



Press Release

Kukreja Infrastructures

July 15, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	73.00	IVR BBB-; Stable (IVR Triple B minus with stable outlook)	-	Rating Assigned	Simple
Total	73.00 (Rupees seventy-three crore only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The rating assigned to the bank facilities of Kukreja Infrastructures (KI) derives comfort from its experienced promoters, in place necessary approvals for all ongoing projects, satisfactory progress in ongoing projects and stable business performance. However, these rating strengths are partially offset by KI's leveraged capital structure, exposure to geographical concentration risk, exposure to risks relating to cyclicalities in real estate industry and risks associated with partnership nature of constitution.

The stable outlook reflects expected stable performance of the entity in view of satisfactory progress in its projects coupled with healthy demand of quality real state in Nagpur.

Key Rating Sensitivities:

Upward Factors

- Timely completion of the ongoing project without any time or cost overrun
- Increase in bookings for the launched projects with timely receipt of advances
- Improvement in capital structure with improvement in overall gearing to below 3x

Downward Factors

- Delay in completion of project with time and cost overrun
- Lower than expected booking status
- Moderation in capital structure with moderation in overall gearing to over 4x



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced partners**

The firm has been promoted by one Kukreja family of Nagpur, Maharashtra. The firm is managed by Mr. Virendra G. Kukreja and Mr. Shravan G. Kukreja who have an experience of over one decade in the real estate sector and are actively involved in the overall operations of the firm. He is supported by a team of qualified and experienced professionals in managing the day-to-day affairs of the firm.

- **Necessary approvals for all ongoing projects in place**

Kukreja Infrastructures presently has four ongoing projects namely Infinity-East, Kukreja Business Park -Shops, The One and Paris City. 'Paris City' project has further been classified into three phases each consisting of two towers for better project and financial management namely, Paris City Residential-C&D, Paris City Residential-B&E and Paris City Residential-A&F. The firm have received necessary approvals for all of its ongoing projects, primarily mitigating the regulatory risks.

- **Satisfactory progress in ongoing projects**

The total estimated cost of the ongoing projects is ~Rs.804.00 crore which will be funded through promoter's contribution/ internal accruals of Rs.239.30 crore, debt of Rs.313.00 crore and the balance amount of Rs.251.70 crore through customer advances. Financial closure for the term loans has been achieved except for Paris City Residential-B&E and Paris City Residential-A&F. As on March 31, 2025, the firm has already incurred ~Rs.421.10 crore towards these projects, which was funded through a mix of promoter's contribution of Rs. 93.84 crore, debt of Rs.94.03 crore and customer advances of Rs.241.27 crore. KI has estimated a total sale of Rs.1011.00 crore from its ongoing projects. It has booked a total sale of Rs.365.49 crore as on March 31, 2025, i.e. 36.15% of total estimated sales. Out of which, it has received Rs. 241.27 crore as advances which is 66.01% of total sales booked till March 31st, 2025. KI has sold 515805 sq ft out of its total saleable area of 1795959 sq ft. comprising ~29% of saleable area as on March 31st, 2025. Given the good reputation and stronghold of the promoters in Nagpur, project execution and saleability risk is relatively low. However, the construction progress and level of response received for the newly launched projects would remain a key rating monitorable, going forward.

- **Stable business performance**



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The total operating income of the firm registered a CAGR of ~33% over the past three fiscal years. The revenue in FY25(Prov.) [FY refers to the period from April 1 to March 31] improved to Rs. 126.76 crore from Rs. 96.47 crore in FY24, on the back of increased bookings from the ongoing projects. In line with top line, absolute EBITDA improved by ~30% from Rs.20.08 crore in FY24 to Rs.26.15 crore in FY25(Prov.). Consequently, absolute PAT also improved from Rs.2.86 crore in FY24 to Rs.4.71 crore in FY2025 (Prov.). The PAT margin has also improved from 2.96% in FY24 to 3.69% in FY25 (Prov.).

Key Rating Weaknesses

- **Leveraged capital structure**

The debt profile of the firm consists mainly term loans from banks, unsubordinated unsecured loans from related parties and working capital limits. The capital structure of the firm though improved, remained leveraged with overall gearing ratio of 3.02x as on March 31, 2025 (provisional) as against 4.12x as on March 31, 2024. Total indebtedness as reflected by TOL/ATNW also remained moderate at 3.58x as on March 31, 2025 (Prov.) as against 4.35x as on March 31, 2024.

- **Exposure to geographical concentration risk**

All the ongoing projects of the KI are located in Nagpur, Maharashtra which exposes the firm to geographical concentration risk. Any adverse movement in the regional real estate market can impact the overall operations of the firm. However, the strong hold of the promoters in the real estate market of Raipur mitigates the concentration risk to a certain extent.

- **Exposure to risks relating to cyclicity in real estate industry**

Cyclicity in the real estate sector could lead to fluctuations in cash inflow because of volatility in realization and saleability. This may affect the debt servicing ability of the firm. KI will remain susceptible to the inherent cyclicity in the real estate sector.

- **Risks associated with partnership nature of constitution**

Given KI's constitution as a partnership firm, it is exposed to discrete risks, including the possibility of capital withdrawal by the partners and the dissolution of the firm upon the death, retirement, or insolvency of the partners. Moreover, the partnership nature limits the firm's flexibility to tap external channels of financing.

Analytical Approach: Standalone



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Applicable Criteria:

[Rating Methodology for Real estate entities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

KI has adequate liquidity marked by committed customer receivable of Rs.22.50 crore as on March 31, 2025 (out of already sold area) which is expected to increase gradually with increase in bookings due to favourable response to the projects developed by the KI against debt repayment obligation of Rs.2.74 crore-Rs.2.78 crore for FY26-FY27. Further, the project term loans for its ongoing projects are under moratorium period and the repayment shall start from FY28. However, the firm has already made prepayment of Rs.36.22 crore of debt during its moratorium period itself. Furthermore, the promoters are also well experienced in the real estate market and resourceful having high financial flexibility which imparts comfort.

About the Firm

Kukreja Infrastructures is a partnership firm, established in the year 2012 by Mr. Virendra G. Kukreja and Mr. Shravan G. Kukreja. The firm is into Civil Construction mainly of Residential Apartments. Kukreja Family is engaged in the same line of business since past more than 10 years. Kukreja Infrastructures presently has four ongoing projects namely Infinity-East, Kukreja Business Park -Shops, The One and Paris City.

Financials (Standalone):

For the year ended / As on*	(Rs. Crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	96.47	126.76
EBITDA	20.08	26.15
PAT	2.86	4.71
Total Debt	267.27	305.45
Tangible Net worth	64.80	101.27
EBITDA Margin (%)	20.81	20.63
PAT Margin (%)	2.96	3.69
Overall Gearing Ratio (x)	4.12	3.02
Interest Coverage (x)	1.80	1.92

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil



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Any other information: Nil

Rating History for last three years:

Sr. No	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	Term Loan	Long Term	73.00	IVR BBB-; Stable	-	-	-

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About Infomerics:

Infomerics Valuation and Rating Ltd (Formerly Infomerics Valuation & Rating Pvt. Ltd.) (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

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Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	March 29	73.00	IVR BBB-; Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-kukreja-july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.