

Press Release

Kavcon Engineers Private Limited

October 03, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	-	ACUITE D Reaffirmed Issuer not co-operating*
Bank Loan Ratings	31.56	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	34.56	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) and the short-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 34.56 crore bank facilities of Kavcon Engineers Private Limited (KEPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

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. Mr. Manmohan Chopra & Mr. Govind Chopra Gopal are the directors of the company.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

No information has been shared for Acuite to comment

Material Covenants

None

Liquidity Position

No information has been shared for Acuite to comment

Outlook

Not Applicable.

Other Factors affecting Rating

Not Applicable.

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Jul 2021	Cash Credit	Long Term	1.20	ACUITE D (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Working Capital Term Loan	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE D (Issuer not co-operating*)
09 Apr 2020	Cash Credit	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	1.20	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE D (Issuer not co-operating*)

	Working Capital Term Loan	Long Term	15.00	ACUITE D (Issuer not co-operating*)
23 Jan 2019	Cash Credit	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	1.20	ACUITE D (Issuer not co-operating*)
	Working Capital Term Loan	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE D (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE D (Issuer not co-operating*)
16 Jul 2018	Cash Credit	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Cash Credit	Long Term	1.20	ACUITE D (Issuer not co-operating*)
	Working Capital Term Loan	Long Term	15.00	ACUITE D (Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE D (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE D (Issuer not co-operating*)
18 Oct 2017	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)
	Cash Credit	Long Term	15.00	ACUITE D (Assigned)
		Long		
28 Aug 2015	Cash Credit	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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.20	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.36	ACUITE D Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	15.00	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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