

## Kudroli Builders and Infrastructures Private Limited

November 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	17.00 (Reduced from ^32.00)	CARE D	Rating removed from ISSUER NOT COOPERATING category and reaffirmed
Long Term / Short Term Bank Facilities	^15.00	CARE D / CARE D	Rating removed from ISSUER NOT COOPERATING category and reaffirmed
Short Term Bank Facilities	10.67 (Enhanced from 8.00)	CARE D	Rating removed from ISSUER NOT COOPERATING category and reaffirmed

Details of instruments/facilities in Annexure-1.

^reclassification facilities of Rs. 15 crore from Fund based long term to Fund based/ Non-fund-based – LT/ST

### Rationale & key rating drivers

The reaffirmation in the rating assigned to the bank facilities of Kudroli Builders and Infrastructures Private Limited (KBIPL) factors in the continued delay in servicing in debt servicing against car loan availed from NBFC as NDS submitted by client.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Timely servicing of debt obligations (i.e., principal and interest) for minimum 3 continuous months

**Negative factors:** Not applicable

**Analytical approach:** Standalone

**Outlook:** Not applicable

### Detailed description of key rating drivers:

#### Key weaknesses

##### Ongoing delays in servicing its debt repayments

As NDS submitted by company, there are on-going delays in debt servicing against car loan availed from NBFC, the repayment which was due in June 2022. Further, South Indian Bank also reported KBIPLs account as SMA 1 for the month of June 2025. However, the same remained standard from July 10, 2025 to till date.

##### Small and fluctuating scale of operations with moderate profitability

The overall scale of operations stood small and fluctuating in the range of ₹33 crore to ₹81 crore during past five years ended FY25. TOI declined by 38.26% to ₹44.43 crore in FY25 from ₹71.97 crore in FY24 due to lower execution of orders led by slow moving nature of contracts undertaken during the year. Further, during Q1FY26 (refers to April to June 2025), the company reported net sales of ₹9.22 crore. Despite established track record of execution of civil construction projects, the scale of operation of the company continues to remain small, coupled with low net-worth base, which limits the financial flexibility of the company during exigencies and industry downturn. The revenue is expected to increase in the near to medium term on the back of satisfactory orderbook position (order book position of ₹135.20 crore as on June 30, 2025).

PBILDT margin has reflected fluctuating trend (FY21-25) in past owing to volatile material prices as all the contracts lacks the material price escalation clause and tender driven nature of business operations. Further the same has improved to 12.49% in FY25 vis-à-vis 9.16% in FY24 owing to reduction in input prices along with satisfactory stage of completion of the orders. The major input materials for the entity are stone chips, bitumen, cement, bricks, sand etc. the prices of which are volatile. PAT margin declined marginally to 2.64% in FY25 from 2.72% in FY24 due to proportionately higher interest and depreciation cost incurred during the year.

### Moderate capital structure and weak debt coverage indicators

The entity's capital structure stood moderate, as marked by an overall gearing of 1x as on March 31, 2025 (1.05x as on March 31, 2024). Its debt profile largely comprises working capital debt. The entity has extended loans and advances to its related parties, considering which, adjusted overall gearing ratio stood moderate at 1.25x as on March 31, 2025 (1.32x as on March 31, 2024). The total outside liabilities to net worth stood moderate at 1.39x as on March 31, 2025 (vis-à-vis 1.98x as on March 31, 2024). Debt coverage indicators improved marginally however continued stood weak, marked by PBILDT interest coverage of 1.54x in FY25 (1.39x in FY24) and total debt to GCA (TD/GCA) of 12.49x in FY25 (13.64x in FY24).

### Highly working capital-intensive nature of operations

The operations of the company remained highly working capital intensive as marked by gross current asset (GCA) days of 446 days in FY25 (PY: 317 days). Being into construction activity, working capital cycle of KBIPL remains elongated on account of slow recovery of debtors (along with retention money), translating into a higher collection period. Further, the inventory is majorly WIP inventory as tenure of the contract is long 1-2 years, thus inventory days stood at 65 days in FY25 (PY: 69 days). This has led to higher utilization of working capital limit. However, the same is offset to a certain extent by reasonable credit period received from creditors owing to established relations with them. Thus, availing creditors period of 101 days in FY25 (PY: 55 days). The operating cycle of the company stood elongated at 117 days in FY25 (PY: 118 days).

### Key strengths

#### Experienced promoters with established track record of operations

KBIPL has established more than two decades of track record of operations which led to established long term relations with customers, suppliers and stakeholders. Since its inception the company is engaged in civil construction works mainly for PWD state of Kerala, Karnataka & Goa. The company is managed by director's Mr. C M Ahamed Shafi, Mrs. Ayesha Shafi and look after the day-to-day operations of the firm. Over two decades of experience in the business, the partners established strong marketing connects in the industry.

#### Liquidity: Poor

The liquidity position of the company remained poor on account of ongoing delays in debt servicing. The construction segment inherently has high working capital intensity primarily due to funding requirement towards the security deposits, margin money for the non-fund-based facilities, receivables and inventory. Further, the current ratio and quick ratio stood weak at 1.03 times and 0.86 times respectively as on March 31, 2025. The net cash flow from operating activities stood negative at Rs. 0.55 crore in FY25. Maximum average utilization of fund-based limits stood at 87% during past 12 months ended June 2025.

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Construction Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Incorporated in November 2004, Kudroli Builders and Infrastructure Private Limited (KBIPL) was promoted by Mr. C M Ahamed Shafi, Mrs. Ayesha Shafi and Mr. Mohammed Hafeez C S based out in Ponda, Goa. KBIPL is engaged in civil construction activities primarily construction of roads mainly in the state of Kerala, Karnataka and Goa. The company is a registered class 'AA' contractor majorly works for the government entities such as Public Works Department (PWD) in the states of Kerala, Karnataka, and Goa.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	June 30, 2025 (UA)
Total operating income	71.97	44.43	9.22
PBILDT	6.59	5.55	2.03
PAT	1.96	1.17	1.43
Overall gearing (times)	1.05	1.00	NA
Interest coverage (times)	1.39	1.54	5.20

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

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Nil

**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-Long Term		-	-	-	^17.00	CARE D
Fund-based/Non-fund-based-LT/ST		-	-	-	^15.00	CARE D / CARE D
Non-fund-based - ST-Bank Guarantee		-	-	-	10.67	CARE D

^reclassification facilities of Rs. 15 crore from Fund based Long term to Fund based/ non-fund-based – LT/ST.

**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-Long Term	LT	17.00	CARE D	-	1)CARE D; ISSUER NOT COOPERATING* (21-Nov-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE BB-; Stable (07-Sep-22)
2	Non-fund-based - ST-Bank Guarantee	ST	10.67	CARE D	-	1)CARE D; ISSUER NOT COOPERATING* (21-Nov-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE A4 (07-Sep-22)
3	Fund-based/Non-fund-based-LT/ST	LT/ST	15.00	CARE D / CARE D	-	1)CARE D/ CARE D; ISSUER NOT COOPERATING* (21-Nov-24)	1)CARE D/ CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE BB-; Stable/ CARE A4 (07-Sep-22)

\*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-Long Term	Simple
2	Fund-based/non-fund-based-LT/ST	Simple
3	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

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: 912267543444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Akhil Goyal Director <b>CARE Ratings Limited</b> Phone: 022-67543590 E-mail: <a href="mailto:akhil.goyal@careedge.in">akhil.goyal@careedge.in</a></p> <p>Ashish Kambli Associate Director <b>CARE Ratings Limited</b> Phone: 022-67543597 E-mail: <a href="mailto:Ashish.k@careedge.in">Ashish.k@careedge.in</a></p> <p>Suchita Narkar Lead Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:suchita.shirgaonkar@careedge.in">suchita.shirgaonkar@careedge.in</a></p>
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