



Press Release
KRAM INFRACON PRIVATE LIMITED
April 01, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.14	ACUITE BBB+ Stable Assigned	-
Bank Loan Ratings	83.50	ACUITE BBB+ Stable Reaffirmed	-
Bank Loan Ratings	100.18	-	ACUITE A2 Assigned
Bank Loan Ratings	66.50	-	ACUITE A2 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	300.32	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its the long term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plusa**)nd the short term rating of '**ACUITE A2**' (read as **ACUITE A two**)on the Rs 150.00 crore bank facilities of Kram Infracon Private Limited. The outlook is '**Stable**'.

Acuite has assigned its the long term rating of '**ACUITE BBB+**' (read as **ACUITE triple B plusa**)nd the short term rating of '**ACUITE A2**' (read as **ACUITE A two**)on the Rs 150.32 crore bank facilities of Kram Infracon Private Limited. The outlook is '**Stable**'.

Rationale for Rating

The rating action takes into account the improved business risk profile of the company marked by growth in business operations as reflected by revenues of Rs. 430.86 Cr. in FY24 compared to RS. 339.97 Cr. in FY23, healthy financial risk profile, strong liquidity and healthy order book. However, the rating is constraint by intensive working capital operations and decline in operating margins of the company.

About the Company

Kram Infracon Private Limited (KIPL) was incorporated in February 2016, by Mr. Rahul Kumar and Mr. Sachin Gaur. It is registered in Noida (UP) Himanshu Kant & Navin Mittal are director of company The company is engaged in construction of roads, highways, bridges, irrigation, and other infrastructure projects. In addition to this, the KIPL also provides consultancy and advisory services in the fields of engineering and constructions services to other entities.

The present directors are Mr. Himanshu Kant, Mr. Avadhesh Chandra Srivastava, Mr. Navin Kumar Mittal, and Mr. Deepesh Kumar Sharma.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profile of Kram Infracon Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

Revenue and Profitability

The company witnessed an improvement in its scale of operations marked by an operating income of Rs. 430.86 Cr. in FY2024 as against Rs. 339.97 Cr. in FY2023. The EBITDA margin of the company stood at 7.12 per cent in FY2024 as against 8.75 per cent in FY2023. This is mainly due to new orders bagged in diversified geographies, increase in sub- contracting cost and bidding at low margins for bagging the fresh orders. The PAT margin of the company stood at 4.42 per cent in FY2024 against 4.36 per cent in FY2023. Though the company's profitability is exposed to volatility in raw material, it has an in-built price escalation clause for major raw materials in most of its contracts.

Acuité believes that the company is expected to have better top-line in near to medium term supported by stable margins as compared to previous years on account of better order book.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by net-worth of Rs. 118.29 Crore as on 31st March 2024 against Rs. 99.34 Crore as on 31st March 2023. Further, the total debt of the company stood at Rs. 16.54 Crore as on 31st March 2024 against Rs. 17.40 Crore as on 31st March 2023. The capital structure of the company is comfortable marked by gearing ratio of the company which stood at 0.14 times as on 31st March 2024 against 0.18 times as on 31st March 2023. Further, the coverage indicators of the company improved reflected by interest coverage ratio and debt service coverage ratio of the company which stood at 5.90 times and 2.19 times respectively as on 31st March 2024 against 5.51 times and 1.75 times respectively as on 31st March 2023. The TOL/TNW ratio of the company stood at 1.34 times as on 31st March 2024 against 1.26 times as on 31st March 2023 and DEBT-EBITDA of the company stood at 0.49 times as on 31st March 2024 against 0.64 times as on 31st March 2023. Acuite believes that with ongoing capex of Rs. 10 Cr. of machinery equipment's the company we be able to maintain the financial risk profile in near term.

Healthy Order Book

Kram Infracon Private Limited has a healthy unexecuted order book position to the tune of Rs. 1266.49 Crore approximately as on 30th September 2024 which has increased from ~Rs. 600 Cr. as on 31st Dec 2023. The OB/OI of the Company stood at 2.94 times. This shows company has bagged fresh orders in last 9 months. Going forward, the ability of the company to bag new orders and timely execution of the existing orders will remain a key rating monitor able.

Weaknesses

Working Capital operations

The working capital operations of the company is intensive marked by GCA days which stood similar at 181 days as on 31st March 2024 against 188 days as on 31st March 2023. There is a slight improvement in the GCA days due to the debtors days of the company which stood at 69 days in FY24 against 107 days in FY23. However inventory days of the company stood at 34 days in FY24 against 12 days in FY23.

Highly competitive industry marked by tender based nature of business

The company's performance is susceptible to the tender based nature of business, where the business depends on the ability to bid for contracts successfully. Risk become more pronounced as tendering is based on minimum amount of bidding of contracts.

Rating Sensitivities

- Movement in scale of operations along with the diversification of its order book
- Movement in Operating Margin
- Movement in Working Capital Operation

Liquidity Position

Strong

The liquidity profile of the company is strong. The net cash accruals of company stood at Rs. 21.24 Cr. in FY 24 against the CPLTD of Rs. 6.65 Cr. for the same period giving some legroom for growth fund. The company has cash & bank position of Rs. 56.46 Cr. and current ratio stood at 1.35 times for FY 24. The average fund based bank limit utilization is at ~20% for the 7 months' period ending October 2024. Acuite believes that the liquidity of the Company would remain strong due to healthy cash accruals, small debt obligations, moderate current ratio, albeit working capital intensive operations over the medium term.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	430.86	339.97
PAT	Rs. Cr.	19.05	14.82
PAT Margin	(%)	4.42	4.36
Total Debt/Tangible Net Worth	Times	0.14	0.18
PBDIT/Interest	Times	5.90	5.51

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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
19 Nov 2024	Bank Guarantee (BLR)	Short Term	19.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Letter of Credit	Short Term	12.50	ACUITE A2 (Upgraded from ACUITE A3+)
	Letter of Credit	Short Term	7.50	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Long Term	32.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	10.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	5.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Bank Guarantee (BLR)	Long Term	14.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	6.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	9.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
04 Mar 2024	Letter of Credit	Short Term	7.50	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A3+ (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	50.50	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	12.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	5.50	ACUITE BBB Stable (Assigned)
28 Sep 2023	Letter of Credit	Short Term	7.50	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)

	Cash Credit	Long Term	4.50	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	10.00	ACUITE BBB Stable (Assigned)
07 Nov 2022	Letter of Credit	Short Term	7.50	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	10.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Assigned)

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.	33.75	Simple	ACUITE BBB+ Stable Reaffirmed
UCO Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.00	Simple	ACUITE BBB+ Stable Reaffirmed
Punjab and Sind Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE A2 Reaffirmed
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.00	Simple	ACUITE A2 Reaffirmed
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	38.00	Simple	ACUITE BBB+ Stable Assigned
Indian Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	31.00	Simple	ACUITE A2 Assigned
State Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.50	Simple	ACUITE A2 Assigned
Canara Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A2 Assigned
Indian Overseas Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A2 Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.75	Simple	ACUITE BBB+ Stable Reaffirmed
Punjab and Sind Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB+ Stable Reaffirmed
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE BBB+ Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB+ Stable Reaffirmed
Indian Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE BBB+ Stable Assigned
Canara Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.50	Simple	ACUITE A2 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.68	Simple	ACUITE A2 Assigned
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.14	Simple	ACUITE BBB+ Stable Assigned

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Siddharth Garg Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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