

June 20, 2025

Kirby Building Systems & Structures India Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund based – Cash credit	19.00	19.00	[ICRA]AA- (Stable); reaffirmed
Long-term/short-term – Non-fund based limits	1,877.00	1,877.00	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed
Long-term/short-term – Unallocated	4.00	4.00	[ICRA]AA- (Stable)/[ICRA]A1+; reaffirmed
Total	1,900.00	1,900.00	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of ratings factors in Kirby Building Systems & Structures India Private Limited's (KBSSIPL, Kirby)¹ healthy outstanding order book, which, along with expected strong fresh order inflow in the near term, is likely to translate into a volumetric growth of 8-10% in CY2025. Further, backed by low reliance on debt, the debt coverage indicators remained adequate with an interest coverage of 4.8 times and debt service coverage ratio (DSCR) of 3.6 times in CY2024, and ICRA expects the coverage metrics to remain comfortable, going forward. The ratings consider Kirby's market leadership position in the pre-engineered buildings (PEB) segment with a strong pan-India sales network, reputed and diverse clientele such as Reliance Industries, Tata Projects Limited, Amazon Seller Services Pvt Ltd, etc. Kirby has consistently received repeat orders from its customers. The company is a part of the Kuwait-based Alghanim Industries (AI), which has experience of more than four decades in the global PEB industry.

The ratings are, however, constrained by the high Total Outside Liabilities/Tangible Net Worth (TOL/TNW) due to high creditors and moderate net worth owing to regular dividend outflows, which are expected to continue in the near to medium term. Kirby primarily relies on trade payables and customer advances to fund its working capital requirement, which resulted in lower dependence on bank borrowings; however, its total outside liability remains high. ICRA notes that owing to sizeable dividend payouts in recent years (Rs. 150 crore and Rs. 120 crore in FY2024 and FY2025, respectively), which are likely to continue going forward as well, the leverage (as measured by net TOL/TNW) is likely to remain around 2.0 times in the medium term.

The company has cash and bank balance of ~Rs. 468 crore as on May 30, 2025, primarily driven by negative working capital cycle owing to high level of customer advances and extended credit period against supplies. Given its business dynamics, Kirby's liquidity (including unencumbered fixed deposits) is likely to sustain at Rs 350-400 crore in the near to medium term.

Kirby's revenue growth remains susceptible to the private-sector capex trends in the economy. However, the diversified end-user industries of Kirby's products and increasing adoption of PEB structures mitigate the risk of demand slowdown to an extent. These apart, the ratings consider the volatility in operating margins to adverse fluctuations in raw material prices.

The Stable outlook on the [ICRA]AA- ratings reflects ICRA's belief that the company will maintain healthy order accretion and revenues, supported by its market leadership position in the PEB manufacturing industry. Further, the liquidity is expected to remain adequate with sizeable cash and bank balances on the back of strong cash flow generation.

¹ For arriving at the ratings, ICRA has considered the consolidated financials of KBSSIPL. The company has one subsidiary Kirby Building Systems & Structures India (Gujarat) Private Limited (KBSSIGPL). Collectively referred to as Kirby/company, both the entities are in the similar lines of business and have significant operational and financial linkages between them.

Key rating drivers and their description

Credit strengths

Market leader in domestic PEB industry with healthy order accretion; part of Alghanim Industries – Kirby is the market leader in the PEB segment in India with a total installed capacity of 2,80,000 MT (consolidated). Further, it has an established track record in the PEB segment for around two decades, having a diversified sales network in India with sales offices in 22 cities. The order accretion has been healthy over the years. The company reported a healthy unexecuted order book of 1.4 lakh MT as of April 2025 and is estimated to add 2.00-2.35 lakh MT of new orders in CY2025. Kirby is a part of the Kuwait-based Alghanim Industries (AI), which has a significant experience of more than four decades in the global PEB industry.

Reputed and diversified customer portfolio with repeat orders - Kirby's fresh order intake, on a consolidated basis, increased by 8% to 2,40,437 MT in CY2024. It is expected to further grow by 8-10% YoY in CY2025, backed by healthy outstanding order book along with expected strong fresh order inflow in the near term. It has been associated with diversified and reputed clients such as the Reliance Industries, Tata Projects Limited, Amazon Seller Services Pvt Ltd, etc, and has consistently received repeat orders from its customers.

Adequate debt coverage metrics - The debt coverage indicators, backed by low reliance on debt, remained adequate with an interest coverage of 4.8 times and debt service coverage ratio (DSCR) of 3.6 times in CY2024. This is expected to improve in medium term supported by increase in operating profits.

Credit challenges

High net TOL/TNW and moderate current ratio – The net TOL/TNW remains high due to high creditors and moderate net worth owing to regular dividend outflows, which are expected to continue in the near to medium term. Further, the company's current ratio is moderate as the total outside liabilities remained high with the working capital requirements primarily met by trade payables and advances from customers. The net TOL/TNW is estimated to remain at around 2.0 times in the medium term and remains a key monitorable.

Margins vulnerable to fluctuations in raw material prices – Kirby is exposed to fluctuations in raw material prices. However, the quarterly price fixing with suppliers, along with back-to-back arrangements, have supported the company to mitigate the risk to some extent.

Revenues exposed to variability in investments by private sector – The revenues are vulnerable to variability in investments by the private sector. However, the diversified end-user industries of Kirby's products and increasing adoption of PEB structures mitigate the risk of demand slowdown to an extent.

Liquidity position: Adequate

Kirby's consolidated liquidity position is adequate with the working capital requirements funded through favourable credit terms with suppliers and customer advances. The unencumbered cash and investments (including investments in mutual funds, fixed deposits) stood healthy at ~Rs. 468 crore as of May 2025. It has principal repayment obligations of Rs. 11.11 crore in CY2025, which can be comfortably serviced through its estimated cash flow from operations. Kirby has plans to set up a new PEB unit under KBSSIGPL, with a maximum capacity of 1 lakh MT in multiple phases during CY2026 – CY2028. The capex for phase 1 (40,000 – 50,000 MT) is estimated to be around Rs. 150 crore, which will be funded through internal accruals.

Rating sensitivities

Positive factors – ICRA could upgrade Kirby's ratings, if there is a healthy growth in revenues and earnings, along with a significant improvement in capitalisation ratios, liquidity position and ALM. Specific credit metrics for a rating upgrade include net TOL/TNW lower than 1.5 times on a sustained basis.

Negative factors – The ratings may witness pressure, if any material decline in revenues or earnings and higher-than-estimated capex or dividends, result in a weakened liquidity position. A specific credit metric for a downgrade includes net TOL/TNW higher than 2.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Kirby Building Systems & Structures India Private Limited. The company has one wholly-owned subsidiary, Kirby Building Systems & Structures India (Gujarat) Private Limited (KBSSIGPL). The list of entities considered for consolidated analysis are enlisted in annexure II.

About the company

Incorporated in 2005, Kirby Building Systems & Structures India Private Limited (KBSSIPL) (erstwhile Kirby Building Systems India (Uttaranchal) Private Limited (KBSIUPL)) is involved in manufacturing and erection of PEBs. The company is a wholly-owned subsidiary of Alghanim Industries (AI) through its Kuwait-based investment company, Alghanim Industries (Mauritius) Limited, which has more than 30 businesses across 40 countries. KBSSIPL acquired a 100% stake from AI in Kirby Building Systems India Private Limited (KBSIPL) in February 2017 and subsequently, KBSIPL was merged into KBSSIPL. The company received the National Company Law Tribunal (NCLT) order in October 2018 for the merger of KBSIPL with KBSIUPL and the merger was in retrospective from April 2017. KBSSIPL has two manufacturing facilities located at Haridwar, Uttarakhand and at Pashamylaram, Telangana, near Hyderabad with PEB manufacturing of 1,00,000 MT per annum each. KBSSIGPL has 80,000 MT operational plant in Gujarat and its capacity is expected to be enhanced to 1,00,000 MT by end of CY2025.

Key financial indicators (audited)

Consolidated (KBSSIPL)	CY2023	CY2024
Operating income	2,395.7	2,520.4
PAT	165.0	130.1
OPBDIT/OI	10.8%	9.1%
PAT/OI	6.9%	5.2%
Total outside liabilities/Tangible net worth (times)	3.0	3.2
Total debt/OPBDIT (times)	0.2	0.2
Interest coverage (times)	6.7	4.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amounts in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jun 20, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long-term	19.00	[ICRA]AA-(Stable)	Sep 11, 2024	[ICRA]AA-(Stable)	Jul 19, 2023	[ICRA]AA-(Stable)	Jan 20, 2023	[ICRA]AA-(Stable)
				Jul 12, 2024	[ICRA]AA-(Stable)	-	-	Oct 06, 2022	[ICRA]AA-(Stable)
				-	-	-	-	Sep 09, 2022	[ICRA]AA-(Stable)
				-	-	-	-	May 06, 2022	[ICRA]AA-(Stable)
BG/LC	Long-term/ short-term	1,877.00	[ICRA]AA-(Stable)/ [ICRA]A1+	Sep 11, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	Jul 19, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Jan 20, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+
				Jul 12, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	Oct 06, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+
				-	-	-	-	Sep 09, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+
				-	-	-	-	May 06, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+
Unallocated	Long Term/ Short Term	4.00	[ICRA]AA-(Stable)/ [ICRA]A1+	Sep 11, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	Jul 19, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+	Jan 20, 2023	[ICRA]AA-(Stable)/ [ICRA]A1+
				Jul 12, 2024	[ICRA]AA-(Stable)/ [ICRA]A1+	-	-	Oct 06, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+
				-	-	-	-	Sep 09, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+
				-	-	-	-	May 06, 2022	[ICRA]AA-(Stable)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term – Fund Based – Cash Credit	Simple
Long Term/ Short Term – Non-Fund Based Limits	Very Simple
Long Term/Short Term – Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rates	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash Credit	NA	NA	NA	19.00	[ICRA]AA- (Stable)
NA	BG/LC	NA	NA	NA	1,877.00	[ICRA]AA- (Stable)/[ICRA]A1+
NA	Unallocated	NA	NA	NA	4.00	[ICRA]AA- (Stable)/[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Kirby Building Systems & Structures India (Gujarat) Private Limited	100.0%	Full Consolidation

Source: Company; ICRA Research

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Abhishek Lahoti

+91 40 6939 6433

abhishek.lahoti@icraindia.com

Preeti Rana

+91 124 4545 887

preeti.rana@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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