

Coral Associates (Revised)

December 26, 2025

Facilities/ Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	11.40	CARE BBB; Stable	Assigned
Long-term bank facilities	50.90 (Enhanced from 30.90)	CARE BBB; Stable	Reaffirmed
Long-term / Short-term bank facilities	138.65 (Enhanced from 117.75)	CARE BBB; Stable / CARE A3	Reaffirmed
Long-term bank facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

For arriving at ratings of Coral Associates (COA), CARE Ratings Limited (CareEdge Ratings') has considered the combined business and financial risk profiles of Riddhi Siddhi Associates (RSA) and COA, together referred to as Coral Group, as both entities have common management and promoter group, presence in a similar line of business, and have financial linkages.

Ratings continue to derive strength from vast experience of promoters, growing scale of operations, healthy order book on hand providing short-term revenue visibility, moderate financial risk profile and adequate liquidity.

However, ratings continue to remain constrained considering thin profitability of the Coral group, inherent risk associated with toll collection business due to short-term nature of contracts, and presence in a competitive toll collection business. Ratings for long-term bank facilities stands withdrawn due to reclassification of such bank facilities.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in total operating income (TOI) above ₹6,000 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 2.00% on a sustained basis.
- Improvement in debt coverage indicators with Total debt (TD)/PBILDT below 2x on sustained basis.

Negative factors

- Decline in scale of operations with TOI below ₹2,000 crore and PBILDT margin below 1.20% on a sustained basis.
- Deterioration in debt coverage indicators with PBILDT interest coverage below 2.50x on a sustained basis
- Significant cash outflow or debt availed for funding the development of mines resulting in overall gearing above 1.00x on a sustained basis.

Analytical approach: Combined

CareEdge Ratings has considered combined financial and operational risk profile of COA and RSA as both firms are engaged in similar line of business, promoted by the same promoter group, and have financial linkages. Details of entities combined are listed under Annexure-6.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation that the group's performance shall continue to remain stable considering experienced promoters with established track record of operations in toll collection business.

Detailed description of key rating drivers:

Update on on-going case of the group entity

One of the group companies, Riddhi Siddhi Infraprojects Private Limited (RSIPL) was charged by Enforcement Directorate (ED) under a money laundering case. The entity was earlier prohibited from transfer/sale without NOC of ED vide order dated April 08, 2019, April 23, 2019, May 01, 2019, and May 23, 2019. However, ED issued an order dated July 04, 2022, removing the prohibition to transfer/sale of properties (barring few properties with saleable area 21,204 Sq. feet). The Coral group's management is not

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

involved in the day-to-day operations of RSIPL, and on-going investigation does not have impact on its operations as reflected from growing scale of operations and receipt of new orders on a regular basis.

Key strengths

Growing scale of operations with healthy order book on hand

The group's TOI to ₹4,430 crore in FY25 against ₹3,539 crore in FY24, considering increase in toll and royalty collection contracts received by the group. In FY25, The Coral group generated ~96% of its revenue from toll collection, and remaining 4% from royalty collection, boating tenders and manpower maintenance. In 7MFY26 as well, the group reported TOI of ₹2325 crore. In current year, RSA has contracts of ₹2380 crore, whereas COA has contracts of ₹2848 crore as on October 31, 2025.

With introduction of annual pass system in August 2025, toll collections are now routed directly through the government, hence, per agreement with National Highways Authority of India (NHAI; CARE AAA; Stable) the toll collected through annual passes will be adjusted against the concession fees payable by COA and RSA. Although this may result in a lower scale of operations compared to the previous year, profitability is expected to remain stable. CareEdge Ratings expects the Coral group's scale of operations to remain ~₹4,000 crore in FY26.

Moderate financial risk profile

The group's capital structure remained moderate marked by overall gearing of 0.71x as on March 31, 2025 (0.51x as on FY24-end). The group availed term loan and additional working capital facilities in FY25 to support growth in scale of operations. For contracts awarded, the group has to provide deposit to the awarding authority equivalent to 15 days or 10% of contract value and these facilities were largely utilised towards this. The group's debt coverage indicators remained moderate due to thin profitability and high finance cost, with PBILDT interest coverage of 2.27x (PY: 3.17x) and TD/gross cash accruals (GCA) of 4.67x (PY: 3.56x) in FY25. However, it improved to 2.49x in 7MFY26 with increase in profitability.

Experienced promoters

Saurabh Tak, MBA by Qualification, has around a decade of experience in the industry and looks after the group's overall management. The group also appointed qualified and experienced second tier management to look after day-to-day operations.

Key weaknesses

Thin profitability

The group's PBILDT margin remained thin at 1.19% in FY25 against 1.22% in FY24 considering lower margin on contracts executed in this period. PBILDT margin has historically remained thin due to tendering nature resulting in intense competition and aggressive bidding with tenders being awarded to highest bidder. In line with operating profitability, profit after taxation (PAT) margin moderated to 0.98% in FY25 against 1.03% in FY24.

Inherent risk associated with toll collection business with short term nature of contracts

COA and RSA operate in an industry, where income primarily depends on renewal of old contracts and awarding fresh contracts. CareEdge Ratings notes that short fall in collection of contractual amounts mentioned in the contract have to be borne by entities. Majority contracts range from 3-36 months and are re-awarded through bidding process. Thus, the firm's turnover highly depends on renewal of existing contract and generation of new contracts. Additionally, the players are exposed to traffic risk associated with projects since their revenue is linked with toll to be collected from project roads.

Presence in a competitive industry

Capital expenditure required for undertaking a toll collection contract is lower, compared to highly capital-intensive build-operate-transfer (BOT) projects. This results in low entry barriers for new players to foray into the toll collection contracts segment, making it a highly competitive business. The market is fragmented with large and small players looking for a share in the toll collection contracts.

Liquidity: Adequate

Liquidity is adequate marked by sufficient cash accruals envisaged in the range of ₹30-40 crore in the next three years against debt repayment obligations in range of ₹10-17 crore in the projected period. Average utilisation of the group's fund-based, and non-fund-based working capital limits remained moderate at ~91% and 89% respectively in 12-months ended October 2025. The group had negative cashflow from operations of ₹22.31 crore (PY: ₹-14.65 crore) as on FY25-end owing to increase in deposits extended to NHAI to support the increase in scale of operations as on FY25-end. As on March 31, 2025, the group had free cash and bank balance of ₹27.03 crore.

Collection period for the group remained comfortable at one day as collection happens on a daily basis. The group is required to pay fixed obligation on every contract to awarding authority irrespective of the lower collection of royalty or toll, which exposes firm to short term liquidity mismatches. Contracts generally require firm to pay weekly instalment of bid amount to NHAI and monthly instalments to Directorate of Mines & Geology (DMG).

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

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[Toll Road Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Transport infrastructure	Road assets–toll, annuity, hybrid-annuity

Udaipur-based Coral group is promoted by the Tak family and is presently managed by Saurabh Tak. COA and RSA are engaged in toll collection primarily for NHAI and royalty collection. Apart from this, both entities also provide manpower management services to other entities operating in this segment. The group also has presence across other industries such as real estate development, and hospitality among others.

About COA

Udaipur (Rajasthan) based COA was formed as a partnership concern in 2013. COA is engaged in toll collection and royalty collection on contractual basis all over India. COA participate in tender floated by NHAI for toll collection and participates in auctions for Royalty collection floated by DMG.

Coral Group (Combined)

Brief Financials (₹ crore)	March 31, 2024 (UA)	March 31, 2025 (UA)	7MFY26 (UA)
Total operating income	3538.81	4430.38	2324.84
PBILDT	43.18	52.84	31.39
PAT	36.39	43.20	15.62
Overall gearing (times)	0.51	0.71	0.64
Interest coverage (times)	3.17	2.27	2.49

UA: Unaudited; as financials are combined based on line by line addition and netting off intergroup transactions; Note: these are latest available financial results

Coral Associates (Standalone)

Brief Financials (₹ crore)	March 31, 2024 (UA)	March 31, 2025 (UA)	7MFY26 (UA)
Total operating income	1498.45	2193.98	1251.90
PBILDT	21.83	30.40	17.04
PAT	18.39	23.30	12.92
Overall gearing (times)	0.33	0.65	0.55
Interest coverage (times)	5.01	2.90	3.06

UA: Unaudited; as financials are combined based on line by line addition and netting off intergroup transactions; 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-Bank Overdraft		-	-	-	33.00	CARE BBB; Stable
Fund-based - LT-Bank Overdraft		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	31-12-2028	11.40	CARE BBB; Stable
Fund-based - LT-Working Capital Demand loan		-	-	-	17.90	CARE BBB; Stable
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	138.65	CARE BBB; Stable / 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 - LT/ST-Bank Guarantee	LT/ST	138.65	CARE BBB; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3 (09-Jan-25)	1)CARE BBB-; Stable / CARE A3 (25-Jan-24) 2)CARE BBB-; Stable / CARE A3 (03-Jan-24)	1)CARE BB; Stable / CARE A4 (28-Dec-22)
2	Fund-based - LT-Bank Overdraft	LT	33.00	CARE BBB; Stable	-	1)CARE BBB; Stable (09-Jan-25)	1)CARE BBB-; Stable (25-Jan-24) 2)CARE BBB-; Stable	1)CARE BB; Stable (28-Dec-22)

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
							(03-Jan-24)	
3	Fund-based - LT-Bank Overdraft	LT	-	-	-	1)CARE BBB; Stable (09-Jan-25)	1)CARE BBB-; Stable (25-Jan-24) 2)CARE BBB-; Stable (03-Jan-24)	1)CARE BB; Stable (28-Dec-22)
4	Fund-based - LT-Working Capital Demand loan	LT	17.90	CARE BBB; Stable	-	1)CARE BBB; Stable (09-Jan-25)	-	-
5	Fund-based - LT-Term Loan	LT	11.40	CARE BBB; Stable				

LT: Long 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-Bank Overdraft	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Riddhi Siddhi Associates	Full	Financial and operational linkages

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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