

Rating Rationale

6 April 2026

RK Gupta & Co

Brickwork Ratings removed the ratings of RK Gupta & Co from the ‘Issuer Not Cooperating (INC)’ category, upgraded/assigned the long-term rating to BB- & Reaffirmed the short-term ratings at A4, for ratings pertaining to the company’s bank loan facilities aggregating Rs. 29.00 crore.

Particulars:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating*	
	Previous	Present		Previous(15 Dec 2025)	Present
Fund Based					
Term Loan - Sanctioned	0	2.00	Long Term		BWR BB- /Stable Assignment
Cash Credit sanctioned	1.00	2.00		BWR C continue to be in Issuer not Cooperating category/Downgraded	BWR BB- /Stable Removal from INC Category/ Upgrade
Non-Fund Based					
Bank Guarantee Sanctioned	4.50	25.00	Short Term	BWR A4 continue to be in Issuer, not Cooperating category/Reaffirmed	BWR A4 /Stable Removal from INC Category/ Reaffirmed
Sub Total	5.50	29.00			
Grand Total	5.50	29.00	(Rupees Twenty Nine Crores Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities are provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings removed the ratings of RK Gupta & Co from the ‘Issuer Not Cooperating (INC)’ category, upgraded / assigned the long-term rating to BB- & Reaffirmed the short-term ratings at A4, for ratings pertaining to the company’s bank loan facilities aggregating Rs. 29.00 crore.

BWR has essentially relied upon the audited financial statements of the company for FY23, FY24& FY25, relevant data to the extent made available for 9M FY26(Unaudited), projected financials for FY26 and FY27, as well as information/clarifications provided by the company’s management and its bankers, to arrive at the present ratings.

The rating draws strength from the extensive business experience of the Directors, moderate Order Book Position, strong financial risk profile, and satisfactory financials as per the projections made. The ratings also take into account the successful completion of previous projects.

The rating, however, is constrained by the High Working Capital requirement, Project execution risk, competition in the industry, and tender-based nature of the business.

The outlook has been retained as Stable, as BWR believes that the business risk profile of the Company will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change over the medium term.

The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

KEY RATING DRIVERS

Credit Strengths-:

Experienced Promoters and an established track record of operations :

Experience of the promoters in the field. The close-knit family management ensures strong control and swift decision-making.

Improving revenue and profitability with working capital efficiency: The firm showcased improvement in the performance with operating income increasing to Rs. 35.20crs in FY24 from Rs. 59.55crs in FY25.

Credit Risk-:

Geographical Concentration Risk: With operations concentrated in the state of Jammu and Kashmir, along with geopolitical concerns prevailing in the region.

Limitations of a Partnership Firm:

Inherent risks relating to financial flexibility in terms of raising capital & withdrawal of capital, as RKGC is constituted as a Partnership Firm, are quite high.

Exposure to execution risk inherent to EPC projects and high competition:

Due to competition and the fixed price of the contract, the firm is exposed to concentration in profitability due to volatility in input prices or other external factors during the execution period. Tender-based restrictions restrict profitability and bargaining power, along with the presence of unorganised players catering to this segment.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone performance of the company. BWR has applied its rating methodology as detailed in the Rating Criteria.

RATING SENSITIVITIES

Going forward, the ability of the firm to improve its financial risk profile and maintain adequate liquidity will remain the key rating sensitivities.

Positive :

The rating may be upgraded if the Partnership is able to improve its topline, profits, or on account of any other favourable factor.

Any movement in tangible network / Capital shall be a key monitorable. An increase in network of the firm beyond Rs 33 cr on a sustained basis shall be a positive trigger.

Negative:

The rating may be downgraded if there is any deterioration in the financial risk profile, fails to maintain adequate liquidity or on account of any unforeseen unfavourable events..

Any decrease in Networth below Rs 25 cr or a decline in the operating margin below 7 % shall be a negative trigger.

LIQUIDITY INDICATORS - Adequate

The company's liquidity position remains adequate,

Average Utilisation 87.20 for the cash credit facility from Uco Bank over the last 12 months. The CPLTD has been reduced from Rs. 2.21 Crs in FY25 to Rs. 1.27 Crs in FY26.& which is sufficiently covered by net cash accruals of Rs 4.55 Crs. The term loan of Rs 2 crs, which has not been disbursed, has no recovery obligation firmed up. However, in the worst-case scenario, the CPLTD shall be added Rs 0.40 Crs, thus adding the total CPLTD to 1.67 crs, which is still sufficiently covered by net cash flows.ISCR ranging between 2.23x and 2.50x and DSCR between 2.33x and 2.99x, indicating that internal cash accruals are sufficient to meet interest and principal repayment obligations

Additionally, the current ratio stood at an adequate 4.75 times, indicating a comfortable liquidity position.In FY24 (Audited), the company maintained a cash and bank balance of ₹7.36 Crores. Net Cash accruals stood at Rs.4.55Crs in FY25.

ABOUT THE ENTITY

R K Gupta & Co(RKGC) is a partnership firm incorporated on 30th July 1993 in 50 B, SEC-A SUBASH NAGAR, JAMMU(J&K)-180005. There are three partners, namely Rakesh Kumar Gupta(45%), Ms. Ramneek Gupta(20%), and Ms. Romika Gupta(35%). RKGC is an AAA-class government contractor. The firm's line of business is turnkey telecommunication project execution involving OFC, Armored PIJF underground cables & associated accessories like MDF, Pillar Boxes, DP Boxes, Jointing Kits, Optical Fiber Cables & associated works like splicing & OFC termination boxes.

RKGC's clients include Defence, Railways, Large Corporate Offices, Public Sector undertakings & Government Institutes. The firm undertakes road building and related civil construction activities. They renowned quality- oriented Civil Construction Company and have been executing the Govt. Projects for the last over 15 years and are known for the timely completion of the project. Mr.. We have wide experience in the field of civil engineering that includes Civil Construction work, Roads, Highways & Industrial Roads, TELECOM, IT NETWORKING SOLUTIONS & ELECTRICAL WORKS

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY22-23	FY 23-24	FY 24 -25
Result Type		Audited	Audited	Audited
Operating Revenue	Rs.Crs.	50.26	35.20	59.55
EBITDA	Rs.Crs.	5.26	3.16	4.96
PAT	Rs.Crs.	3.40	2.47	3.91
Tangible Net Worth	Rs.Crs.	25.95	27.68	29.59
Total Debt /Tangible Net Worth	Times	0.03	0.21	0.30
Current Ratio	Times	2.92	4.81	4.75

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction include standard covenants normally stipulated for such facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA Not Applicable

ANY OTHER INFORMATION

Nil

RATING HISTORY FOR THE LAST THREE YEARS (including withdrawal and suspension)

Facilities	Current Rating (2026)			2025		2024		2022	
	Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Ratings	Date	Rating	Date
Fund Based	LT	4.00	BWR BB+ /Stable Removal from INC Category/ Upgraded	16 Apr 2025	BWR C (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	22 March 2024	BWR B - /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	30 Dec 2022	BWR B /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
Non-Fund Based	ST	25.00	BWR A4+ Removal from INC Category/ Upgraded	16 Apr 2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	22 Mar 2024	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	30 Dec 2022	BWR A4 Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed
Grand Total		29.00	(Rupees Twenty Nine Crores Only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Service Sector](#)
- [Short Term Debt](#)

Analytical Contacts	
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**ANNEXURE I
Details of Bank Loan Facilities rated by BWR**

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)	Complexity of the Instrument
1	Uco Bank	Term Loan	2.00	-	2.00	Simple
2	Uco Bank	Cash Credit	2.00	-	2.00	Simple
3	UCO Bank	Bank Guarantee	-	25.00	25.00	Simple
Total			4.00	25.00	29.00	
(Rupees Twenty Nine Crores Only)						

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / [download](#) / [ComplexityLevels.pdf](#). Investors' queries can be sent to info@brickworkratings.com.

**ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS**

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE III
List of entities consolidated
NIL**

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

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