KBC Infrastructures Private Limited

February 17, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	16.00	CARE BB; Stable	Reaffirmed
Long-term / Short-term bank facilities	10.00	CARE BB; Stable / CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of KBC Infrastructures Private Limited (KBC) are constrained due to small scale of operations in FY25 (Audited; FY refers to April 01 to March 31) with marginal moderation, elongation in operating cycle led by increase in receivable days, segment and geographical concentration risk, stretched liquidity, profitability susceptible margins due to volatile material prices, fragmented nature of construction sector with tender-based nature of operations and execution challenges. Ratings further factor in low revenue booked in 9MFY26 (Provisional), however, significant portion of work done is to be billed as on December 31, 2025, which is likely to be billed in the last quarter of FY26 likely to lead to increase in revenue for full year.

However, ratings derive strength from stable order book providing short-to-medium-term revenue visibility, moderate capital structure and coverage indicators, experienced promoters with long and established track record of operations and stable industry outlook.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in scale of operations beyond ₹80 crore.
- Operating margin of 10% and above on a sustainable basis.

Negative factors

- Any significant decline in total operating income (TOI) or profitability by 20%.
- Decline in order book below 2.5x of gross billing.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that KBC will continue to benefit from promoter's extensive experience and long track record of operations.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations with moderation in FY25

The TOI moderated by 15.34% to ₹47.41 crore (PY: ₹56.00 crore) mainly from a dip in revenue from construction segment. Similarly, operating profit also moderated in FY25 to ₹5.51 crore (PY: ₹6.48 crore) and profit after taxation (PAT) stood at ₹0.47 crore (PY: ₹0.67 crore). The company derives revenue from execution of contracts and from other sources such as sale of stone chips, ready mix concrete, and sale of cotton lint. In FY25, the revenue from civil contracts declined which resulted in lower sales. However, the moderation was envisaged at the time of last review undertake in January 2025. The revenue projected for full year was ~₹50 crore.

In H1FY26, the company reported revenue of ₹6.66 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) and PAT of ₹2.56 crore (38.44%) and ₹0.29 crore (4.35%), respectively. Operating and PAT margins were significantly higher for H1FY26, the scale of operations were also significantly lower. In 9MFY26, the company reported TOI of ₹12.62 crore. Inventory work in progress as on December 31, 2025, stood at ₹12.60 crore, which would be billed in Q4FY26.

Elongation in operating cycle

Operating cycle elongated to 195 days (PY: 162 days) in FY25 due to increase in collection period to 200 days from 117 days in FY24. Outstanding receivables as on March 31, 2025, increased to ₹31.47 crore (PYE: ₹21.24 crore) considering bills raised at the end of the financial year. However, these were subsequently recovered. As on September 30, 2025, debtors stood at ₹18

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

crore. Average inventory (days) reduced to 63 days (PY: 86 days), while the average creditor period increased to 69 days (PY: 42 days).

Segment and geographical concentration risk
KBC's order book is concentrated in the roads and bridges segment. Moreover, construction projects undertaken by the company are concentrated in Andhra Pradesh, exposing the company to concentration risk. Any decrease in infrastructure spending, slowdown in growth or regulatory change in Andhra Pradesh could adversely affect the company. However, some comfort can be drawn from the fact that a large part of the order book is of projects funded by central government.

Profitability margins susceptible due to volatile material prices
The construction material is the major cost driver. Construction material prices are volatile in nature therefore cost base remains exposed to adverse price fluctuations in the prices of material being major cost components. Accordingly, the company's profit margins are susceptible to fluctuation in material prices. With limited ability to pass on the increase in material costs in a competitive operating spectrum and substantial increase in raw material costs would affect the company's profitability. However, comfort can be drawn from the availability of price escalation clause in the work orders.

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, and the 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 depend on the company's ability to bid successfully for these tenders. The profitability margins come under pressure because of competitive nature of the industry. However, the promoter's long industry experience of nearly five decades mitigates this risk to some extent.

Key strengths

Medium-term revenue visibility from orderbook
KBC has an outstanding order book position of ₹131.45 crore as on November 30, 2025 (against ₹136.09 crore as on September 30, 2024), which translates to an order book to TOI ratio of 2.77x for FY25 reflecting short-to-medium-term revenue visibility for the company. However, the company has few slow-moving orders in hand and excluding the same, active order book stands at ₹114.39 crore providing revenue visibility of 2.41x. KBC had recently bagged new orders in Q2/Q3 of FY26 amounting to ₹22.55 crore for which the work is yet to commence. There are to be executed in 3-9 months. Most of the projects are funded by either central government, state government, or external agencies.

Moderate capital structure and coverage indicators
KBC's capital structure attributes to term loans and working capital borrowings. Overall gearing remained at similar levels at 1.23x as on March 31, 2025, compared to 1.31x as on March 31, 2024, with high reliance on external debt. The total outside liabilities to net worth stood high at 2.09x as on March 31, 2025 (improved from 1.75x as on March 31, 2024). The marginal improvement in the capital structure was considering profit accretion to reserves and repayment of term debt in FY25. The interest coverage ratio marked by PBILDT/interest has moderated to 2.07x in FY25 compared to 2.27x in FY24.

Long and established track record of operations
KBC started as a partnership firm ~35 years back and was reconstituted into a private limited company on July 24, 2007. It has been operating in the construction industry for over three decades. The company is designated as Class 1 contractor under Government of Andhra Pradesh. They have been executing projects pertaining to construction of roads, bridges, and other infrastructure works.

Stable industry outlook
The construction industry contributes ~8% to India's gross domestic product (GDP). Growth in infrastructure is critical for the development of the economy and hence, the construction sector assumes an important role. The construction sector in India registered a growth of ~6% from 2023 to 2025 supported by a strong pipeline of infrastructure projects. Under the Union Budget 2023-24, the Government of India has allocated ₹2.7 lakh crore (US$ 33 billion) to the Ministry of Road Transport and Highways. In FY24 (until July), cumulatively, 2,670 km of National Highways have been constructed and has been 1,125 km awarded. The Government of India has allocated ₹111 lakh crore (US$ 1.4 trillion) under the National Infrastructure Pipeline for FY25. The roads sector is likely to account for 18% capital expenditure over FY25. Government initiatives such as Atmanirbhar Bharat and Pradhan Mantri Gati Shakti National Master plan aims to boost the economy through infrastructure development. The focus of the government on infrastructure development is expected to translate into huge business potential for the construction industry in the long run.

Liquidity: Stretched
Liquidity is stretched marked by a gross cash accrual (GCA) of ₹2.68 crore in FY25 against repayments obligation of ₹1.53 crore in FY26. The average utilisation for its fund-based and non-fund-based facilities remained at 88.17% and 90.84%, respectively, for past 12 months ending November 2025. The current ratio of the company has remained stable and stood at 1.27x in FY25.

However, given the increase in collection period, the company's liquidity position remained stretched. Any further elongation in collection period is key rating monitorable.

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
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

KBC started as a partnership firm ~35 years back and was reconstituted into a private limited company on July 24, 2007. The company is designated as Class-1 Contractor under Government of Andhra Pradesh and participates in Government tenders and engaged in civil construction works in and around Andhra Pradesh. The company is promoted by Butchaiah Kanneganti and K Pradeep and is engaged in construction of roads, bridges, levelling, maintenance, other road-related works for Government organisations of Andhra Pradesh Roads and Buildings Department and Panchayat Raj Department and irrigation works, and offers metal and concrete products. The promoters of the company are engaged in diversified businesses. They have their own quarries, stone crushers, and concrete mixing plants. The vertical integration of the value chain has allowed them to have better margins.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	56.00	47.41	12.62
PBILDT	6.48	5.51	NA
PAT	0.67	0.47	NA
Overall gearing (times)	1.31	1.23	NA
Interest coverage (times)	2.27	2.07	NA

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Ratings of KBC Infrastructures Private Limited continues to be remain INC by Acuite (SMERA), Brickwork and Infomerics vide its PR dated August 26, 2025, May 21, 2025, and July 22, 2025, respectively, due to absence of requisite information from the company.

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
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	10.00	CARE BB; Stable / CARE A4

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	-	-	-	1)Withdrawn (10-Feb-25) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (10-Jan-25)	1)CARE BB; Stable (15-Dec-23)	-
2	Fund-based - LT-Cash Credit	LT	16.00	CARE BB; Stable	-	1)CARE BB; Stable (10-Feb-25) 2)CARE BB; Stable; ISSUER NOT COOPERATING* (10-Jan-25)	1)CARE BB; Stable (15-Dec-23)	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	10.00	CARE BB; Stable / CARE A4	-	1)CARE BB; Stable / CARE A4 (10-Feb-25) 2)CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING* (10-Jan-25)	1)CARE BB; Stable / CARE A4 (15-Dec-23)	-

*Issuer did not cooperate; based on best available information.
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-Cash Credit	Simple
2	Non-fund-based - LT/ 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.

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About us:
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