Kean Construction Private Limited

June 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	100.00	CARE BB- / CARE A4 (RWD); ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; and ST rating reaffirmed ; Continues to be on Rating Watch with Developing Implications and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

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

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Kean Construction Private Limited (KCPL) to monitor the rating vide e-mail communications dated April 23, 2026, April 30, 2026, May 05, 2026, May 12, 2026, May 14, 2026, May 20, 2026, May 26, 2026, June 02, 2026, June 09, 2026 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, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on KCPL's bank facilities will now be denoted as '**CARE BB- (RWD); ISSUER NOT COOPERATING/ CARE A4 (RWD); 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).

CARE Ratings Limited (CARE Ratings) has placed ratings assigned to the bank facilities of Kean Construction Private Limited (KCPL) on "Rating Watch with Developing Implications (RWD)" as per the board resolution received from KCPL dated January 11, 2025, wherein respective company's board has approved the scheme of amalgamation between KCPL and Kargwal Construction Private Limited (Kargwal). Further, KCPL filed the application before NCLT dated March 26, 2025. The scheme is subject to requisite approvals from the National Company Law Tribunal (NCLT). The proposed merger would bring synergies in business, increase operation efficiency, integrate business functions and reduction in costs of the merged entity. The said merger is expected to strengthen its operational risk profile while the financial risk profile is expected to remain at a similar level. CARE Ratings will continue to closely monitor developments in this announcement and will take a view accordingly on KCPL's ratings post-merger.

The ratings assigned to the bank facilities of KCPL have been revised on account of non-availability of requisite information. The ratings assigned to the bank facilities of KCPL remained constrained by moderate albeit growing scale of operations during FY25 (Audited refers to the period from April 01 to March 31), fluctuating albeit moderate profitability margins, leveraged capital structure, working capital intensive business and geographical as well as Customer concentration risk with dependence on the real estate sector. The ratings, however, derived strength from experienced promoters and established group presence in civil construction industry and comfortable debt coverage indicators.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of the key rating drivers

At the time of last rating on April 22, 2025 the following were the rating strengths and weaknesses (updated based on publicly available information).

Key weaknesses

Moderate albeit growing scale of operations:
KCPL has reported marginal growth in its scale of operations driven by steady order inflows and execution albeit remained moderate with total operating income (TOI) of Rs. 271.20 crore in FY25 as against Rs. 266.99 crore in FY24.

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

Fluctuating albeit moderate profitability margins:
The PBILDT margin remained fluctuating over the past five years ended FY25 due to susceptibility to volatility in input prices, subcontracting costs, and variations in the stage of execution of the order book. KCPL's PBILDT margin, however, improved and remained moderate at 10.05% in FY25 (vis-à-vis 6.16% in FY24), supported by better cost absorption and execution. Accordingly, Profit After Tax (PAT) margin improved to 6.68% in FY25 (vis-à-vis 3.13% in FY24).

Leveraged capital structure:
The capital structure of the company has slightly deteriorated and remained moderately leveraged, as reflected by overall gearing of 1.46x as on March 31, 2025 (vis-à-vis 0.53x as on March 31, 2024), owing to higher debt levels, primarily driven by increased working capital borrowings.

Working capital intensive business:
The construction segment is inherently high working capital intensity primarily due to funding requirement towards the security deposits, margin money for the non-fund-based facilities, receivables and inventory. KCPL's business is inherently working capital intensive with operating cycle elongated to 75 days in FY25 (vis-à-vis 28 days in FY24) owing to elongation in average collection period to 94 days in FY25 (vis-à-vis 72 days in FY24) and inventory period to 28 days in FY25 (vis-àvis 16 days in FY24).

Geographical as well as Customer concentration risk with dependence on the real estate sector:
The entity has been dealing explicitly in the real estate sector. Out of total order book position nearly 70% of the total unexecuted order book contributed by top 5 customers thereby imposing a high level of customer concentration risk. Further KCPL caters to clients spread over Mumbai region thereby geographical concentration risk persists. As the business of KCPL is highly dependent on real estate industry, liquidity-related concerns and execution challenges continue to impact the sector in the country. Delays in obtaining statutory clearances and increasing working capital needs have put pressure on the financial profile of the companies in this sector. This has been compounded by the inability to pass on input cost increases which has resulted in a fall in their margins. Due to the tender driven nature of operations, the entity has to undergo the bidding process where successful bidding remains critical. Furthermore, the entity faces competition from other companies who bid for tenders of the contracts.

Key strengths
Experienced promoters and established group presence in civil construction industry:
KCPL was promoted by Mr. Nandlal Varma with vast experience in construction industry. Further he is also supported by Mr. Darshan Kanayalkar, director who also possesses significant experience in real estate and construction industry. Hence, due to long standing experience of the promoters; the entity has garnered healthy order book from the established players in the real estate industry.
KCPL is a part of Kargwal Group which is into construction business since 1975. It has presence in diverse construction activities ranging from industrial plants, ports, bridges, real estate activities. Over the years of existence in the market, the group has established strong marketing connects with its customers, suppliers and stakeholders.

Comfortable debt coverage indicators:
Owing to increased interest charges and increased total debt levels mainly in form of working capital utilisation, the debt coverage indicators deteriorated, albeit remained comfortable, as reflected in PBILDT interest coverage of 5.92x in FY25 (vis-à-vis 19.63x in FY24) and Total debt/gross current assets (GCA) of 3.92 years as on March 31, 2025 (vis-à-vis 1.34 years as on March 31, 2024).

Liquidity: Stretched
The liquidity position of the company remained stretched, characterised by negative cash flow from operations and low cash and bank balances. KCPL reported negative cash flow from operations of Rs. 32.58 crore in FY25 as against negative cash flow of Rs. 40.79 crore in FY24, primarily due to blockage of funds in inventories and receivables.
The unencumbered cash and bank balance stood at Rs. 5.74 crore as on March 31, 2025. Further, the current ratio and quick ratio stood moderate at 1.45 times and 1.16 times, respectively, as on March 31, 2025.

Applicable Criteria:
Criteria on Information Adequacy Risk and Issuer Non-Cooperation
CARE Ratings' Policy on Default Recognition
Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings
Financial Ratios – Non-Financial Sector
CARE Ratings' Criteria on Rating of Short Term Instruments
Rating Methodology -Construction Sector
Liquidity Analysis of Non-Financial Sector Entities

About the company and industry
Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Kean Constructions Private Limited (KCPL) was originally established as a limited liability partnership in July 2017 under the name of Kean Construction LLP (KC) and commenced its operations from February 2019. Later from May 2025, the constitution of the firm changed to private limited company under present name Mr. Nandlal Verma are the directors of the company. The entity undertakes construction contracts for civil, lift and finishing work, Mechanical, Electrical and Plumbing (MEP) as well as Lock- nkey contracts of residential building etc. KCPL get orders through the bidding and tendering process and its current projects are comprised of in the Mumbai region. The customer base of the entity includes real estate players across Mumbai. It also executes projects as sub-contractors which are obtained through private corporates. The entity procures all the raw materials domestically through local distributors and traders.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	266.99	271.20
PBILDT	16.45	27.26
PAT	8.35	18.12
Overall gearing (times)	0.53	1.46
Interest coverage (times)	19.63	5.92

A: Audited; Note: 'the above results are latest financial results available'
*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

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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/ ST-Cash Credit		-	-	-	50.50	CARE BB- / CARE A4 (RWD); ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST		-	-	-	41.50	CARE BB- / CARE A4 (RWD); ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	8.00	CARE BB- / CARE A4 (RWD); 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 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-Cash Credit	LT	-	-	-	-	-	1)Withdrawn (11-Mar-24) 2)CARE BB; Stable (11-May-23)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	-	-	1)Withdrawn (11-Mar-24) 2)CARE BB; Stable / CARE A4 (11-May-23)
3	Fund-based - LT/ ST-Cash Credit	LT/ST	50.50	CARE BB- / CARE A4 (RWD); ISSUER NOT COOPERATING *	-	1)CARE BB / CARE A4 (RWD) (22-Apr-25)	-	-
4	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	8.00	CARE BB- / CARE A4 (RWD); ISSUER NOT COOPERATING *	-	1)CARE BB / CARE A4 (RWD) (22-Apr-25)	-	-
5	Fund-based/Non-fund-based-LT/ST	LT/ST	41.50	CARE BB- / CARE A4 (RWD); ISSUER NOT COOPERATING *	-	1)CARE BB / CARE A4 (RWD) (22-Apr-25)	-	-

*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/ ST-Cash Credit	Simple
2	Fund-based/Non-fund-based-LT/ST	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 entities consolidated: Not applicable

Annexure-7: 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.

[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

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.

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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