

December 30, 2025

R K INFRA(INDIA) PRIVATE LIMITED: [ICRA]BBB (Stable)/[ICRA]A3+; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term fund based – Cash credit	58.00	[ICRA]BBB (Stable); assigned
Long-term/Short term – Non fund-based – Bank guarantee	142.00	[ICRA]BBB (Stable)/[ICRA]A3+; assigned
Total	200.00	

**Instrument details are provided in Annexure I*

Rationale

The ratings assigned to R K Infra (India) Private Limited (RKIPL) factor in the healthy order book position of Rs. 1,276.5 crore as on September 30, 2025, translating to 4.5 times of FY2025 revenues, thereby providing medium-term revenue visibility. The company received fresh orders of Rs. 1,020 crore in H1 FY2026 from the state government departments of Kerala and Karnataka in the building segment. The ratings also factor in the comfortable financial risk profile of the company, supported by low debt levels and adequate leverage and coverage metrics.

The ratings also favourably factor in the promoters' more than two decades of experience in the execution of building construction works. At present, the company executes works for state Government departments and city corporations across various establishments.

The ratings are, however, constrained by the modest revenue base and operating margin levels. The revenue stood at Rs. 282.4 crore in FY2025, and operating margin levels remained moderate at 8.5% in FY2025 on account of intense competition, keeping margins under check. Further, the scale of operations is expected to remain modest, with the company expecting revenues of Rs. 290.0-300.0 crore in FY2026. The order book also remains concentrated in terms of geography and segment. Further, the top five orders constitute nearly 61% of the order book. The order book is also exposed to high execution risk, with 86.6% of projects in nascent stages (less than 10% complete as of September 30, 2025) of execution. However, the risk is mitigated to a certain extent, as the majority of these orders have been received recently, and appointed dates for nearly half of these orders are yet to be received.

The business remains working capital intensive, driven by relatively higher inventory days. The inventory days of the company stood high at 66 days in FY2025 on account of work certification pending from the department, and the working capital is funded by creditors, which stood at 90 days. The average fund-based working capital utilisation of the company also increased to 77.2% for the last six months ending November 30, 2025, as against 60.5% ending March 31, 2025. The ratings also consider exposure to sizeable contingent liabilities in the form of bank guarantees (BGs), mainly for contractual performance, mobilisation advances and security deposits (including earnest money deposits). ICRA, however, draws comfort from RKIPL's execution track record and the absence of invocation of guarantees in the recent past.

The Stable outlook on the rating reflects ICRA's opinion that the company is expected to sustain its revenue growth, coupled with range-bound margin levels, on the back of a robust order book, improvement in order execution and experienced management.

Key rating drivers and their description

Credit strengths

Healthy order book position provides medium term revenue visibility – The company has an outstanding order book of Rs. 1,276.5 crore as of September 30, 2025, which translates into an OB/OI ratio of 4.5 times of FY2025 revenues, thereby providing medium-term revenue visibility. RKIPL secured fresh orders of Rs. 1,020 crore in H1 FY2026 from the state government departments of Kerala and Karnataka in the building segment.

Comfortable financial risk profile – The company's total debt stood at Rs. 22.2 crore as on March 31, 2025, constituting working capital borrowings of Rs. 13.5 crore, a term loan of Rs. 5.0 crore and unsecured loans of Rs. 3.7 crore. The capital structure of the company, marked by TD/TNW and TOL/TNW, stood at 0.3 times and 1.2 times, respectively, as on March 31, 2025. The leverage (TOL/TNW) has improved from 1.9 times as on March 31, 2021, owing to an increase in net worth levels to Rs. 77.8 crore as on March 31, 2025 from Rs. 35.6 crore as on March 31, 2021. The coverage indicators of the company, marked by interest cover, stood adequate at 4.3 times in FY2025.

Experience of promoters in building construction – The company is promoted by Mr. G. Mohan Kumar, who is a qualified B-Architecture and MBA along with his wife M/s Lavanya who has experience of more than 20 years in the business, along with a long track record of operations in the industry. At present, the company executes works for state Government departments and city corporations, including WAPCOS Limited, Karnataka Health Systems Development and Reform Project (KHSDRP), Karnataka Housing Board (KHB), Karnataka Association of Residential Educational Institutions (KREIS), Rajiv Gandhi University of Health Sciences (RGUHS), Mysuru City Corporation (MCC) and the Public Works Department (PWD) of Karnataka.

Credit challenges

Modest scale of operations and operating margins – The company's scale of operations remains modest, with revenues of Rs. 282.4 crore in FY2025, even though it witnessed a 27.5% increase compared to FY2024, owing to healthy order execution. The operating margins stood moderate at 8.5% in FY2025 on account of intense competition, keeping the margins under check. Further, the scale of operations is expected to remain range-bound, with the company expecting revenues of Rs. 290-300 crore in FY2026, supported by a healthy order book position..

Moderate working capital intensity – The business remains working capital intensive, with high inventory days at 66 days in FY2025 on account of work certification pending from the department, and the working capital is funded by creditors, which stood at 90 days. The company's average fund-based working capital utilisation also increased to 77.2% for the last six months ending November 30, 2025, as against 60.5% ending March 31, 2025.

Order book exposed to concentration risk – The order book remains concentrated in terms of geography and segment. The geographical and segment concentration is high, with the top three states (Karnataka, Kerala and Orissa) contributing 100% and the top two segments (building and water supply) contributing 94.6% of the order book as on September 30, 2025. Further, the top five orders constitute nearly 61% of the order book. The order book is also exposed to high execution risk, with 86.6% of projects in nascent stages (less than 10% complete as of September 30, 2025) of execution. However, the risk is mitigated to a certain extent, as the majority of these orders have been received recently, and appointed dates for nearly half of these orders are yet to be received.

Liquidity position: Adequate

RKIPL's liquidity position is adequate, with free cash and bank balances of Rs. 18.14 crore as on September 30, 2025. The average fund-based working capital utilisation remained moderate at 68.8% in the past twelve months ending November 2025. The liquidity position is supported by low repayment obligations and minimal capex plans in the medium term.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company witnesses a significant increase in its scale of operations while improving its profitability margins, leading to improved debt protection metrics and liquidity position on a sustained basis, along with diversification of the order book and improvement in the client profile.

Negative factors – Pressure on the company’s ratings could arise if there is a delay in order book execution leading to a decline in revenues and earnings and/or deterioration in the working capital cycle, or any large debt-funded capex adversely impacting debt coverage metrics and the liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

RK Infra (India) Private Limited (RKIPL) was initially set up as a proprietorship firm in 2002 and was later converted into a private limited company in 2010. The company is currently involved in executing civil construction works in the state of Karnataka. It primarily undertakes the construction of buildings for healthcare centres, government schools and colleges. The company is promoted by Mr. G. Mohan Kumar, who is a qualified B-Architecture and MBA and has experience of 25 years in the business.

Key financial indicators (audited)

RKIPL	FY2024	FY2025
Operating income	221.5	282.4
PAT	10.0	12.9
OPBDITA/OI (%)	8.8%	8.5%
PAT/OI (%)	4.5%	4.6%
Total outside liabilities/Tangible net worth (times)	1.3	1.2
Total debt/OPBDITA (times)	1.3	0.9
Interest coverage (times)	4.2	4.3

Source: Company, ICRA Research; All ratios are as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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

Instruments	Current (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Dec 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long term	58.00	[ICRA]BBB (Stable)	-	-	-	-	-	-
Non fund-based – Bank guarantee	Long-term/Short-term	142.00	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Cash credit	Simple
Long-term/Short term – Non Fund-based – Bank guarantee	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	Long-term fund based – Cash credit	NA	NA	NA	58.00	[ICRA]BBB (Stable)
NA	Long-term/Short term –Non-Fund-based – Bank guarantee	NA	NA	NA	142.00	[ICRA]BBB (Stable)/[ICRA]A3+

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

ANALYST CONTACTS

Ashish Modani

+91 22 6169 3300

ashish.modani@icraindia.com

Suprio Banerjee

+91 22 6114 3443

supriob@icraindia.com

M Rajashekhar Reddy

+91 40 6939 6423

m.rajashekarreddy@icraindia.com

Doddapanani Bhavya

+91 40 6939 6421

doddapanani.bhavya@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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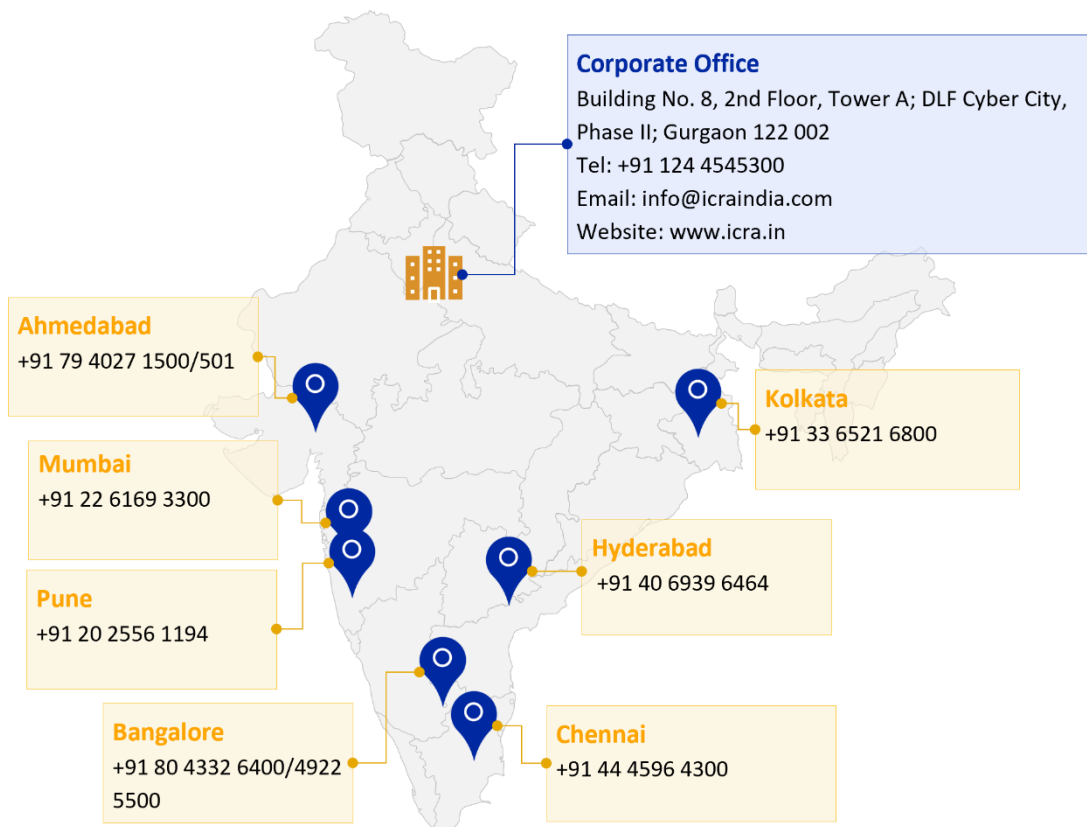
Registered Office

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

Tel: +91 11 23357940-45



Branches



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