June 18, 2026

Ram Kripal Singh Construction Pvt. Ltd.: Ratings downgraded to [ICRA]BBB (Negative)/ [ICRA]A3+; removed from Watch with Negative Implications; Negative outlook assigned on long-term ratings

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based limits – Cash credit	208.00	250.00	[ICRA]BBB (Negative); downgraded from [ICRA]BBB+ and removed from Rating Watch with Negative Implications; Negative outlook assigned
Long-term – Fund-based limits – Term loan	295.69	235.40	[ICRA]BBB (Negative); downgraded from [ICRA]BBB+ and removed from Rating Watch with Negative Implications; Negative outlook assigned
Long-term – Non-fund based limits	1,250.00	1,250.00	[ICRA]BBB (Negative); downgraded from [ICRA]BBB+ and removed from Rating Watch with Negative Implications; Negative outlook assigned
Long-term/ Short-term – Unallocated limits	71.31	89.60	[ICRA]BBB (Negative)/ [ICRA]A3+; downgraded from [ICRA]BBB+/ [ICRA]A2 and removed from Rating Watch with Negative Implications; Negative outlook assigned
Short-term – Interchangeable	(125.00)	(125.00)	[ICRA]A3+; downgraded from [ICRA]A2 and removed from Rating Watch with Negative Implications
Total	**1,825.00**	**1,825.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating downgrade for Ram Kripal Singh Construction Private Limited (RKSCPL) reflects the sustained pressure on its liquidity profile, arising from moderation in earnings in FY2025 and FY2026 (provisional), elevated working capital intensity due to an elongated receivable cycle and sizeable investment commitments towards its hybrid annuity mode (HAM) road projects. The Negative outlook reflects the near-term pressure on the financial profile, mainly on account of the stretched liquidity profile, given the sizeable repayment obligations as well as equity requirements for its HAM projects. ICRA notes that the company is looking at multiple avenues—such as release of cash collateral, tie-up of incremental debt, and timely inflows from arbitration claims and/or receivables to shore up liquidity in the current fiscal. It has already realised ~Rs. 107 crore (adjusting for tax deductions) in the current fiscal till May 2026 from arbitration claims and is looking at incrementally realising ~Rs. 45-50 crore in June 2026 of the pending arbitration claims. Besides, the company is looking at top-up in its nearing completion HAM projects to the extent of Rs. 105 crore. Though these measures are expected to support the liquidity in the current fiscal, timely realisation of these initiatives will remain a key monitorable. While RKSCPL benefits from its established execution track record and association with reputed Government counterparties, its ability to strengthen liquidity and improve execution momentum will remain critical from the credit perspective. Further, ICRA has removed the ratings from Watch with Negative Implications, as there have been no material adverse developments with respect to the CBI investigation since March 2025. The employees involved have been granted bail, no final chargesheet has been filed to date, and there has been no material impact on project execution or relationships with key counterparties . ICRA, however, will continue to monitor any developments in this regard.

RKSCPL's revenues declined by ~16% in FY2025 and ~17% in FY2026 (provisional) to ~Rs. 2,105 crore, primarily due to execution-related challenges, including right-of-way constraints, delays in achieving appointed dates (AD) and approvals for change in scope/designs, along with external disruptions such as adverse climatic conditions. The profitability margins, which trended at around ~14% over FY2022-FY2024, moderated to 8.6% in FY2025, with some recovery in FY2026 (provisional data).

The working capital intensity has been on deteriorating trend, with NWC/OI at ~18% in FY2026 (provisional) from ~13% in FY2024 and FY2025. Additionally, the liquidity profile continues to be impacted by sizeable stuck receivables and withholdings, including long-pending dues from the Jharkhand Government. As on January 31, 2026, RKSCPL's order book adjusted for slow-moving and yet-to-commence projects stands at Rs. 4,681 crore (including L1 bids), which provide adequate medium-term revenue visibility. ICRA expects revenue growth of 5-10% in FY2027, with operating margins around 10-12%, given the shift in segmental mix of the portfolio towards building projects.

The ratings remain constrained by elevated execution risks, with a sizeable portion of the order book being slow-moving (~51%) and a high share of projects at a nascent stage of execution (~80%, including yet to commence projects). Delays in achieving appointed date (AD) for certain projects, coupled with geographical concentration of the order book (with around 70% concentrated across three states), further accentuate the execution risks. The company also remains exposed to the inherent cyclicality of the construction sector and intense competition in the tender-based order awarding system, which may result in volatility in order inflows, revenues and profitability. Further, RKSCPL has sizeable contingent liabilities in the form of outstanding bank guarantees (~Rs. 1,181 crore as on March 31, 2026), primarily towards contractual performance, mobilisation advances and security deposits, exposing its cash flows to invocation-related risks. It has also extended corporate guarantees for three HAM road projects (until commencement of commercial operations or receipt of first annuity payment). Crystallisation of contingent liabilities, if any, which could materially impact liquidity position will be a credit negative.

Key rating drivers and their description

Credit strengths

Established track record and experienced promoters – The company has expertise in the road construction sector with an established track record of successful project execution over the past 40 years, particularly in Jharkhand and Bihar. The promoters are closely involved in the day-to-day operations and have extensive experience in the construction business.

Adequate order book provides satisfactory revenue visibility – As on January 31, 2026, RKSCPL's order book adjusted for slow-moving and yet-to-commence projects stands at Rs. 4,681 crore (including L1 bids), which provide adequate medium-term revenue visibility. The company's ability to execute these orders in a timely manner remains critical from the credit perspective.

Reputed customer profile mitigates counterparty risk to some extent – RKSCPL's customers includes Government bodies like the National Highways Authority of India (NHAI), Northern Coal Fields Limited, NBCC (India) Limited etc. It has executed orders for public works departments (PWDs), roads and buildings (R&B) divisions and state road project as well as irrigation and housing divisions of various states in the past.

Credit challenges

Sizeable equity commitment and execution risks related to HAM projects – RKSCPL has four road HAM projects (two under-construction, one awaiting AD and one where provisional completion has been declared for part stretch effective March 2026) in its order book with cumulative pending equity requirement of ~Rs. 299 crore to be infused over FY2027-FY2029. The ongoing HAM projects are facing delays, with physical progress of ~20% and ~30% as at end-FY2026, despite over ~1.25 years and ~2 years having elapsed since the respective appointed dates. For the project with ~20% completion, it has applied for an extension of timeline (EOT) and is pending approval from the authority. Besides, for the ~30% completed project, the scheduled completion date has been revised to September 13, 2027. In addition to equity commitments, sizeable debt repayment obligations and limited cushion in working capital facilities constrains the company's liquidity. Its ability to tie-up adequate funding and timely execute these projects within the budgeted costs remain a key rating monitorable in the medium term.

High working capital intensity – The working capital intensity, reflected in NWC/OI, stood elevated at ~18% in FY2026 (provisional) Vs. ~13% in FY2024 and FY2025 (which was less than 10% prior to FY2024), led by sizeable stuck receivables (~Rs. 133 crore pertaining to Jharkhand Government funded projects – stuck over three years) and amounts withheld by authorities, in addition to high retention money, unbilled execution and receivables in the normal course of business. The aggregate amount of such receivables and withholdings increased to ~Rs. 442.6 crore as on March 31, 2026, from ~Rs. 349.9 crore as on March 31, 2025 and Rs. 317 crore as of March 2024 (excluding the receivables in normal course). The company's ability to demonstrate a sustained improvement in billing and receivable cycle, along with recovery in stuck receivables, will be crucial, from the credit perspective.

Exposure to high execution and other sectoral risks – The ratings are constrained by the execution risks in the current order book as ~80% of the projects (adjusted for slow moving orders) are in the nascent stage (<=20% complete). These risks are aggravated by the presence of slow-moving projects in the order book because of land acquisition (in mining projects and HAMs), or design approval-related issues, among others. Nonetheless, no penalties have been levied on account of the same. Further, the order book is geographically concentrated with Bihar, Jharkhand and Chhattisgarh accounting for over 70% of the outstanding order book as on January 31, 2026. The company also has exposure to sizeable bank guarantees (~Rs. 1,181 crore outstanding as on January 31, 2026). Additionally, the inherent cyclicality in the construction industry, intense competition in the tender-based contract award system and stiff competition in the road sector for both the engineering, procurement and construction (EPC) and HAM projects remain a risk, as these could result in volatile OB, revenues and profitability.

Liquidity position: Stretched

RKSCPL's liquidity position is expected to remain stretched, with unencumbered cash balances of ~Rs. 45 crore (as on May 31, 2026) and cash flows from operations being tightly matched against the repayment obligation (~Rs. 134 crore in FY2027). In addition, the company has equity commitments aggregating ~Rs. 299 crore towards its HAM assets, along with routine maintenance and incremental working capital margin requirements. The average fund-based limit utilisation stood at ~97% (against sanctioned limits) for the 12-month period ending April 2026. It has realised ~Rs. 107 crore in the current fiscal till May 2026 from arbitration claims (additional ~Rs. 45-50 crore expected in June 2026), which is likely to support the liquidity profile to an extent. However, timely release of a part of the cash collateral (~Rs. 59 crore, already approved by lead bank), and/or availing of annuity discounting facility in the completed HAM and/or incremental inflows from favourable settlement agreements entered, will be imperative to improve the liquidity profile in the near term and remains a key monitorable.

Rating sensitivities

Positive factors – The outlook may be revised to Stable if there is a material improvement in the company's liquidity position with adequate debt coverage metrics, supported by a favourable working capital cycle and a recovery in earnings profile.

Negative factors – Sustained pressure on earnings, or inability to improve its liquidity profile through adequate funding tie-ups, release of cash collateral, or timely receipt of arbitration claims, may exert pressure on the rating. Additionally, any weakening in liquidity and/or coverage metrics—arising from a stretched working capital cycle or significant incremental investments in build operate transfer (BOT) projects—could lead to a rating downgrade. A key monitorable will be a consolidated DSCR below 1.5 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 consolidated the entity where RKSCPL has extended corporate guarantee for the entire tenure of the debt. For other entities, ICRA has used the limited consolidation approach, under which the proposed equity investments for under-construction projects have been considered. The list of companies considered for limited/full consolidation is given under Annexure III

About the company

Incorporated in 1973 as a proprietorship entity (M/s Ram Kripal Singh), RKSCPL was converted into a private limited company in October 2003. It is primarily an EPC contractor with presence in roads, mining, railways, building, irrigation, etc. Its major clients include the NHAI, Ministry of Road Transport and Highways (MoRTH), Northern Coal Fields Limited, NBCC (India) Limited, Indian Oil Corporation Limited, etc. It has also executed orders for Public Works Departments (PWDs), roads and buildings (R&B) divisions and state road project as well as irrigation and housing divisions of various states like Bihar, Jharkhand and Chhattisgarh.

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income (Rs. crore)	3,012.7	2,535.7
PAT (Rs. crore)	202.7	90.6
OPBDIT/OI (%)	13.6%	8.6%
PAT/OI (%)	6.7%	3.6%
Total outside liabilities/Tangible net worth (times)	1.5	1.8
Total debt/OPBDIT (times)	1.5	3.4
Interest coverage (times)	5.9	2.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Note - 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

Current (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Jun 18, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based limits – Cash credit	Long-term	250.00	[ICRA]BBB (Negative)	Apr 03, 2025	[ICRA]BBB+; Rating Watch with Negative Implications	Nov 28, 2024	[ICRA]BBB+ (Stable)	Aug 31, 2023	[ICRA]BBB+ (Stable)
Fund-based limits – Term loan	Long-term	235.40	[ICRA]BBB (Negative)	Apr 03, 2025	[ICRA]BBB+; Rating Watch with Negative Implications	Nov 28, 2024	[ICRA]BBB+ (Stable)	-	-
Non-fund-based limits	Long-term	1,250.00	[ICRA]BBB (Negative)	Apr 03, 2025	[ICRA]BBB+; Rating Watch with Negative Implications	Nov 28, 2024	[ICRA]BBB+ (Stable)	Aug 31, 2023	[ICRA]BBB+ (Stable)
Unallocated	Long-term/ Short-term	89.60	[ICRA]BBB (Negative)/ [ICRA]A3+	Apr 03, 2025	[ICRA]BBB+; Rating Watch with Negative Implications / [ICRA]A2; Rating Watch with Negative Implications	Nov 28, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-
Short-term – Interchangeable	Short-term	(125.00)	[ICRA]A3+	Apr 03, 2025	[ICRA]A2; Rating Watch with Negative Implications	Nov 28, 2024	[ICRA]A2	Aug 31, 2023	[ICRA]A2

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) *Includes securitisation transactions involving assignee payout, acquirer's payout.*

($) *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

(%) *These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.*

Other activities offered by ICRA that fall under the regulatory purview of various Financial Sector Regulators (FSR) are as under:

Sr. No.	Activity Name	FSR
1	**Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)**	SEBI
2	**Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs**	SEBI
3	**Independent Credit Evaluation (ICE)**	RBI
4	**Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)**	RBI
5	**Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))**	SEBI
6	**Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))**	MCA
7	**Credit Rating of Borrowing programme**	(@)
8	**Issuer Ratings**	(#)
9	**Monitoring Agency**	SEBI
10	**Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)**	NA

(@) *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.*

(#) *Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.*

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based limits – Cash credit	Simple
Long-term – Fund-based limits – Term loan	Simple
Long-term – Non-fund based limits	Simple
Long-term /Short-term – Unallocated	NA
Short-term – Interchangeable	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based limits – Cash credit	NA	NA	NA	250.00	[ICRA]BBB (Negative)
NA	Fund-based limits – Term loan	September 2021	NA	April 2029	235.40	[ICRA]BBB (Negative)
NA	Non-fund based limits	NA	NA	NA	1,250.00	[ICRA]BBB (Negative)
NA	Unallocated	NA	NA	NA	89.60	[ICRA]BBB (Negative)/ [ICRA]A3+
NA	Short-term – Interchangeable	NA	NA	NA	(125.00)	[ICRA]A3+

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation approach
RKSCPL Highway Private Limited	100%	Full
Mayi Ram Pyari Devi Highways Private Limited	100%	Limited
Aneeka Expressway Private Limited	100%	Limited
Bhola Singh Expressway Pvt Ltd.	100%	Limited

Source: Company, ICRA Research

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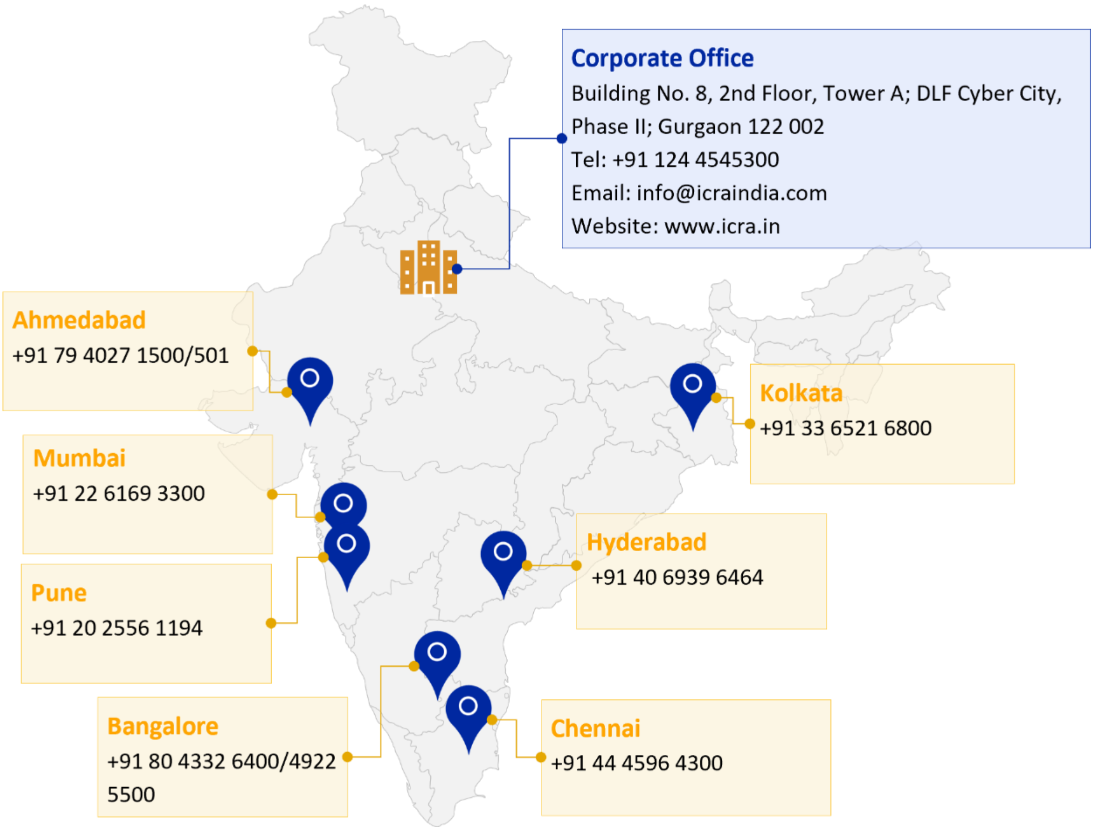

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