

## Krishna Buildstates Private Limited

March 26, 2026

| Facilities/Instruments                 | Amount (₹ crore) | Rating <sup>1</sup>                                  | Rating Action  |
|--|------------------|--|--|
| Long Term / Short Term Bank Facilities | 275.10           | CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* | Downgraded from CARE BBB+; Stable / CARE A2 and moved to ISSUER NOT COOPERATING category |

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has been seeking information from Krishna Buildstates Private Limited (KBPL) to monitor the rating(s) vide e-mail communications dated March 10, 2026, March 11, 2026, March 19, 2026, etc. among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Rating's opinion is not sufficient to arrive at a fair rating. The rating on KBPL's bank facilities will now be denoted as **CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING\***.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

Ratings have been revised on account of the non-availability of requisite information due to non-cooperation by KBPL with CareEdge Ratings' efforts to undertake a review of the ratings outstanding. CareEdge Ratings views information availability risk as a key factor in its assessment of credit risk.

Further, ratings draw comfort from growth in the scale of operations with better profitability margins, driven by better execution of ongoing projects. Ratings also factor in the comfortable financial risk profile of the company marked by comfortable capital structure and debt coverage indicators. Ratings continue to benefit from experienced promoters with a long track record in the construction industry. However, these strengths remain constrained by the fragmented and competitive nature of the construction industry, inherent counterparty risk, and the working capital-intensive operations.

**Analytical approach:** Standalone

**Outlook:** Stable

The 'Stable' outlook indicates CARE Ratings' expectation of continued healthy operating performance and adequate liquidity, bolstered by the timely execution of the order book, which is expected to further enhance the financial risk profile over the medium term.

### Detailed description of key rating drivers:

At the time of last rating on March 31, 2025, the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies)

### Key strengths

#### Improvement in Operational Performance in FY25

The company has achieved total operating income (TOI) of ₹619.01 crore in FY25 (refers to April 01 to March 31), marking growth of ~23% compared to FY24. The growth in TOI was primarily driven by higher order book execution. The company's profit before interest, lease, depreciation, and tax (PBILDT) and profit after tax (PAT) margins have also improved to 10.54% and 6.30%, respectively, in FY25 against margins of 9.80% and 6.23%, respectively, in FY24 majorly due to better absorption of fixed operational cost with increased scale of operations.

### Comfortable financial risk profile

The company has comfortable financial risk profile characterised by overall gearing and debt coverage indicators. Overall gearing position of the company slightly moderated to 0.85x as on March 31, 2025 (PY: 0.57x) mainly due to increase in mobilisation

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

advance to ₹104.16 crore (PY: ₹54.76 crore). Interest coverage ratio and total debt to gross cash accruals (TD/GCA) stood comfortable at 17.77x and 2.34x as on March 31, 2025, compared to 21.24x and 1.62x as on March 31, 2024.

### Experienced promoters and established track record in construction industry

KBEPL was incorporated in 2007 by Rakesh Bahl, who has experience of over three decades in executing diverse real estate projects in the residential and commercial segments. The company has a long track record of successfully completing several projects ranging from construction of institutional buildings, corporate office complexes, industrial buildings, multi-storied housing complexes, and township development projects, among others.

### Key weaknesses

#### Working capital intensive nature of operations though efficiently managed

The company's operations are working capital intensive due to an elongated collection period owing to inclusion of unbilled revenue and retention money in projects. The company's average collection period stood at 116 days in FY25 increased from 104 days in FY24 and creditor's period is 64 days in FY25 (PY: 59 days). Operating cycle stood at 101 days in FY25 increased from 84 days in FY24. The company meets its working capital requirements largely through interest free mobilisation advances in projects and stretching of creditors payment. Going forward, company's ability to effectively manage its operating cycle and working capital requirements with execution of orders in hand, will remain a key monitorable.

#### Inherent execution risks related to projects

The construction projects in residential and commercial segments have an inherent risk of delay in execution due to site hand over, weather conditions, and issues related to availability of labour among others, which may result in time and cost overrun in the projects. However, the long industry experience of KBEPL's promoters of over three decades and the company's long track record mitigates these risks to some extent.

#### Presence in a highly fragmented and competitive construction industry

KBEPL is a mid-sized player operating in the intensely competitive construction industry where contracts are awarded on the basis of relevant experience of the bidder, financial capability, and most attractive bid price. The highly competitive intensity is considering the presence of a large number of contractors resulting in aggressive bidding, which exerts pressure on the margins. Aggressive bidding, interest rate risk, and delays in projects due to environmental clearance are other external factors, which may affect the credit profile of industry players.

**Assumptions/Covenants:** Not applicable

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

### Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[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                   |
|-------------------------|--------|----------|----------------------------------|
| Consumer Discretionary  | Realty | Realty   | Residential, Commercial Projects |

Incorporated in December 2007, KBEPL is engaged into civil construction and turnkey projects of institutional buildings, corporate office complexes, industrial buildings, multi-storied housing complexes, educational & technical institutes, and schools & auditoriums among others.

| Brief Financials (₹ crore) | March 31, 2023 (A) | March 31, 2024 (A) | March 31, 2025 (A) |
|----------------------------|--------------------|--------------------|--------------------|
| Total operating income     | 432.87             | 501.19             | 619.01             |
| PBILDT*                    | 34.73              | 49.14              | 65.27              |

|                        |       |       |       |
|------------------------|-------|-------|-------|
| Profit after tax (PAT) | 24.75 | 31.24 | 38.98 |
| Overall gearing (x)    | 0.53  | 0.57  | 0.85  |
| Interest coverage (x)  | 17.93 | 21.24 | 17.77 |

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:** 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/ ST-Working Capital Limits | -    | -                | -               | -             | 28.50                       | CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* |
| Non-fund-based - LT/ ST-Bank Guarantee     | -    | -                | -               | -             | 246.60                      | CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* |

\*Issuer did not cooperate; based on best available information.

**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           | 246.60                       | CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* | -   | 1)CARE BBB+; Stable / CARE A2 (31-Mar-25)<br>2)CARE BBB; Stable / CARE A3+ (18-Apr-24)<br>3)CARE BBB; Stable / CARE A3+ (03-Apr-24) | -   | 1)CARE BBB; Stable / CARE A3+ (24-Mar-23)   |
| 2       | Fund-based - LT/ ST-Working Capital Limits | LT/ST           | 28.50                        | CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* | -   | 1)CARE BBB+; Stable / CARE A2 (31-Mar-25)<br>2)CARE BBB; Stable / CARE A3+ (18-Apr-24)<br>3)CARE BBB; Stable / CARE A3+ (03-Apr-24) | -   | 1)CARE BBB; Stable (24-Mar-23)              |

\*Issuer did not cooperate; based on best available information.

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/ ST-Working Capital Limits | 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.

## Contact us

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