31 |
| Overall gearing (times) | 2.56 | 3.17 |
| Interest coverage (times) | 5.05 | 5.41 |

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-Cash Credit | | - | - | - | 21.50 | CARE D; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | | - | - | December 2029 | 97.85 | CARE D; ISSUER NOT COOPERATING* |
| Non-fund-based - LT-Bank Guarantee | | - | - | - | 35.00 | CARE D; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information.

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-Term Loan | LT | 97.85 | CARE D; ISSUER NOT COOPERATING* | 1)CARE BB; Positive (03-Apr-25) | 1)CARE BB-; Stable (31-Jul-24) | - | - |
| 2 | Fund-based - LT-Cash Credit | LT | 21.50 | CARE D; ISSUER NOT COOPERATING* | 1)CARE BB; Positive (03-Apr-25) | 1)CARE BB-; Stable (31-Jul-24) | - | - |
| 3 | Non-fund-based - LT-Bank Guarantee | LT | 35.00 | CARE D; ISSUER NOT COOPERATING* | 1)CARE BB; Positive (03-Apr-25) | - | - | - |

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short 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 | Fund-based - LT-Term Loan | Simple |
| 3 | Non-fund-based - LT-Bank Guarantee | Simple |

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not Applicable

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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