

Press Release

Kavcon Engineers Private Limited

July 16, 2018



Rating Update

Total Bank Facilities Rated	Rs. 35.56 Cr.#
Long Term Rating	ACUITE D Issuer Not Co-operating*
Short Term Rating	ACUITE D Issuer Not Co-operating*

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE D** (**read as ACUITE D**) and short term rating of '**ACUITE D** (**read as ACUITE D**) on the Rs.35.56 crore bank facilities of Kavcon Engineers Private Limited (KEPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
Manufacturing Entities - <http://acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Company: KEPL was reconstituted as a private limited company and was given its current name (initially Kaveri Constructions) in October 2002. KEPL is Bangalore based company, 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.

For FY2013-14, the company reported net loss of Rs.5.45 crore on total income of Rs.28.34 crore as against net loss of Rs.0.44 crore on total income of Rs.64.24 crore a year earlier. The net worth stood at Rs.11.21 crore as on March 31, 2014, as compared with Rs.12.65 crore a year earlier.

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

None

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
18-Oct-2017	Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed)
	Cash Credit – Adhoc	Long Term	1.20	ACUITE D (Reaffirmed)
	Working Capital Term Loan	Long Term	15.00	ACUITE D (Reaffirmed)
	Term Loan	Long Term	0.36	ACUITE D (Reaffirmed)
	Bank Guarantee	Short Term	3.00	ACUITE D (Reaffirmed)
28-Aug -2015	Cash Credit	Long Term	15.00	ACUITE D (Assigned)
	Cash Credit – Adhoc	Long Term	1.20	ACUITE D (Assigned)
	Working Capital Term Loan	Long Term	15.00	ACUITE D (Assigned)
	Term Loan	Long Term	0.36	ACUITE D (Assigned)
	Bank Guarantee	Short Term	3.00	ACUITE D (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Issuer not cooperating*
Cash Credit – Adhoc	Not Applicable	Not Applicable	Not Applicable	1.20	ACUITE D Issuer not cooperating*
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Issuer not cooperating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.36	ACUITE D Issuer not cooperating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE D Issuer not cooperating*

Contacts

Analytical	Rating Desk
Suman Chowdhury President - Rating Operations Tel: 022-67141107 suman.chowdhury@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

Kashish Shah
Analyst - Rating Operations
Tel: 022-67141152
kashish.shah@acuiteratings.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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