

Press Release

KBC Infrastructures Private Limited

April 24, 2019

Rating Update



Total Bank Facilities Rated*	Rs. 24.50 Cr. #
Long Term Rating	ACUITE BB- Issuer not co-operating*
Short Term Rating	ACUITE A4+ 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 minus**) and short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 24.50 crore bank facilities of KBC Infrastructures Private Limited. This rating is now an indicative rating and is based on best available information.

KBC Infrastructure Private Limited (KIPL) is an Andhra Pradesh based company promoted by Mr. Butuchaiah Kannegati and Mrs. Vasavilatha Kanneganti engaged in civil construction work. The company is engaged in the construction of roads and bridges for government organisations Andhra Pradesh (AP) Roads & Buildings Department and Panchayet Raj Department.

Analytical approach

Acuité has considered the standalone business and financial risk profiles of KBC to arrive at the rating.

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>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.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	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	66.01	19.77	15.55
EBITDA	Rs. Cr.	9.08	4.70	3.42
PAT	Rs. Cr.	3.02	0.92	0.61
EBITDA Margin	(%)	13.75	7.50	5.00
PAT Margin	(%)	4.57	4.68	3.94
ROCE (%)	(%)	31.43	16.53	15.53
Total Debt/Tangible Net Worth	Times	1.30	2.74	2.07
PBDIT/Interest	Times	3.30	2.43	2.52

Total Debt/PBDIT	Times	1.37	3.66	3.16
Gross Current Assets (Days)	Days	118	215	232

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

None

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
21-Apr-2017	Overdraft	Long Term	11.00	ACUITE BB-/Stable (Assigned)
	Term Loans	Long Term	3.00	ACUITE BB-/Stable (Assigned)
	Proposed Overdraft	Long Term	2.50	ACUITE BB-/Stable (Assigned)
	Bank guarantee/Letter of Guarantee	Short term	2.50	ACUITE A4+ (Assigned)
14-March-2018	Overdraft	Long Term	14.00	ACUITE BB-/Stable (Reaffirmed)
	Term Loans	Long Term	2.40	ACUITE BB-/Stable (Reaffirmed)
	Proposed Facility	Long Term	3.10	ACUITE BB-/Stable (Reaffirmed)
	Bank guarantee/Letter of Guarantee	Short term	5.00	ACUITE A4+ (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Overdraft	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE BB- Issuer not co-operating*
Term Loans	Not Applicable	Not Applicable	Not Applicable	2.40	ACUITE BB- Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	3.10	ACUITE BB- Issuer not co-operating*

Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ Issuer not co-operating*
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Contacts

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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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