

November 13, 2025

KRISHNA CORPINDIA PRIVATE LIMITED: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based limits – Cash credit	10.50	88.10	[ICRA]A- (Stable); Reaffirmed and Assigned for enhanced amount
Long-term/ Short-term - Non-fund based limits	23.25	220.85	[ICRA]A- (Stable)/ [ICRA]A2+; Reaffirmed and Assigned for enhanced amount
Total	33.75	308.95	

*Instrument details are provided in Annexure I

Rationale

The rating action for Krishna CorpIndia Private Limited (KCPL) favourably factors in the long-standing experience of its promoters with an established operational track record of over four decades. The promoters have demonstrated capabilities in executing complex water infrastructure and effluent treatment projects. KCPL's closing order book stood at Rs. 1,701 crore as on March 31, 2025, translating to an order book/sales (FY2025) of 1.7 times reflecting medium-term revenue visibility. The company received fresh order inflows worth Rs. 1,431.15 crore over the 12 months ending March 31, 2025. The ratings take comfort from KCPL's healthy increase in operating income (OI) at a CAGR of 38.5% during FY2021-FY2025 and it is expected to witness annual growth of ~9%-10% over FY2026-FY2028. The operating profit margin remained at an average of 7.64% during the last 5 years, owing to the stiff competition in the civil construction sector in Gujarat and exposure to risk of adverse movement in raw material prices. With KCPL's outstanding term loans amounting to Rs. 4.10 crore, capital expenditure plans of less than Rs. 1 crore over FY2026-FY2027, ICRA expects the company's credit metrics to remain comfortable in medium term.

The ratings are, however, constrained by the order book concentration in terms of geography and segment. ICRA notes that the heightened competition in the construction sector, along with the volatility in input costs (steel, cement, etc) could exert pressure on KCPL's profitability, despite the presence of price escalation clauses in every project contract. KCPL's working capital intensity is expected to remain relatively low with NWC/OI being less than 10% over the medium term. The company has funded a share of its working capital requirement through extended credit period from suppliers and escrow account arrangements with its key suppliers. Any unfavourable movement in credit terms with key suppliers would have a bearing on KCPL's liquidity position. In the backdrop of expected growth of 9-10% over the next three fiscals, KCPL will entail increase in working capital requirement. The company's ability to judiciously manage its working capital cycle and maintain adequate liquidity remains important from the credit perspective.

The Stable outlook on the rating reflects ICRA's expectation that the company will benefit from its healthy order book position, strong execution capabilities and comfortable financial risk profile.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in civil construction industry – KCPL has an established track record of operations of over three decades, supported by an experienced management and demonstrated capabilities in executing relatively complex

effluent treatment and water infrastructure projects. It has an extensive track record of executing water supply, irrigation, water treatment, sewage water treatment plants, greenfield city development projects. The company's use of sub-contracting for labour and execution activities helps to reduce capital requirements and reliance on term loans.

Adequate order book position providing medium-term revenue visibility – The company has an outstanding order book of Rs. 1,701 crore against Rs. 1,007.4 crore of operating income (OI) in FY2025, translating into OB/OI of 1.7 times of its OI in FY2025 OI, providing medium-term revenue visibility. The order book recorded a 3-year CAGR of 10.6% for period ending March 2025, supported by healthy order inflows worth Rs. 1,431 crore in FY2025. A significant portion (42%) of the order book is in the 61–80% completion range, indicating advanced execution stages, while 26% and 14% are in the early stages, ensuring a steady pipeline of ongoing work. The company's ability to secure future contracts, along with the execution of current orders is critical to sustain the revenue growth going forward.

Comfortable financial risk profile marked by healthy capital structure and debt coverage metrics – KCPL recorded a healthy CAGR of 38.5% in its OI over FY2021-FY2025, along with moderate operating profit margins of 6.8–8.2%. The company's capital structure remained comfortable, with total outside liabilities to tangible net worth (TOL/TNW) at 0.8 times as on March 31, 2025 (FY2024: 0.7 times), driven by steady growth in the net worth and limited dependence on external borrowings. The coverage indicators remain comfortable, with interest coverage at 12.4 times and DSCR of 3.7 times as on March 31, 2025. Given the modest capital expenditure plans of less than ~Rs. 1 crore in FY2026-FY2027, ICRA expects the company's credit metrics to remain comfortable with interest coverage likely to remain above 9.0 times and DSCR of above 6.0 times in the medium term.

Credit challenges

Exposed to order book concentration risk – KCPL's current outstanding order book is concentrated towards water supply projects forming 70% of the unexecuted order book and effluent discharge segment, which formed the remaining ~30% as on August 28, 2025. The current outstanding order book projects are spread across Odisha, Gujarat, Madhya Pradesh and Rajasthan. However, Gujarat contributes to 78% of the unexecuted order book as on August 28, 2025, which exposes KCPL to geographical concentration risk. While geographical concentration supports optimal resource deployment, its impact on the company's revenues could be severe if the region of operations gets affected by unforeseen risks. It also faces high project and client concentration with top three clients contributing to ~66% and the top 5 orders accounting for ~63% of the unexecuted order book as on August 28, 2025. However, the counterparty risk is mitigated to a considerable extent as these clients are key government authorities.

Relatively moderate scale of operations with high segmental concentration; prospects linked to public sector capex – Despite strong growth, KCPL operates at a moderate scale and remains dependent on public sector infrastructure spending. Its business is concentrated in specific segments, which could limit diversification and scalability in the long term. KCPL's order book is concentrated in water supply (70%) and effluent discharge (30%) segments.

Exposed to stiff competition as well as input cost fluctuations – The domestic civil construction sector is highly competitive and fragmented in nature. Hence, KCPL faces pricing pressure due to limited flexibility in bidding. Although all contracts include price escalation clauses, volatility in input costs (steel, cement, etc) could impact profitability. The company must make sizeable investments towards inventory, pipes, etc, for ensuring supply of raw materials mainly consisting of pipelines, resulting in exposure to risks associated with fluctuation in the prices of raw materials. As a result, the company's operating margins are moderate and have ranged within 6.8–8.2% over the past five years.

Liquidity position: Adequate

The company has adequate liquidity, supported by cushion of ~Rs. 62.07 crore available in the undrawn fund-based limits and unencumbered cash balance of Rs. 24.33 crore as on March 31, 2025. The average working capital utilisation over the last 12-month period ending in July 2025 remained moderate at 52% for fund-based facilities. The principal debt repayment is estimated at Rs. 2.20 crore in FY2026 and Rs. 1.90 crore in FY2027, which is expected to be comfortably serviced from the

operating cash flows. KPCL has a policy of not availing mobilisation advances from its customers. However, given its adequate order book, it can mobilise funds from customers in case of financial exigencies, further supporting its liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates a sustained improvement in its scale of operations while improving its profitability, debt coverage metrics and liquidity profile.

Negative factors – Negative pressure on KCPL's ratings could arise if lower-than-anticipated billing or deterioration in operating profitability or elongation of working capital cycle, or significantly high debt-funded capex impacts the company's liquidity or the overall financial profile. A specific credit metric, which could result in a rating downgrade, is interest cover of less than 5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials. As on March 31, 2025, the company does not have any subsidiaries.

About the company

KCPL was set up as a proprietorship concern by Mr. Rajarshi M Parikh in 1991 and reconstructed as a partnership firm in September 2016 and as a private limited company in February 2020. The company is promoted by Mr. Rajarshi M Parikh, Ms. Bela R Parikh, Mr. Dhruv R Parikh and Mr. Jay R Parikh. The company undertakes construction work on a contractual basis for the Gujarat Government. It is registered as a 'Class AA' contractor with the state government. KCPL constructs, commissions, operates, and maintains water treatment plants, and also undertakes regional water supply projects.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	623.7	1,007.4
PAT	32.9	49.6
OPBDIT/OI	7.9%	6.8%
PAT/OI	5.3%	4.9%
Total outside liabilities/Tangible net worth (times)	0.7	0.8
Total debt/OPBDIT (times)	1.0	0.4
Interest coverage (times)	6.4	12.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA:

Name of the CRA	Date of Press Release	Rating Action
Infomerics Ratings	Sep 19, 2025	[IVR]BB+ (Negative)/ [IVR]A4+ ISSUER NOT COOPERATING, Downgraded & outlook remains Negative and continues to be on Issuer Not Cooperating category

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)					Chronology of rating history for the past 3 years					
	FY2026					FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Nov 13, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based -Cash credit	Long Term	88.10	[ICRA]A-(Stable)	Oct 31, 2025	[ICRA]A-(Stable)	-	-	-	-	-	-
Non-fund based - Others	Long Tem/ Short Term	220.85	[ICRA]A-(Stable)/ [ICRA]A2+	Oct 31, 2025	[ICRA]A-(Stable)/ [ICRA]A2+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Fund-based - Cash credit	Simple
Non-fund based - Others	Very Simple

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 rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	88.10	[ICRA]A- (Stable)
NA	Non-fund based- Others	NA	NA	NA	220.85	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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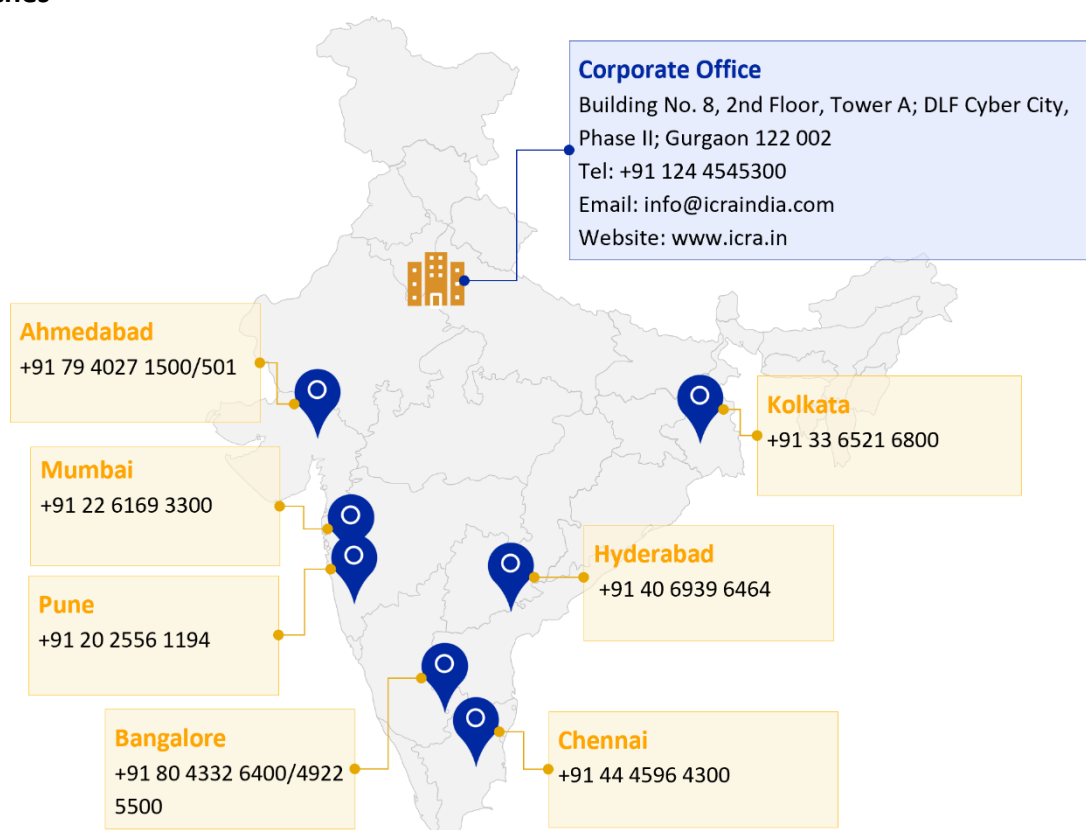
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