

Kineta Global Limited (Revised)

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	16.00 (Reduced from 33.00)	CARE BB-; Stable	Upgraded from CARE B+; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision of rating assigned to bank facilities of Kineta Global Limited (KGL) derives comfort from growth in scale of operations, experience of promoters and management and turnover and liquidity coverage indicators improved modestly in comparison with FY24. However, these strengths are partially offset by high investments in subsidiary/group concern with no expected payout in the near term, acquisition of unrelated businesses, limited value addition business and high competition in the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- The company's ability to notably reduce group exposure from existing levels.
- Ability to sustain the operating cycle at FY25 levels or better.

Negative factors

- Significant deterioration in total operating income (TOI) and profitability margins by over 30%.
- Adjusted overall gearing deteriorating above 2x, in the future.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company will continue to benefit from experience of promoters and relationship with vendors and customers to drive business growth in the medium term.

Detailed description of key rating drivers:

Key weaknesses

Investments in non-operational group entity and diversification to unrelated business

The company has made investments of ₹49.62 crore in Kineta International PTE Limited, which does not have operations for over the last four year. As per the management, this payout may happen in the next 4-5 years by disposing off assets of that group company. It acquired a company, Blue Park Seafoods Private Limited for ₹14.88 crore in FY25 under National Company Law Tribunal (NCLT) though debt from Karur Vyas Bank, marking diversification into an unrelated business vertical, which raises concerns regarding management bandwidth, execution risk, and the absence of demonstrated operating synergies. Blue Park Seafoods is engaged in processing of Vannamei white shrimp and exporting of cultured shrimps to the USA, Vietnam, EU, the Middle East and other countries. The entity's tendency to undertake debt-funded capital expenditure and acquisitions/expansions, including in unrelated businesses, remains a key credit monitorable.

Fragmented and competitive industry profile

The ferro-alloys and construction material trading (contributed ~20% to the revenue in FY25) segment is highly competitive, fragmented, and cyclical, with performance closely linked to overall economic conditions. In addition, the company is engaged in construction activities primarily as a subcontractor, which contributes ~80% of total revenue and is characterised by low entry barriers and intense competition from numerous unorganised player

Customer concentration

The company has gradually transitioned its business model from a pure trading activity to a mix of ~20% trading and ~80% civil construction in FY25. Per the latest order book, a large order of ₹74 crore has been received from a single customer, Bondada Engineering Limited (Awarded by Adani group), resulting in high customer concentration. Delay in execution of this project or the company's inability to diversify its customer base may constrain revenue generation in FY26 and FY27.

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

Key strengths

Resourceful and experienced promoters with satisfactory track record

KGL was incorporated in April 2006 by V. Balashowry. Day to day operations of the business is managed by V. Balashowry, who has over two decades of experience through his association with the company. He has experience in setting up and operating group companies, which manufactures burnt lime for supply to steel mills and paper mills, about two decades of experience in international trade of Manganese ore, Chrome ore, Iron ore Pellets, Iron Ore, Ferro Alloys, metallurgical coal, coke, Mill scale, Bitumen among others. Promoters are resourceful and have infused need-based funds for smooth flow of business operations.

Improvement in scale with stable net profitability despite margin contraction

The firm reported a significant increase in TOI to ₹77.44 crore in FY25 from ₹39.05 crore in FY24. However, profitability remained at similar levels due to contraction in gross and operating margins, with gross margin declining to 13.62% (FY24: 27.94%) and profit before interest, lease rentals, depreciation and taxation (PBILDT) margin moderating to 8.3% (FY24: 16.29%), which is due to shift in business model from entirely trading to construction (subcontracting). Impact of lower margins was partly offset by a reduction in employee costs, lower finance costs owing to reduced borrowings, and lower depreciation and amortization, resulting in APAT remaining broadly in line with FY24 at ~1.3–1.4%.

Improved operating cycle

KGL's working capital cycle witnessed a significant improvement in FY25, reducing to 75 days from 384 days in FY24. The improvement was driven by an improvement in the collection efficiency (FY25: 55 days against FY24: 265 days), inventory holding period (FY25: 253 days against FY24: 587 days), and payable period (FY25: 232 days against FY24: 467 days).

Comfortable financial risk profile

Financial risk profile continues to remain comfortable, marked by an improvement in overall gearing by modest to 0.44x in FY25 from 0.47x in the previous year, driven by a reduction in working capital borrowings. Adjusted overall gearing, factoring in group exposure, remained satisfactory at 1.09x (PY: 1.04x).

The interest coverage continued to remain satisfactory at 1.25x in FY25, compared to 1.13x in the previous year.

Liquidity: Moderate

In FY25, working capital cycle improved to 75 days, supported by stronger collections alongside revenue growth and reduced inventory levels. Average working capital limit utilisation remained high at 96.21% for 12 months ended September 2025. Working capital requirements were funded through working capital bank borrowings and guaranteed emergency credit line (GECL) loans. While net cash flow from operating activities stood at ₹13.42 crore, gross cash accruals were ~₹1.52 crore, which were primarily utilised for repayment of borrowings including interest obligations, and investments.

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](#)

[Wholesale Trading](#)

About company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and mining	Metals and minerals trading	Trading - metals

Earlier known as Kineta Minerals and Metals Limited, KGL was set up in Hyderabad (Andhra Pradesh [AP]) by V Balashowry in April 2006; the company trades in iron ore, building materials, cement, granite and TMT bar. It procures iron ore fines from small and big mine owners around port cities of Telangana and Andhra Pradesh. It exports ~100% of the iron ore to China. To diversify

the business, the company also ventured into subcontracting for engineering, procurement and construction of irrigation projects and in FY25, it diversified into subcontracting in Solar.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	7MFY26 (UA)
Total operating income	39.06	77.45	~44.00
PBILDT*	6.36	6.42	NA
Profit after tax (PAT)	0.51	1.06	NA
Overall gearing (times)	0.47	0.44	NA
Interest coverage (times)	1.13	1.26	NA

A: Audited UA: Unaudited; ~: Approximate; NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: CRISIL has continued the rating on bank facilities of KGL under 'Issuer not cooperating' vide press release dated December 19, 2024, as the company did not provide the requisite information needed to conduct the rating exercise or did not provide the No Default Statements (NDS) for the last three months and is therefore classified as 'non cooperative'.

India Ratings has continued the rating on bank facilities of KGL under 'Issuer not cooperating' vide press release dated April 10, 2025, due to lack of adequate data.

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		-	-	-	16.00	CARE BB-; Stable

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT- Cash Credit	LT	16.00	CARE BB-; Stable	1)CARE B+; Stable (11-Dec-24)	1)CARE B+; Stable (20-Dec-23)	1)CARE B+; Stable (02-Mar-23)

LT: Long 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

Annexure-5: Lender detailsTo 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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