

Press Release

Kavcon Engineers Private Limited

January 23, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 34.56 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.

Acuité has reviewed 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.

About the Rated Entity - Key Financials

	Unit	FY14(Actual)	FY13(Actual)	FY12(Actual)
Operating Income	Rs. Cr.	28.34	64.24	73.80
EBITDA	Rs. Cr.	(1.37)	3.89	6.40
PAT	Rs. Cr.	(5.45)	(0.44)	1.95
EBITDA Margin	(%)	(4.84)	6.06	8.67
PAT Margin	(%)	(19.22)	(0.69)	2.64
ROCE (%)	(%)	(4.65)	8.32	16.75
Total Debt/Tangible Net Worth	Times	2.76	2.18	1.98
PBDIT/Interest	Times	-0.39	1.05	1.76
Total Debt/PBDIT	Times	7.11	3.91	4.96
Gross Current Assets (Days)	Days	250.58	207.87	171.54

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

None.

Any other information

"Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups"

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
16-Jul-2018	Cash Credit	Long Term	15.00	ACUITE D (Indicative)
	Cash Credit	Long Term	1.20	ACUITE D (Indicative)
	Working Capital Term Loan	Long Term	15.00	ACUITE D (Indicative)
	Term Loan	Long Term	0.36	ACUITE D (Indicative)
	Bank Guarantee	Short Term	3.00	ACUITE D (Indicative)
18th Oct 17	Cash Credit	Long Term	15.00	ACUITE D (Reaffirmed)
	Cash Credit	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	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. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.20	ACUITE D Issuer not co-operating*
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	0.36	ACUITE D Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE D Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuute.in</p> <p>Saurabh Rane Analyst - Rating Operations Tel: 02249294044 Saurabh.Rane@acuiteratings.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuute.in</p>

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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