

## Press Release

### KENCES CONSTRUCTIONS PRIVATE LIMITED

May 03, 2019



#### Rating Update

<b>Total Bank Facilities Rated</b>	Rs. 37.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB 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 BB**' (read as **ACUITE double B**) on the Rs. 37.00 crore bank facilities of KENCES CONSTRUCTION PRIVATE LIMITED (KCPL). This rating is now an indicative rating and is based on best available information.

KCPL, part of the Kences Group, was incorporated in 2001 by Mr. K. Narasa Reddy and family. The company is engaged in real estate development and runs 'Fortune Kences', a hotel in Tirupati.

#### 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

- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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 Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	35.08	20.91	17.33
EBITDA	Rs. Cr.	9.18	6.27	4.14
PAT	Rs. Cr.	10.30	2.52	1.11
EBITDA Margin	(%)	26.16	30.00	23.90
PAT Margin	(%)	29.35	12.03	6.39
ROCE (%)	(%)	5.31	6.05	4.65
Total Debt/Tangible Net Worth	Times	0.89	0.46	0.34
PBDIT/Interest	Times	2.16	2.18	1.72
Total Debt/PBDIT	Times	6.75	4.76	5.17
Gross Current Assets (Days)	Days	459	364	522

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

Not Applicable

### Any other information

Acuité 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
17-Jun-2016	Secured Overdraft	Long Term	25.00	ACUITE BB+/ Stable (Assigned)
	Secured Overdraft	Long Term	7.00	ACUITE BB+/ Stable (Indicative)
18- Sep-2017	Secured Overdraft	Long Term	25.00	ACUITE BB+ (Indicative)
	Secured Overdraft	Long Term	7.00	ACUITE BB+ (Indicative)
20-Feb-2018	Secured Overdraft	Long Term	30.00 (Enhanced from Rs. 25.00 crore)	ACUITE BB/Stable (Downgraded)
	Secured Overdraft	Long Term	7.00	ACUITE BB/Stable (Downgraded)

### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BB (Indicative)
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB (Indicative)

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

### Contacts

Analytical	Rating Desk
Vinayak Nayak Head – Rating Operations Tel: 022-49294071 <a href="mailto:vinayak.nayak@acuite.in">vinayak.nayak@acuite.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>
Salome Farren Analyst - Rating Operations Tel: 02249294025 <a href="mailto:salome.farren@acuiteratings.in">salome.farren@acuiteratings.in</a>	

### About Acuité Ratings & Research:

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