Kawaljeet Singh Contractor

September 11,2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	17.50	CARE BB; Stable	Assigned
Short Term Bank Facilities	RBI	47.50	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Kawaljeet Singh Contractor (KSC) are constrained on account of small scale of operations, geographical concentration risk, and tender driven nature of operations. The ratings, further, remain constrained on account of constitution as a proprietorship firm and presence in highly fragmented industry. However, these rating weaknesses are partially offset by moderate financial risk profile marked by moderate overall gearing and debt coverage indicators, moderate order book position which provides medium term revenue visibility and experienced management.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in scale of operations of the firm to above ₹100 crore while maintain PBILDT margin above 7% on a sustained basis
- Improvement in capital structure marked by overall gearing ratio below 1.25x on a sustained basis.

Negative factors

- Sizable de-growth in TOI (turnover less than ₹50 crore) and deterioration in PBILDT margin to below 5% on a sustained basis.
- Deterioration in capital structure as marked by overall gearing above 2x because of withdrawal of partners' capital or increased reliance on debt.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects CARE Ratings Limited's (CARE Ratings) expectation of continued to support from its experienced promoter, with stable order book generation thereby maintaining its scale of operations and moderate financial risk profile.

Detailed description of key rating drivers

Key weaknesses

Small Scale of operations

The firm's scale of operation remained small despite its long track record. The total operating income of KSC has remained stable in last 4 years with TOI moderating slightly to ₹60.00 crore in FY26 as against TOI of ₹66.73 crore in FY25 primarily due to delays in project approvals and fund disbursements by government departments amid the state election period in Bihar, resulting in lower execution levels and revenue recognition during the year. However, the firm's PBILDT and profit after tax (PAT) margins of the company stood healthy at 8.29% (PY: 7.16%) and 3.94% (PY: 3.64%), respectively, in FY26.

Geographical concentration risk and high dependence on government spending

The company has an unexecuted order book position of ₹166.95 crore as on June 30, 2026, which is 2.78x of total operating income (TOI) in FY26 (FY refers to April 01 to March 31). However, the company has one order amounting to ₹61.86 (37% of total order book) crore and all the projects in hand of the firm are concentrated in states of Uttarakhand and Bihar; exposing the company to geographical concentration risk.

[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.

Tender driven nature of business and highly competitive industry
KSC's revenue stream is largely derived from tender based projects, making its success contingent on its ability to secure these contracts. Intense competition in the industry with direct competition from organised and unorganised players in the market given the low barriers to entry, puts immense pressure on profit margins. However, proprietor's extensive experience in the construction industry, serves as a mitigating factor against this risk.

Constitution as a proprietorship firm
Being a proprietorship firm, KSC is exposed to inherent risk of capital being withdrawn at time of personal contingency and firm being dissolved on death/insolvency of proprietors. Proprietorship entities have restricted access to external borrowing as credit worthiness of proprietor would be key factors affecting credit decision for lenders. In FY26, the proprietor withdrew ₹1.61 crore of capital (PY: ₹1.80 crore).

Key strengths

Moderate capital structure and debt coverage indicators
The entity's capital structure stood moderate, as marked by overall gearing of 1.62x as on March 31, 2026 (1.06x as on March 31, 2025). On account of stable profitability levels, the debt coverage indicators of the company as marked by interest coverage ratio and Total Debt to GCA stood moderate at 2.55x (PY: 2.69x) and 8.43x (PY: 5.16x) in FY26.

Experienced promoters with long track record of operation
KSC has been in operation since 2008, accordingly has a long track record of operation. The firm is managed by Mr. Kawaljeet Singh Talwar, Proprietor, who has 18 years of experience in the construction industry, and Mr. Abhijeet Singh Talwar, Chief Executive Officer (CEO), who brings around 6 years of industry experience

Liquidity: Stretched
Liquidity is stretched, marked by low current ratio and quick ratio and high utilisation of its working capital limits. As on March 31, 2026, the current ratio and quick ratio remained below unity at 0.84x and 0.81x, respectively. Its fund-based bank limits of ₹21 crore were utilised at ~85% for 12 months ended June 30, 2026. The firm is expected to generate GCA of Rs.4.66 crore in FY27 against repayment obligations of Rs.0.92 crore. KSC is not planning to incur any major capex in the near to medium term.

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
Short Term Instruments

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil Construction

Rudrapur, Uttarakhand based Kawaljeet Singh Contractor (KSC) is a proprietorship firm established by proprietor Mr. Kawaljeet Singh Talwar in 2008 and is engaged in designing, construction and maintenance of roads, bridges, canals, dams etc. KSC is engaged in road construction & maintenance work for governments in Bihar and Uttarakhand. Its major clientele includes government agencies such as NHAI, Bihar Road Construction Department, PWD department of Uttarakhand etc.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	66.73	60.00
PBILDT*	4.78	4.98
Profit after tax (PAT)	2.43	2.36
Overall gearing (x)	1.06	1.62
Interest coverage (x)	2.69	2.55

A: Audited; UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Ratings of Kawaljeet Singh Contractor continues to be remain INC by Brickwork vide its PR dated August 26, 2025 on account of its inability to carry out review of ratings in the absence of requisite information from the firm.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	17.50	CARE BB; Stable
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-		-	-	47.50	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 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	17.50	CARE BB; Stable				
2	Non-fund-based - ST-Bank Guarantee	ST	47.50	CARE A4				

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: 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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