CMK Projects Private Limited

August 25, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	30.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB; Stable and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	RBI	20.00	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3+ 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. has been seeking No Default Statements for the months of June 2026 and July 2026 from CMK Projects Private Limited (CMK) to monitor the ratings vide e-mail communications dated July 07, 2026, August 11, 2026 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite No Default Statements for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

The rating on CMK's bank facilities will now be denoted as **CARE BB+; Stable / CARE A4+; 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 ratings.**

The revision in ratings assigned to the bank facilities of CMK is on account of non-receipt of No Default Statement for the months of June 2026 and July 2026 despite repeated requests. The ratings continue to be constrained by stretched working capital cycle, driven by an elongated receivables period leading to increased dependence on external funding, and its exposure to the intensely competitive, tender-based nature of the construction industry. The ratings, however, derive strength from the promoters' extensive experience in the civil construction industry and the company's healthy order book position, comfortable capital structure, and moderate debt protection metrics.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on June 15, 2026 the following were the rating strengths and weaknesses.

Key weaknesses

Moderate scale of operation, however improved in 9MFY26

CMK's scale of operations remained relatively stable, with operating income largely range-bound between ₹500–600 crore for five years ending FY25. Profitability remained steady in this period, with PBILDT margins in the range of 8–10%. Consequently, cash accruals have shown only modest growth, with cash profits of ₹38 crore in FY25 compared to ₹31.6 crore in FY21. CMK reported a total operating income of ₹530 crore in 9MFY26, reflecting an annualised growth rate of 37.55% over FY25.

Elongated operating cycle

CMK's operations exhibit a working capital intensive profile, as reflected in elevated gross current asset days of 279 days in FY25, compared to 250 days in FY24. The company's operating cycle also remained elongated at 191 days (PY: 149 days) in FY25. The stretch in the operating cycle is primarily driven by a higher level of unbilled revenue, which stood at ₹143.57 crore as on March 31, 2025, largely attributable to central government projects, which typically involve milestone-based billing mechanisms, resulting in higher upfront working capital outlay. Retention money withheld by clients on executed work further adds to the working capital intensity of operations.

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

Susceptibility to tender based, highly competitive operations

CMK derives majority revenues from contracts awarded by government and quasi-government departments and institutions. These contracts are secured through a competitive tender-based bidding process, making revenue visibility to depend on the company's ability to successfully win bids. The company operates in a highly competitive civil construction industry, characterised by the presence of numerous organised and unorganised players, which exerts pressure on bidding margins and overall profitability. The sector is inherently cyclical in nature, with demand closely linked to overall economic conditions and government spending patterns.

Key strengths

Extensive experience of promoters in Construction sector

CMK was incorporated in 2015 by C.M. Kulanthaisamy. The company's overall management is presently handled by his son, CK Venkatachalam, Managing Director, who holds a degree in Civil Engineering and has over two decades of experience in executing government infrastructure projects, large-scale industrial developments, and civil engineering works. Venkatachalam is supported in managing the business by his wife, Dhivya Venkatachalam, his son, V Pranav, and a team of qualified professionals.

Healthy orderbook position with moderate diversification

CMK's order book position stood at ₹1,639 crore as on March 31, 2026, executable till Q3FY28, providing medium-term revenue visibility. The order book is largely driven by government contracts, with ~71% of orders originating from state government entities and state government public sector undertakings (PSUs) and 27.6% of orders from central government departments and PSUs.

Comfortable capital structure and moderate debt coverage metrics

CMK's capital structure remains comfortable, with an overall gearing of 0.88x as on March 31, 2025, largely stable compared to 0.86x as on March 31, 2024. The debt coverage metrics denoted by TD/GCA stood moderate at 4.05x (PY: 3.86x) as on FY25 while the interest coverage (PBILDT/ Interest) stood at 3.39x (PY: 3.68x) in FY25. Interest coverage improved to 5.26x in 9MFY26 (Unaudited).

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
Infrastructure Sector Ratings
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

CMK started its operations as a partnership firm under the name of 'CMK Builders' in 2003. In 2013, the firm was renamed as 'SV Projects' and further in June 2015, it was again renamed as 'CMK Projects'. Effective October 2015, the constitution was changed from partnership to private limited. CMK was promoted by CM Kulanthaisamy and his two sons CK Venkatachalam (Managing Director) and CK Balasubramaniam. CMK has its expertise in construction of multi-storeyed buildings for residential and commercial projects, hospitals, roads and bridges, irrigation projects, and hostels for educational institutions among others. The company mostly undertakes civil construction contracts for Government agencies. Including Tamil Nadu Housing Board (TNHB), Tamil Nadu Public Works Department (PWD), and Tamil Nadu Urban Habitat Development Board (TNUHDB) among others.

Brief financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	515.48	514.05	530.31
PBILDT*	53.49	51.61	55.10
Profit after tax (PAT)	24.01	26.93	NA
Overall gearing (x)	0.86	0.88	NA
Interest coverage (x)	3.68	3.39	5.26

A: Audited; UA: Unaudited 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Bank overdraft	RBI	Simple	-		-	-	30.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank guarantee	RBI	Simple	-		-	-	20.00	CARE A4+; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

		Current Ratings			Rating History			
Sr. No.	**Name of the Instrument/Bank Facilities**	**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	Non-fund-based - ST-Bank guarantee	ST	20.00	CARE A4+; ISSUER NOT COOPERATING*	1)CARE A3+ (15-Jun-26)	1)CARE A4; ISSUER NOT COOPERATING* (18-Jun-25)	1)CARE A4+; ISSUER NOT COOPERATING* (21-May-24)	-
2	Fund-based - LT-Bank overdraft	LT	30.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	1)CARE BBB; Stable (15-Jun-26)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (18-Jun-25)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (21-May-24)	-

*Issuer did not cooperate; based on best available information.
LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: 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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