

Press Release

B L Kashyap & Sons Limited (BLK)

21 June, 2017

Rating Assigned



Total Bank Facilities Rated*	Rs. 956.77 Cr
Long Term Rating	SMERA D (Assigned)

**Refer Annexure for details*

Rating Rationale

SMERA has assigned long term rating of '**SMERA D**' (read as **SMERA D**) to the above mentioned bank facilities of B L Kashyap & Sons Limited (BLK).

BL Kashyap & Sons Limited, established in 1989 by Mr. Vinod Kashyap is engaged in the construction of commercial, residential and industrial buildings.

List of Key Rating Drivers and their detailed description

Strengths:

Experienced promoters: BLK is led by Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikaram Kashyap who possess extensive experience in the said line of business.

Weakness:

Delay in servicing of debt obligations: The rating reflects delays in servicing of debt obligations. The company is currently under Corporate Debt Restructuring (CDR) and has been classified as a Special Mention Account (SMA) by the bankers.

Analytical approach: SMERA has considered the standalone business and financial risk profiles of the company.

Applicable Criteria

- Infrastructure Entities – <https://www.smera.in/criteria-infra.htm>
- Application of Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default Recognition:-<https://www.smera.in/criteria-default.htm>

About the Rated Entity:

BLK (the erstwhile BL Kashyap and Sons Private Limited) established in 1989 by Mr. Vinod Kashyap was reconstituted as a public limited company in 1995.

The company reported Profit After Tax (PAT) of Rs. 0.96 crore in FY2016 on operating income of Rs. 841.69 crore against net loss of Rs. 52.40 crore in FY2015 on operating income of Rs. 807.58 crore.

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

Any other information: NA

Rating History for the last three years:

Name of Instrument /Facilities	FY2018			FY2017		FY2016		FY2015	
	Scale	Amount (Rs. Crore)	Rating with Outlook	Date	Rating	Date	Rating	Date	Rating
Cash Credit	LT	297.54	SMERA D (Assigned)	-	-	-	-	-	-
Working Capital Term Loan	LT	59.28	SMERA D (Assigned)	-	-	-	-	-	-
Funded Interest Term Loan	LT	40.80	SMERA D (Assigned)	-	-	-	-	-	-
Corporate Loan	LT	22.01	SMERA D (Assigned)	-	-	-	-	-	-
Working Capital Demand Loan	LT	26.03	SMERA D (Assigned)	-	-	-	-	-	-
Term Loan	LT	108.23	SMERA D (Assigned)	-	-	-	-	-	-
Bank Guarantee	ST	402.88	SMERA 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	N.A	N.A	N.A.	297.54	SMERA D (Assigned)
Working Capital Term Loan	N.A	N.A	N.A.	59.28	SMERA D (Assigned)
Funded Interest Term Loan	N.A	N.A	N.A.	40.80	SMERA D (Assigned)
Corporate Loan	N.A	N.A	N.A.	22.01	SMERA D (Assigned)
Working Capital Demand Loan	N.A	N.A	N.A.	26.03	SMERA D (Assigned)
Term Loan	N.A	N.A	N.A.	108.23	SMERA D (Assigned)
Bank Guarantee	N.A	N.A	N.A.	402.88	SMERA D (Assigned)

Note on complexity levels of the rated instrument:

<https://www.smera.in/criteria-complexity-levels.htm>

Contacts:

Analytical	Rating Desk
Vinayak Nayak, Head – Operations, Tel: 022-67141190 Email: vinayak.nayak@smera.in Arindam Som, Rating Analyst, Tel: 011-49731321 Email: arindam.som@smera.in	Varsha Bist Manager Tel: 022-67141160 Email: varsha.bist@smera.in

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details, please visit www.smera.in.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.