



Press Release
KRANS PROJECTS PRIVATE LIMITED
October 03, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE BB+ Stable Assigned	-
Bank Loan Ratings	5.00	ACUITE BB+ Stable Reaffirmed	-
Bank Loan Ratings	10.00	-	ACUITE A4+ Assigned
Bank Loan Ratings	30.00	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of “**ACUITE BB+**” (read as **ACUITE Double B plus**) on the Rs.5 crore bank facility and short-term rating of “**ACUITE A4+**” (read as **ACUITE A Four plus**) on the Rs.30 crore bank facility of Krans Projects Private Limited. The Outlook is “**Stable**”.

Acuite has assigned the long-term rating of “**ACUITE BB+**” (read as **ACUITE Double B plus**) on the Rs.5 crore bank facility and short-term rating of “**ACUITE A4+**” (read as **ACUITE A Four plus**) on the Rs.10 crore bank facility of Krans Projects Private Limited. The Outlook is “**Stable**”.

Rationale for Rating:

The rating reaffirmation for KRANS Projects Private Limited (KPPL) factors in its robust 67.08% revenue growth in FY 2025, driven by timely execution of railway infrastructure related projects. KPPL has a outstanding order book of Rs.380.63 crore order book with a healthy 2.25x OB/OI ratio as on September 3, 2025, ensuring medium-term revenue visibility. While profitability was impacted by increased subcontract and GST expenses exacerbated by full subcontracting to a related party as a part of the company’s revised execution strategy; combining in-house and outsourced work, is expected to support margin recovery. KPPL’s moderate financial risk profile, marked by stable debt protection metrics and absence of major capex plans, along with improved working capital through efficient inventory management, underpins operational stability. Its long-standing government client relationships and proactive tendering reflect resilience and growth potential; however, margin pressures and exposure to a competitive, fragmented construction industry remain key rating constraints.

About the Company

KRANS Projects Private Limited (KPPL) was established by K. Ranga Rao who earlier used to carry out works in his individual name since 1980 and then established the company in the year 2008. KPPL is Telangana based Company. KPPL is engaged in construction of Railway infrastructure, pathways, Earthwork Embankment, Bridges, Buildings.

Unsupported Rating

Not Applicable.

Analytical Approach

Acuite has considered the standalone business and financial risk profile of KPPL to arrive at the rating.

Strengths

Established Market presence:

KPPL was established by Mr. K. Ranga Rao earlier used to carry out work in his individual name since 1980 and then established the company in the year 2008. With a vintage of operations of over 45 years, KPPL has managed to maintain a long-standing relationship with govt. clients like South Central Railways, RVNL, Rites Ltd etc. Acuite expects KPPL will benefit from its experienced management and established relationship with its client base over the medium term.

Moderate financial risk profile

KPPL's financial risk profile is marked by moderate net worth, comfortable gearing and debt protection metrics. The tangible net worth of the company slightly increased to Rs.37.64 crore in FY2025 from Rs.36.64 crore in FY2024 due to accretion to reserves. Gearing of the company stood below unity at 0.15 times in FY2025 as against 0.11 times in FY2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) increased to 0.84 times in FY2025 as against 0.36 times in FY2024 primarily due to higher subcontractor fee liabilities. Debt protection matrix remains stable in FY 2025 with ICR and DSCR stood at 3.37 times and 2.78 times in FY 2025 as compared to 3.81 times and 2.83 times in FY 2024. NCA/TD ratio stood at 0.25 times in FY 2025. Debt/EBITDA stood at 2.11 times in FY 2025. Acuite believes that going forward the financial risk profile of the company will remain stable with no major debt funded capex plans.

Moderate Working Capital Management:

KPPL's working capital position remained moderate in FY2025, with notable improvement in gross current assets (GCA) days, which declined to 91 days from 114 days in FY2024, primarily driven by better inventory management. Inventory days reduced to 56 days in FY2025 from 78 days in FY2024, supported by the buildup and subsequent realization of finished goods worth Rs.25.56 crore (Rs.21.06 crore in FY2024). Debtor days stood at 14 day in FY2025 compared to nil in FY2024, attributable to Rs.6.65 crore booked at the end of March 2025 and realized in early April, aligning with the credit cycle of 7–10 days. Other current assets amounted to Rs.9.69 crore in FY2025, comprising advances to suppliers and balances with revenue authorities, contributing to GCA levels. With the company executing projects entirely through subcontracting, it reported nil creditor days. Acuite expects KPPL's working capital cycle to improve over the medium term, supported by better inventory management.

Weaknesses

Improvement in topline while variability in margin:

KPPL demonstrated strong revenue growth of 67.08% YoY, with topline rising from Rs.101.07 crore in FY 2024 to Rs.168.88 crore in FY 2025, driven by timely execution of railway infrastructure projects. However, profitability was impacted as EBITDA margin declined from 2.46% in FY 2024 to 1.51% in FY 2025 due to increased subcontractor and GST expenses, including prior-period adjustments and full subcontracting to a related party. PAT margin slipped slightly from 0.63% in FY 2024 to 0.60% in FY 2025. KPPL's robust outstanding order book of Rs.380.63 crore as of September 3, 2025, coupled with an OB/OI ratio of 2.25x, offers medium-term revenue visibility despite execution delays in FY 2025 due to land-related challenges in a few projects. KPPL's execution strategy for its Rs.380.63 crore order book where Rs.146.33 crore will be delivered by its own and the remaining via subcontracting is expected to yield higher margins in the medium term. KPPL has recorded turnover of Rs.52.32 crore during April 25 to Aug 25. Acuite believes their operating performance will further improve, backed by a moderately healthy order book and visible revenue traction in 5MFY26.

Presence in a Competitive and fragmented industry:

KPPL operates as a civil contractor in a highly competitive and fragmented industry dominated by mid to large players, where tender-based contract allocation intensifies pricing pressure and limits flexibility. The company's revenue and profitability remain vulnerable to the inherent risks of contract bidding, including aggressive pricing and execution challenges. However, this risk is partially mitigated by the extensive experience of its promoter, Mr. K. Ranga Rao, who has been active in the sector for over three decades. KPPL's engagement with reputed clients like South Central and Southwestern Railways, along with efficient billing and payment cycles typically within a week post-bill submission supports operational continuity despite the competitive tendering environment.

Rating Sensitivities

1. Execution of pending orders
2. Securing of new orders
3. Movement of topline and profitability

Liquidity Position

Adequate

KPPL's liquidity position remains Adequate as reflected by net cash accruals of Rs.1.40 crore in FY 2025 against

a debt repayment obligation of Rs.0.42 crore. The company's fund-based limits were utilized at approximately 76.37% for 6 months ending as on Aug'25 and non-fund-based limits at 64.65% over the six months ended July 2025, indicating tight but controlled cash flow management. Cash and bank balances stood low at Rs.0.04 crore in FY 2025, while the current ratio declined to 1.40 times as on March 31, 2025, from 2.94 times in FY 2024, primarily due to increased subcontractor fee liabilities. Despite these pressures, KPPL's working capital management remains efficient, supported by low inventory holdings and an effective collection mechanism. Acuité believes that liquidity is expected to improve over the near term, backed by rising accruals and the absence of major capex plans.

Outlook: Stable

Other Factors affecting Rating

None.

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	168.88	101.07
PAT	Rs. Cr.	1.01	0.63
PAT Margin	(%)	0.60	0.63
Total Debt/Tangible Net Worth	Times	0.15	0.11
PBDIT/Interest	Times	3.37	3.81

Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
29 Jul 2024	Bank Guarantee (BLR)	Short Term	17.00	ACUITE A4+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	13.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Reaffirmed)
05 Oct 2023	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Proposed Short Term Bank Facility	Short Term	13.50	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	6.50	ACUITE BB+ (Reaffirmed & Issuer not co-operating*)
07 Jul 2022	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Proposed Short Term Bank Facility	Short Term	13.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	6.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE A4+ Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+ Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A4+ Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ Stable Reaffirmed
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A4+ Reaffirmed

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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