



Press Release

B L Kashyap and Sons Limited

October 01, 2019

Rating Reaffirmed

Total Bank Facilities Rated*	Rs. 956.77 crore
Long Term Rating	ACUITE D (Reaffirmed)
Short Term Rating	ACUITE D (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuite has reaffirmed its 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. 956.77 crore bank facilities of B. L. KASHYAP & SONS LIMITED (BLKSL).

B. L. Kashyap & Sons Limited was incorporated in 1989 as a private limited company and later re-constituted as a public limited company in 1995. It is engaged in the construction of commercial, residential & industrial segments. The company is currently headed by Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap who has been in the real estate sector since 1978. The company has executed projects pan-India & has a diverse portfolio spread across various industries like IT campuses, commercial spaces, malls, hotels and residential complexes, to name a few.

Analytical Approach

Acuite has considered the standalone view of business and financial risk profiles of B. L. Kashyap & Sons Limited to arrive at this rating.

Key Rating Drivers

Strengths

• Experienced management

Incorporated in the year 1989, B. L. Kashyap & Sons Limited (hereinafter referred as BLKSL) was promoted by Late Mr. B. L. Kashyap. The company is currently headed by Mr. Vinod Kashyap, who has more than three decades of experience in the construction industry. The senior management team is ably supported by a strong line of mid-level managers. The company has a diverse portfolio spread across various industries like Commercial Spaces, Hotels, Manufacturing Facilities and Healthcare, to name a few. BLKSL reported revenues of Rs. 748.88 crores and PAT of Rs. 13.19 crore during 2018-19.

• Reputed Clientele

BLKSL benefits from its reputed clientele that includes Taj Group of Hotels, Oberoi Group, Birla Group, Escorts Group, Embassy Group, Prestige Developers, Select City, Uppal Housing, Jaypee Group, Supertech, Biocon India Limited and Hero Group, to name a few.

Weaknesses

• Delays in servicing the 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.

Liquidity: Poor

The company has poor liquidity profile marked by low net cash accruals to its maturing debt obligations. The company generated cash accruals of Rs. 22.40 crore for FY2019, while its maturing debt obligations are around Rs. 113.65 crore for the same period. BLKSL's working capital operations are intensive marked by gross current asset (GCA) of 646 days for FY2019. The company maintains unencumbered cash and bank balances of Rs. 8.64 crore as on 31 March, 2019. The current ratio stood at 1.00 times as on 31 March, 2019. Acuite believes that the liquidity of the company is likely to remain weak over the medium term on account of low cash accruals against debt repayments over the medium term.

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)	FY17 (Actual)
Operating Income	Rs. Cr.	748.88	951.00	889.50
EBITDA	Rs. Cr.	61.33	111.32	85.77
PAT	Rs. Cr.	13.19	49.83	6.80
EBITDA Margin	(%)	8.19	11.71	9.64
PAT Margin	(%)	1.76	5.24	0.76
ROCE	(%)	7.14	13.67	9.09
Total Debt/Tangible Net Worth	Times	0.80	0.96	1.40
PBDIT/Interest	Times	1.64	2.16	1.42
Total Debt/PBDIT	Times	5.76	3.48	5.74
Gross Current Assets (Days)	Days	646	515	539

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

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

Note on complexity levels of the rated instrument

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

Rating History (Up to previous three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
August 31, 2018	Cash Credit	Long term	297.54	ACUITE D (Reaffirmed)
	Working capital demand loan	Long term	59.28	ACUITE D (Reaffirmed)
	Funded Interest Term Loan	Long term	40.80	ACUITE D (Reaffirmed)
	Corporate term loan	Long term	22.01	ACUITE D (Reaffirmed)
	Working capital demand loan	Long term	26.03	ACUITE D (Reaffirmed)
	Term Loan	Long term	108.23	ACUITE D (Reaffirmed)
	Bank Guarantee	Short term	402.88	ACUITE D (Reaffirmed)
21-Jun-2017	Cash Credit	Long term	297.54	ACUITE D (Assigned)
	Working Capital Term Loan	Long term	59.28	ACUITE D (Assigned)
	Funded Interest Term Loan	Long term	40.80	ACUITE D (Assigned)
	Corporate term loan	Long term	22.01	ACUITE D (Assigned)
	Working capital demand loan	Long term	26.03	ACUITE D (Assigned)
	Term Loan	Long term	108.23	ACUITE D (Assigned)
	Bank Guarantee	Short term	402.88	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/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	297.54	ACUITE D (Reaffirmed)
Working capital term loan	Not Applicable	Not Applicable	Not Applicable	59.28	ACUITE D (Reaffirmed)
Funded-Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	40.80	ACUITE D (Reaffirmed)
Corporate Term Loan	Not Applicable	Not Applicable	Not Applicable	22.01	ACUITE D (Reaffirmed)
Working capital demand loan	Not Applicable	Not Applicable	Not Applicable	26.03	ACUITE D (Reaffirmed)
Term Loan	Not Applicable	Not Applicable	Not Applicable	108.23	ACUITE D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	402.88	ACUITE D (Reaffirmed)

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About Acuite Ratings & Research:

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