K K Gupta Constructions Private Limited

April 21, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	2.70	CARE BBB-; Stable	Assigned
Long Term / Short Term Bank Facilities	121.95	CARE BBB-; Stable / CARE A3	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

The ratings assigned to the bank facilities of K K Gupta Constructions Private Limited (KKGCPL) derive comfort from established track record of promoters in the construction sector and moderate orderbook with low counterparty risk, providing medium-term revenue visibility. The ratings also factor in KKGCPL's moderate scale of operations and adequate liquidity.

These rating strengths are, however, partially offset by KKGCPL's moderate capital structure and debt coverage indicators, geographically and segmentally concentrated order book, susceptibility of its profitability to raw material price volatility, and its presence in an intensely competitive and fragmented construction industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in scale of operations with Total Operating Income (TOI) above Rs.350 crore alongwith order book/TOI above 2x while company maintaining operating profitability above 10% on a sustained basis.
- Sustenance of overall gearing below unity while company maintaining adequate liquidity.

Negative factors

- Decline in scale of operations by more than 20% from envisaged levels on account of delay in execution of the ongoing work orders or any major moderation in operating profitability on sustained basis.
- Deterioration in overall gearing beyond 1.50x on a sustained basis
- Elongation of gross cash accruals (GCA) days beyond 200 days on a sustained basis

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that KKGCPL shall benefit from vast experience of promoters in the construction industry and will continue to sustain its financial risk profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced promoters and established track record of operations

The promoter of KKGCPL, K K Gupta, has an extensive experience of around four decades in the construction industry. He is ably supported by his sons Ankur Gupta and Ankit Gupta who have more than a decade of experience in the industry and looks after the overall functions of KKGCPL. The management is ably supported by professionals.

Moderate orderbook with low counterparty risk

As on December 31, 2025, KKGCPL has an unexecuted orderbook of Rs.466.46 crore, translating into to an order book/TOI of 2.68 times on TOI of for FY25, indicating moderate revenue visibility in medium term.

KKGCPL's order book is majorly from government entities i.e. National Highway Authority of India (NHAI) (rated CARE AAA; Stable), Public Works Department (PWD) Udaipur, Public Works Department (PWD) Madhya Pradesh, Ministry of Road Transport

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

and Highways (MoRTH), National Highway (NH) projects and Indian Railways translating into limited counterparty credit risk. All projects in the current order book are as per schedule and are expected to be completed within stipulated timelines.

Majority contracts have an in-built price escalation clause which provides partial protection against risk arising out of adverse movement in prices of major inputs such as raw materials, in the absence of any annual price/volume contracts with approved raw-material suppliers.

Moderate scale of operations and profitability
The Total Operating Income (TOI) of the company grew at a CAGR of ~17.20% over the past four years ended FY25, backed by sustained orderbook execution and receipt of new orders. During FY25, company reported TOI of Rs.174.17 crore (Rs.199.63 crore in FY24).

Company registered TOI of Rs.142.71 crore in 9MFY26 and is expected to register expected to register TOI of over Rs.230 crore in FY26, given the seasonal nature of the EPC business, wherein a substantial portion of revenue is typically recognized in the fourth quarter.

The PBILDT margin of the company remained moderate at 9.22% in FY25 (10.00% in FY24), with increase in subcontracting expenses as compared to previous years. The PBILDT margin is expected to remain in the range of 9-10% in near to medium term as per past trends, with moderate scale and continued sub-contracting.
The improvement in scale of operations along with sustenance of order book remain crucial for credit perspective.

Key weaknesses

Moderate capital structure and debt coverage indicators
The capital structure of the company remains moderate marked by overall gearing of 0.77x as on March 31, 2025 (P.Y.0.79x). KKGCPL availed a new term loan of around Rs.27 crore in FY26 for addition of equipment. Consequently, overall gearing is expected to elevate and remain around unity in near to medium term.

The debt coverage metrics of the company also remained moderate marked by PBILDT interest coverage and total debt/PBILDT of 2.90 times (PY: 5.19 times) and 2.46 years (PY: 1.85 years) respectively during FY25. However, PBILDT interest coverage stood at 3.33x in 9MFY26 and is expected to improve further with increase in scale of operations and sustained profitability.

Geographical Concentration Risk
KKGCPL has restricted its presence in the states of Rajasthan and Madya Pradesh resulting in geographical concentration. This exposes the entity to risks associated with any geopolitical /economic instability in the region, which might hamper its operations. However, KKGCPL's order book is majorly from government entities, translating into limited counterparty credit risk.

Tender-driven business with highly competitive industry
KKGCPL primarily secures work orders from government departments through a tender-based process. The revenue depends on the company's ability to bid successfully for these tenders. KKGCPL operates in a fragmented and competitive market characterized by the presence of numerous mid-sized players, which exerts pressure on profitability margins. However, the promoter's experience in this industry mitigates this risk to some extent.

Liquidity: Adequate

Liquidity remains adequate, supported by a moderate cushion in gross cash accruals vis-à-vis debt repayment obligations, moderate utilization of working capital facilities and satisfactory working capital cycle.

The construction segment is inherently working capital intensive primarily due to funding requirement towards the security deposits, retention amount and margin money, apart from inventory and receivables. Consequently, gross current assets cycle stood high at 145 days in FY25 (105 days in FY24). The operating cycle however stood low at 46 days in FY25 (30 days in FY24), with part working capital requirements funded with creditors.

Also, KKGCPL's cash flow from operations remained low at Rs.4.48 crore in FY25, primarily on account of increased inventory (including WIP), which resulted in higher execution in current year. Consequently, the average utilization of fund based and non-fund-based limits stood at ~85% and ~90% respectively for 12 months ended February 28, 2026.

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

Udaipur based, K K Gupta Constructions Private Limited (KKGCPL) was founded in 2008. The company is engaged in civil construction and undertakes Engineering, Procurement and Construction (EPC) activities pertaining to roads, construction of bridges, and railway infrastructure projects related to fencing, safety barriers and related civil works, mainly in Rajasthan and Madya Pradesh.
KKGCPL is registered as 'AA' class contractor with Public Works Department (PWD), Rajasthan and has long association with various government entities, including National Highways Authority of India (NHAI).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (Prov.)
Total operating income	199.63	174.17	142.71
PBILDT*	19.97	16.06	12.33
Profit after tax (PAT)	8.33	4.71	3.16
Overall gearing (x)	0.79	0.77	NA
Interest coverage (x)	5.19	2.90	3.33

A: Audited, Prov.: Provisional, 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: 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	December 2027	2.70	CARE BBB-; Stable
Fund-based - LT/ ST-Working Capital Limits		-	-	-	26.95	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	95.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	2.70	CARE BBB-; Stable				
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	26.95	CARE BBB-; Stable / CARE A3				
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	95.00	CARE BBB-; Stable / CARE A3				

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 - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple
3	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 Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Note on complexity levels of the 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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