June 29, 2026

B. L. Kashyap and Sons Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/Short-term – Unallocated	25.00	25.00	[ICRA]BB- (Stable)/[ICRA]A4; Reaffirmed
Total	**25.00**	**25.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating reaffirmation factors in B. L. Kashyap & Sons Limited's (BLK) healthy order book position of ~Rs. 5,296 crore as on March 31, 2026, translating into an order book to operating income (OB/OI) ratio of ~3.8 times based on FY2026 revenues, providing medium-term revenue visibility. The ratings note the extensive experience of its promoters and long track record in the Indian construction industry, along with established relationships with reputed clients, which support order inflows and execution capabilities across residential, commercial and institutional projects. The order book is adequately diversified across customers, projects, and geographies mitigating concentration risks to an extent, although timely execution remains critical.

BLK had undergone Corporate Debt Restructuring (CDR) in 2014, with all associated term loans repaid by FY2025, except for the recompense obligation. The closure of the CDR package remains contingent upon the finalisation of the Right of Recompense (RoR) amount, which is reportedly in the advanced stages. The timing and quantum of the recompense liability, along with the associated settlement terms, remain the key near-term monitorables. The high promoter share pledge ~99.4% continues to constrain its financial flexibility and is expected to remain until closure of the CDR process.

The ratings remain constrained by the company's modest financial risk profile, characterised by low margins (ranging within 6-7.5% over the last two years), an elongated working capital cycle and stretched liquidity. The working capital intensity, although improving, remained elevated, with NWC/OI at ~35% in FY2026 (FY2025: ~46%), driven by sizeable receivables and retention money (~42% outstanding for over six months) and high unbilled revenues. BLK relies on customer advances and an elongated creditor cycle (~165 days) to fund operations, which resulted in an elevated leverage level [total outside liabilities (TOL)/ tangible net worth (TNW) of 2.0 times as on March 31, 2026, Vs. 1.7 times on March 31, 2025].

The ratings also remain constrained by sizeable contingent liabilities, primarily in the form of bank guarantees (issued towards contractual performance obligations and security deposits) as well as corporate guarantees in favour of clients (~Rs. 216 crore and ~Rs. 142 crore respectively as of March 31, 2026). Additionally, the company faces execution risks inherent in the construction business, with potential exposure to time and cost overruns. The ratings consider the intense competition in the key building segment, which constrains profitability, and the company's exposure to the cyclical real estate sector, which continues to account for a significant share of its order book.

The Stable outlook reflects ICRA's expectation that BLK will sustain its operating performance, backed by a healthy order book and prudent working capital management. It also factors in the expectation that the company will fund its working capital and capex requirements in a manner such that its debt protection metrics remain commensurate with the current rating.

Key rating drivers and their description

Credit strengths

Extensive experience and long track record of BLK in construction business and established relationship with clients – The company benefits from its extensive experience in the construction segment, supported by a long operational track record across varied project types, including residential, commercial and institutional developments. Over the years, it has developed established relationships with reputed clients, which has aided in securing repeat orders and sustaining business volumes. The diversified execution capabilities and track record of delivery enhance its ability to bid for and execute medium-to-large projects.

Healthy order book position providing medium-term revenue visibility – BLK's revenue visibility is supported by a healthy order book, with outstanding orders of ~Rs. 5,296 crore as on March 31, 2026, translating into OB/OI ratio of ~3.8 times for FY2026. Further, the unexecuted order book is well diversified into commercial (47%), residential (48%) and institutional and other projects (6%), across geographies and for private as well as government authorities, reduces concentration risks and provides a stable execution pipeline over the medium term. Nevertheless, timely execution and conversion of the order book into revenues remain critical, given the inherent execution risks associated with large and multi-location projects.

Credit challenges

Modest financial risk profile with stretched liquidity – The company's financial risk profile remains constrained by its working capital-intensive operations and limited liquidity buffers. The net working capital intensity, while improving to ~35% in FY2026 from ~46% in FY2025, continues to remain elevated, reflecting the inherently elongated cash conversion cycle. This is driven by sizeable receivables and retention money, including ~42% of debtors outstanding for over six months, alongside high unbilled revenues. The company has increasingly relied on customer advances and creditor stretch (creditor days at ~165 days in FY2026) to fund operations and capex. The financial flexibility is further constrained by its past CDR restructuring (in 2014), which weighs on its credit profile and access to incremental funding. The liquidity remains stretched limiting headroom for incremental funding requirements. Timely enhancement in bank limits, supported by clarity on the RoR issue, will remain a key monitorable for liquidity support.

Heightened competition leading to low profitability margins – The intense competition in the building construction segment, given the moderate complexity of the work involved and presence of multiple players, constrains the company's operating margins. However, the built-in price variation clause in most contracts mitigates the risk to an extent. Sustained improvement in margins remains contingent on better project mix and disciplined bidding.

Inherent risk in construction industry and cyclicality associated with real estate industry – The company is vulnerable to the inherent risks associated with the construction sector, including execution challenges, project delays, cost overruns and dependency on timely approvals. Additionally, a meaningful exposure to real estate-linked projects subjects the company's operations to cyclical demand trends in the real estate sector. Slowdown in real estate activity can impact order inflows and execution timelines. BLK is also exposed to sizeable contingent liabilities in the form of bank guarantees (issued towards contractual performance obligations and security deposits) as well as corporate guarantees in favour of clients (~Rs. 216 crore and ~Rs. 142 crore respectively as of March 31, 2026). Also, BLK is involved in an ongoing litigation with the Employees' Provident Fund Organisation (EPFO) for a sizeable amount, against which the company has made an initial deposit Rs. 15 crore. While matter remains sub-judice, with no developments in the last few years, any materialisation could adversely impact the liquidity and credit profile and will remain a key rating monitorable.

Environmental and social risk

Environment risk – BLK operates at multiple project sites simultaneously, and therefore, the risk of business disruptions on account of physical climate risks in specific regions is partly mitigated. Also, given that construction activities contribute to air pollution, entities like BLK remain exposed to the risk of temporary bans on operations in cities that are more sensitive to deteriorating air quality. However, in case BLK is required to deploy additional or specific equipment to contain environmental harm that increases its operating costs, it has the flexibility to seek compensation from its clients.

Social risk – Construction entities like BLK face social risks stemming from the health and safety concerns of workers, manifestation of which could invite regulatory or legal action, besides reputational harm. However, BLK has a track record of maintaining healthy relationships with its workers/employees, including contractual labour with no material incidents of a slowdown in execution because of workforce management issues.

Liquidity position: Stretched

BLK's liquidity remains stretched due to limited cushion in its working capital limits. The average limit utilised remained high at ~95% and 83% for fund-based and non-fund based facilities, respectively, for the twelve-month period ending May 2026. The company's ability to improve cash conversion cycle and/or secure timely enhancement in working capital limits, to support scale-up in operations will remain a key monitorable.

Rating sensitivities

Positive factors – Resolution of the right to recommence issue, along with improved visibility on incremental working capital limit sanction, translating into improvement in liquidity position, could lead to a rating upgrade.

Negative factors – Pressure on the ratings could arise if there is a slowdown in order addition and project execution or moderation in profitability, leading to a material decline in its scale and profitability, along with a deterioration in debt protection metrics. A further stretch in its working capital cycle or materialisation of any contingent liabilities affecting the financial/liquidity profile could result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Construction
Parent/Group support	Not applicable
Consolidation/Standalone	While arriving at the ratings, ICRA has considered the consolidated financials of BLK and its wholly-owned subsidiaries along with step-down subsidiaries, together referred to as BLK Group. Refer Annexure III for list of entities consolidated.

About the company

Incorporated in 1989, B. L. Kashyap & Sons Limited (BLK) is a Delhi-based engineering, procurement and construction (EPC) company with a pan-India presence. The company undertakes residential, commercial and industrial infrastructure projects (primarily buildings) for private as well as government entities. It is promoted by the three brothers of the Kashyap family (Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap), who have over three decades of experience in the construction business. The company is listed on the BSE and NSE since March 2006.

Key financial indicators (audited)

Consolidated	FY2025	FY2026*
Operating income (Rs. crore)	1,153.6	1,379.1
PAT (Rs. crore)	27.5	1.6
OPBDIT/OI (%)	5.7%	7.4%
PAT/OI (%)	2.4%	0.1%
Total outside liabilities/Tangible net worth (times)	1.7	2.0
Total debt/OPBDIT (times)	4.9	3.0
Interest coverage (times)	1.4	2.4

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; *Limited audited financials; 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 year

Current (FY2027)					Chronology of rating history for the past 3 years					
			FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Unallocated	Long/Short term	25.00	**June 29, 2026**	[ICRA]BB-(Stable)/ [ICRA]A4	-	-	March 31, 2025	[ICRA]BB-(Stable)/ [ICRA]A4	-	-

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 Mutual 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/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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Unallocated**	NA	NA	NA	**25.00**	[ICRA]BB- (Stable)/[ICRA]A4

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
B.L.K. Lifestyle Limited	100%	Full Consolidation
Security Information Systems (India) Limited	100%	Full Consolidation
Soul Space Projects Limited	97.91%	Full Consolidation
BLK Infrastructure Limited	100%	Full Consolidation

Source: BLK annual report FY2025

ANALYST CONTACTS

Ashish Modani
+91 22 6169 3300
ashish.modani@icraindia.com

Suprio Banerjee
+91 22 6114 3443
supriob@icraindia.com

Ritu Goswami
+91 124 4545 826
ritu.goswami@icraindia.com

Sahil Sardana
+91 124 4545 855
sahil.sardana@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches