K. Ramachandra Rao Transmission and Projects Private Limited

November 26, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	90.00 (Enhanced from 75.00)	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	385.00 (Enhanced from 275.00)	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of K. Ramachandra Rao Transmission and Projects Private Limited (KRRTPPL) factors in an improvement in the company's financial performance in FY25, marked by a increase in total operating income (TOI) reaching to ₹567 crore and improved profit before interest, lease rentals, depreciation and taxation (PBILDT) margins which improved to 10.02% in FY25(FY24:8.22%), led by improved execution of orders resulting in economies of scale, and a healthy order book position of Rs.1383 crore providing medium-term revenue visibility. The rating also takes into account the company's comfortable capital structure, satisfactory debt coverage indicators, and improved return ratios driven by higher execution levels. The ratings continue to draw strength from the promoters' extensive experience of over three decades in the transmission and infrastructure construction sector, long-standing relationships with reputed clientele in the public sector, and an adequate liquidity position supported by cash and bank balances.

The rating remains tampered significant risk arising due to the corporate guarantee extended by KRRTPPL to its wholly owned subsidiary towards the entire debt sanctioned for the greenfield hydro power project in Uttarakhand and the corporate guarantee shall remain valid during the tenure of the loan. The hydro projects are exposed to inherent risk of execution. Any delay in project execution resulting in increased cost of project, will necessitate higher internal accruals from the parent and thereby having negative impact on its liquidity. During our last review, CARE Ratings Limited (CareEdge Ratings) noted work on the project was expected to commence from December 2024 with commercial operations date (COD) in August 2028 (as per IREDA sanction letter). Now, owing delays in clearance, it is expected to commence work from April 2026 and the COD is likely to get extended to August 2030.
Apart from this KRRTPPL plans to develop another hydro project of 22.8 MW at Sauli Bamigad with the same cost of ₹320 crore with similar funding debt-equity mix.

As both projects will need working capital and debt for execution, its impact of the same on the overall financial risk will increase for the parent company which remains key monitorable. The ratings also continue to remain tempered by the inherent project execution risks associated with its tender-based business model, exposure to delays in projects, and working capital intensive nature of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in TOI with PBILDT margins exceeding 11 percent on a sustained basis.
- Operating cycle maintained consistently below 70 days, reflecting efficient working-capital management.
- Timely completion of hydro project without cost overruns, keeping adjusted gearing (including guarantees) below 0.5×.

Negative factors

- Declining PBILDT margin below 7%.
- Increasing working capital cycle to over 250 days.
- Delay in achieving the COD of hydro power project under the wholly owned subsidiary Barnigad KRR Power Private Limited impacting the liquidity profile of KRRTPPL.
- Any further increase in exposure to subsidiaries or increase in corporate guarantees given to subsidiaries apart from existing projects.

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

Analytical approach: Standalone (factoring investment to its wholly owned subsidiary for its hydro project and project risk associated with this hydro project)

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation that KRRTPPL will sustain its improved operating performance and maintain healthy cash reserves while prudently managing working-capital intensity. The outlook also factors in the company's ability to capitalise on its growing order book and industry tailwinds in the power transmission and infrastructure segment

Detailed description of key rating drivers:

Key strengths

Established track record, and experienced management team

KRRTPPL has been in the industry for over three decades and has established strong market relationships with its clients and suppliers. Promoter, K. Ramachandra Rao (Managing Director), has extensive experience in executing contracts for the construction of extra high voltage (EHV) transmission lines and substations. The management is supported by a team of qualified professionals. KRRTPPL has been in the business for over three decades and has successfully executed many transmission lines projects totalling to over 4000 KM over the years.

Substantial improvement in scale of operations and profitability

KRRTPPL recorded robust growth in FY25, with TOI) grew sharply by 128% to ₹567 crore (from ₹249 crore in FY24). The company registered a compound annual growth Rate of (CAGR) of ~39% between FY21 and FY25, underscoring the company's strong execution and recovery momentum after pandemic years. The growth was driven by faster execution of ongoing orders.

Further, PBILDT margins improved to 10.02% in FY25 (from 8.22% in FY24) owing to cost efficiencies, better supplier negotiations, and improved economies of scale. Profit after tax (PAT) in absolute terms also increased to ₹33.21 crore in FY25 from ₹14.36 crore in FY24 and registered a CAGR of over 25% since FY21. In H1FY26, the company achieved revenue of ₹293 crore with PBILDT of ₹30 crore, reflecting continued healthy performance and execution pace.

Healthy and diversified order book providing revenue visibility

As of September 2025, KRRTPPL had an outstanding order book of ₹1,383 crore, translating into an order book-to-TOI ratio of ~2.44×, which provides medium-term revenue visibility. The company deals with state as well as central government with a share of 80% to 85% and 15% to 20% respectively. Out of the total order book of ₹1383 crore ~₹270 crore pertains to central government projects and balance to state government. The company's client base includes reputable entities such as, state electricity boards of Hariyana, Bihar, JHK, MP, NCR, RVNL, PGCIL, KPTCL and Telangana State Transcos. This mitigates the risk of payment issues arising from liquidity concerns with state discoms. Furthermore, the company has L1 order of ₹201.51 crore as of September 2025.

Comfortable capital structure with improvement in debt coverage indicators

The company's capital structure remained comfortable, with overall gearing at 0.28x as on March 31, 2025 (FY24: 0.19x), supported by a healthy net worth base of ₹282 crore (FY24: ₹249 crore), the moderation in overall gearing as at the end of March 31, 2025, primarily pertains to higher working capital borrowing in line with improvement in scale.. The company continues to rely primarily on non-fund-based limits during project execution; non-fund-based utilisation remained high at ~95% in the last 12 months ended June 2025, while fund-based working-capital utilisation also remained elevated at ~95% during the same period. Despite this, gearing remain below unity due to healthy net worth. Its debt-coverage indicators remained satisfactory in FY25, supported by improved profitability. The PBILDT interest-coverage ratio improved to 3.82x in FY25 (FY24: 2.76x), while total debt/GCA stood at 2.14x (FY24: 1.77x) and TD/PBILDT at 1.39x (FY24: 1.55x) reflecting moderate leverage.

CareEdge Ratings notes that KRRTPPL has extended a corporate guarantee for ₹220 crore of debt sanctioned by IREDA to its wholly owned subsidiary, Barnigad KRR Power Private Limited, for setting up a hydro project in Uttarakhand. Also, the Parent company (KRRTPPL) has another project Savli Barnigad KRR Power Private Limited of 22.8 MW hydro project in Uttarakhand and cost at ₹320 crores, the project is located at a distance of 5 km from the afore said project. The funding of the project is same as ₹100 crore will come be in the form of equity and ₹220 crore in the form of debt. The project is at a nascent stage. As on March 2025, the company has incurred capital work in progress (CWIP of ₹5.78 crores. The project will be executed under a different SPV. The company plans to issue another corporate guarantee of ₹220 crore for the project. Hence, timely completion of this hydro project remains critical from a credit perspective.

Key weaknesses

Moderate profitability albeit improved in FY25

KRRTPPL's operating profitability exhibited a stable trend with a PBILDT) margin within the range of 8-10% in the past three years ended FY25. The PBILDT margins improved from 8.22% to 10.50% in FY25. The primary reason for improvement was due to higher volume of purchases made, the company has able to negotiate better prices from suppliers for contract execution. Going forward the scale and Margins are largely expected to remain stable at current levels.

Working Capital-Intensive Operations

The company operates in a working-capital-intensive industry marked by stretched collection timelines and moderate inventory requirements. Receivable days improved to 81 days in FY25 from 134 days in FY24, though collections remain slow because the company mainly works with DISCOMs and state transmission companies. Debtors continue to include retention money, typically held by authorities for 1–2 years. For construction contracts, the company generally receives 90% of the certified bill amount within one month of submission, while the remaining 10% is retained as a security deposit. For supply contracts, 80% is paid on delivery and inspection, and the remaining 20% upon successful commissioning. A large portion of the company's inventory remains under work-in-progress (WIP) stage, resulting in inventory holding of ~49 days in FY25 (FY24: 72 days). Payments to vendors are typically made within 60–90 days, depending on supplier size and type. With better collection efficiency and faster project execution, the company's operating cycle improved significantly to 73 days in FY25, compared with 125 days in FY24.

Exposure to counterparty risk

The company remains exposed to counterparty credit risk, as a major portion of its revenues is derived from various State Electricity Boards (SEBs) and state transmission utilities, many of which have moderate to weak financial profiles and are dependent on state budgetary support. This exposes KRRTPPL to the risk of delayed realizations and prolonged certification cycles. However, the risk is partially mitigated by the company's long-standing relationship with these departments and a satisfactory payment track record, with most payments being received within the stipulated timelines.

High competition with tender-based nature of operations

The company secures work orders from DISCOMS and transmission companies, all of which are tender based. CareEdge Ratings notes that the company's revenues are contingent on its successful bidding for these tenders and will continue to monitor the timely execution of pending orders. Additionally, the competitive industry imposes pressure on profitability margins. Promoters' extensive industry experience of over three decades help mitigate this risk to some extent.

Proposed hydro power project through SPV

KRRTPPL incorporated an special purpose vehicle (SPV) named Barnigad KRR Power Private Limited to set up a 22.80-MW hydro power plant, consisting of four power plants of 5.7 MW each, across the Yamuna River in Uttarakhand. The total cost of the project is estimated at ~₹320 crore to be funded out of equity of ₹100 crore and debt of ₹220 crore. The COD for the project is in August 2028 (as per IREDA sanction letter). The company has been sanctioned an IRDA loan of ₹220 crore, 21 years of repayment. As on date the company has incurred a capex of ₹26 crore. The company has entered in to a power purchase agreement (PPA) for 35 years with a tariff of ₹7.14 per unit compared to original tariff of ₹3.20 per unit. There is no penalty with regards to delay in project commissioning beyond the control of the company. The equity contribution of Rs.26 crore is infused from the internal accruals of the company. After the land is allotted, the promoters plans to bring in equity/unsecured loans to reach the required ₹75 crore requirement as per disbursement condition. Only after this promoter contribution is completed, the company will be able to take loans from IREDA. As per management, the debt funding from IREDA will be taken in stages—₹160 crore in FY27, followed by ₹30 crore in FY28 and another ₹30 crore in FY29.

CareEdge Ratings also notes that KRRTPPL has got another project Savli Barnigad KRR Power Private Limited of 22.8 MW hydro project in Uttarakhand and cost at ₹320 crore, the project is located at a distance of 5 km from the afore said project. The funding is same as ₹100 crore will come be in the form of equity and ₹220 crore in the form of debt. The project is at a nascent stage. As on March 2025, the company has incurred CWIP of ₹5.78 crores. The project will be executed under a different SPV.The company plans to issue another corporate guarantee of ₹220 crore for the project. Thus exposing it to significant project execution risk as any delay in project will necessitate higher internal accruals from the parent thereby affecting the liquidity of the parent. Hence, timely completion of this hydro project remains critical from a credit perspective.

Liquidity: Adequate

KRRTPPL's liquidity remains adequate, supported by low debt levels and negligible long-term repayment obligations. Its cash accruals are sufficient to meet interest expenses. Liquidity is further supported by cash and cash equivalents of ₹99.83 crore as on March 31, 2025, which are used to secure bank guarantees that are 100% cash backed. Working capital utilisation remained high at 95% during the last 12 months ended June 2025. The entity has also availed non-fund-based letter of credit (LC) facilities of ₹45 crore, with an average utilisation of 95% in the same period. The company has enhanced its bank guarantee (BG) limits

to ₹330 crore and increased its cash credit (CC) limits to ₹90 crore and LC limits to ₹55 crore. The utilisation for enhanced CC facilities is between 85-90% and for LC at full utilisation.

Assumptions/Covenants Not applicable

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

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
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
Utilities	Power	Power	Power - transmission

KRRTPPL was incorporated in 1984 as a partnership firm by K. Ramachandra Rao and his family. It was reconstituted as a private limited company in 2005. The company is engaged in erection of extra high voltage (EHV) transmission lines, setting up substations, and electrical generation stations, among others on a turnkey and partial-turnkey basis, offering end-to-end services in engineering, procurement, and construction (EPC) contracting of EHV power transmission and distribution infrastructure.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	248.68	566.63
PBILDT	20.44	56.77
PAT	14.36	33.21
Overall gearing (times)	0.13	0.28
Interest coverage (times)	2.76	3.82

A: Audited 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	90.00	CARE BBB; Stable
Non-fund-based - ST-BG/LC		-	-	-	385.00	CARE A3+

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-Letter of credit	ST	-	-	-	-	-	1)Withdrawn (28-Jun-22)
2	Non-fund-based - ST-Bank Guarantee	ST	-	-	-	-	-	1)Withdrawn (28-Jun-22)
3	Fund-based - LT-Cash Credit	LT	90.00	CARE BBB; Stable	-	1)CARE BBB; Stable (10-Oct-24) 2)CARE BBB; Stable (05-Aug-24)	1)CARE BBB; Stable (07-Nov-23)	1)CARE BBB+; Stable (23-Dec-22)
4	Non-fund-based - ST-BG/LC	ST	385.00	CARE A3+	-	1)CARE A3+ (10-Oct-24) 2)CARE A3+ (05-Aug-24)	1)CARE A3+ (07-Nov-23)	1)CARE A2 (23-Dec-22)

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-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	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.

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