Krishna Buildestates Private Limited

September 29, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	275.10	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded from CARE BBB; Stable / CARE A3+

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 information from Krishna Buildestates Private Limited (KBEPL) to monitor the ratings vide e-mail communications/letters dated September 22, 2026, and May 06, 2026, etc.; 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 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 revision in the rating is pursuant to Securities and Exchange Board of India (SEBI)'s circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 dated January 3, 2020, regarding 'Strengthening of the rating process in respect of Issuer Non-Cooperation (INC) ratings'. SEBI has in this circular mentioned that "If an issuer has all the outstanding ratings as non-cooperative for more than 6 months, then the Credit Rating Agency (CRA) shall downgrade the rating assigned to the instrument of such issuer to non-investment grade with Issuer Not Cooperating (INC) status.

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 26, 2026, the following were the rating strengths and weaknesses:

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 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.

[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.

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
Short Term Instruments
Construction Sector

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, 2024 (A)	March 31, 2025 (A)
Total operating income	501.19	619.01
PBILDT*	49.14	65.27
Profit after tax (PAT)	31.24	38.98
Overall gearing (x)	0.57	0.85
Interest coverage (x)	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

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/ ST-Working Capital Limits	RBI	Simple	-		-	-	28.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-		-	-	246.60	CARE BB+; Stable / CARE A4+; 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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	246.60	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* (26-Mar-26)	1)CARE BBB+; Stable / CARE A2 (31-Mar-25) 2)CARE BBB; Stable / CARE A3+ (18-Apr-24) 3)CARE BBB; Stable / CARE A3+ (03-Apr-24)	-
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	28.50	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB; Stable / CARE A3+; ISSUER NOT COOPERATING* (26-Mar-26)	1)CARE BBB+; Stable / CARE A2 (31-Mar-25) 2)CARE BBB; Stable / CARE A3+	-

							(18-Apr-24) 3)CARE BBB; Stable / CARE A3+ (03-Apr-24)	

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

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