

August 28, 2015

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	15.00	SMERA D (Assigned)
Cash Credit -Adhoc	1.20	SMERA D (Assigned)
Working Capital Term Loan	15.00	SMERA D (Assigned)
Term Loan	0.36	SMERA D (Assigned)
Bank Guarantee	3.00	SMERA D (Assigned)

SMERA has assigned long-term rating of '**SMERA D** (read as **SMERA D**) to the above mentioned bank facilities of Kavcon Engineers Private Limited (KEPL). The rating reflects delays in servicing of debt availed by the company. The rating also considers decline in revenue and incurrence of net losses reported by the company in FY2013-14 (refers to financial year, April 01 to March 31).

Rating Sensitivity Factors

- On time debt serviceability
- Scalability of operations and profitability

About the Company

KEPL, (the erstwhile M/s Kaveri Construction) was established as a partnership firm in 1982 and reconstituted as a private limited company in 2002. The company is engaged in the process of fabrication and/or galvanization of power transmission and telecommunication towers used by the Indian Railways, state electricity boards and telecommunication companies. The company is headed by Mr. Krishan Chopra and Mr. Govind Chopra Gopal, Directors, who manage the day-to-day operations of the company.

KEPL reported a net loss of Rs.5.44 crore on total revenue of Rs.28.34 crore in FY2013-14 as against a net loss of Rs.0.47 crore on income of Rs.64.24 crore in FY2012-13.

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