



Press Release

B L Kashyap and Sons Limited

December 16, 2020

Rating Reaffirmed, Withdrawn & Assigned

Total Bank Facilities Rated*	Rs. 829.51 crore* (Reduced from Rs. 956.77 crore)
Long Term Rating	ACUITE D (Reaffirmed, Withdrawn & Assigned)
Short Term Rating	ACUITE D (Reaffirmed)

* Refer Annexure for details

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE D** (read as ACUITE D)' on the Rs. 421.18 crore bank facilities of B L Kashyap & Sons Limited (BLKSL).

Acuité has assigned the long-term rating of '**ACUITE D** (read as ACUITE D)' on the Rs. 5.45 crore bank facilities of B L Kashyap & Sons Limited (BLKSL).

Acuité has withdrawn the long-term rating of '**ACUITE D** (read as ACUITE D)' on the Rs. 160.31 crore bank facilities of B L Kashyap & Sons Limited (BLKSL).

Acuité has reaffirmed the short-term rating of '**ACUITE D** (read as ACUITE D)' on the Rs. 402.88 crore bank facilities of B L Kashyap & Sons Limited (BLKSL).

Analytical Approach

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

About the Company: B L Kashyap & Sons Limited (BLKSL)

Incorporated in 1989 as B.L. Kashyap & Sons Private Limited and later reconstituted as a public limited company in 1995, B.L. Kashyap & Sons Limited is promoted by Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap. It is engaged in the EPC of commercial complexes, residential, industrial and institutional developments operating both private as well as public sector. BLKSL has a geographical presence in 12 cities and 8 states across India.

Key Rating Drivers

Strengths

- **Experienced management**

BLKSL is promoted by Mr. Vinod Kashyap, Mr. Vineet Kashyap and Mr. Vikram Kashyap, who have an experience of more than four decades in the aforementioned industry. The senior management team is ably supported by second line of management.

The company has well-diversified product portfolio spread by various industries such as commercial spaces, hotels, manufacturing and healthcare, to name a few.

Owing to the above-mentioned factors, BLKSL has achieved a revenue of Rs. 792.76 crores in FY2020.

Acuité believes that BLKSL will continue to benefit from its established track record of operations, extensive experience of the promoters and diversified product portfolio of the company.

• Reputed Clientele

The company has reputed clientele and has worked with business ventures such as DLF, Embassy, Hero, ITC, Maruti, Raheja, Tech Mahindra, Salarpuria among others and international blue chip organizations like Microsoft, IBM, Adobe, and Blackstone. The company has executed projects like AIIMS Patna & Raipur, DMRC Delhi as well as Jaipur and is currently executing projects like Gomti Nagar Station, Sabarmati Bullet Train Station and Chennai Metro, among others in the government sector. On the other hand, BLKSL is executing projects like Select City Walk Delhi, Oberoi Gurgaon & Shimla, Phoenix Market City Bangalore, Manyata Tech Park & ETV Bangalore, Raheja Mind Space Hyderabad, among others.

Weaknesses

• Delays in servicing the debt obligations

The rating reflects delays in servicing of debt obligations. The company has reduced a significant level of debt and is currently under Corporate Debt Restructuring (CDR) which was approved in the year 2014 as per Letter of Approval LOA and Master Restructuring Agreement (MRA) and the company's debts were restructured with longer repayment schedule stretching up to September 2019 at lower interest rates linked to Base Rates/MCLR of respective Banks. The company continues to be classified as Special Mention Account (SMA) by the several bankers. All the restructuring schemes have since been superseded by the RBI's Circular dtd. 7th June, 2019 and hence, the compliance on account of Right of Recompense in terms of erstwhile CDR Scheme is pending for closure.

Rating Sensitivity

- Significant reduction in the debt levels.
- Repayment of obligations under CDR.

Material Covenants

None

Liquidity: Weak

The liquidity buffers of BLKSL are stretched and it is expected to continue till the closure of CDR. The Company has significant debt exposure amounting to Rs. 396.41 crore as on March 31, 2020. The weak liquidity profile of the company is marked by low net cash accruals to its maturing debt obligations. BLKSL's working capital operations are intensive marked by Gross Current Asset (GCA) of 629 days for FY2020. The company maintains unencumbered cash and bank balances of Rs. 11.41 crore as on 31 March, 2020. The current ratio stood at 2.18 times as on 31 March, 2020. Acuité believes that the liquidity of the company is likely to remain weak over the medium term on account of low cash accruals against debt obligations over the medium term.

Outlook:

Not Applicable

About the Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	792.76	748.49
PAT	Rs. Cr.	(30.55)	13.91
PAT Margin	(%)	(3.85)	1.86
Total Debt/Tangible Net Worth	Times	0.76	0.80
PBDIT/Interest	Times	0.36	1.66

Status of non-cooperation with other CRA

None

Any other information

Not Applicable

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.htm>

Note on complexity levels of the rated instrument

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

Rating History (Up to previous three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
01 October 2019	Cash Credit	Long term	297.54	ACUITE D (Reaffirmed)
	Working Capital Term 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)
31 August 2018	Cash Credit	Long term	297.54	ACUITE D (Reaffirmed)
	Working Capital Term 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 June 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	23.34	ACUITE D (Reaffirmed)
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	14.64	ACUITE D (Withdrawn)
Funded Interest Term Loan	Not Applicable	Not Available	Not Applicable	1.59	ACUITE D (Withdrawn)
Corporate Loan	Not Applicable	Not Applicable	Not Applicable	1.99	ACUITE D (Withdrawn)
Funded Interest Term Loan	September, 2020	11.50%	March, 2021	1.35	ACUITE D (Assigned)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE D (Reaffirmed)
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	6.16	ACUITE D (Withdrawn)
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	7.79	ACUITE D (Withdrawn)
Corporate Loan	Not Applicable	Not Available	Not Applicable	7.70	ACUITE D (Withdrawn)
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE D (Withdrawn)
Funded Interest Term Loan	September, 2020	11.30%	March, 2021	2.00	ACUITE D (Assigned)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	36.20	ACUITE D (Reaffirmed)
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	17.92	ACUITE D (Withdrawn)
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	4.40	ACUITE D (Withdrawn)

Corporate Loan	Not Applicable	Not Available	Not Applicable	3.08	ACUITE D (Withdrawn)
Funded Interest Term Loan	September, 2020	11.65%	March, 2021	2.10	ACUITE D (Assigned)
Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE D (Withdrawn)
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	3.62	ACUITE D (Withdrawn)
Corporate Loan	Not Applicable	Not Applicable	Not Applicable	4.56	ACUITE D (Withdrawn)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	53.00	ACUITE D (Reaffirmed)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	55.00	ACUITE D (Reaffirmed)
Corporate Loan	Not Applicable	Not Applicable	Not Applicable	4.68	ACUITE D (Withdrawn)
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	3.03	ACUITE D (Withdrawn)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	26.03	ACUITE D (Reaffirmed)
Funded Interest Term Loan	September, 2020	Not Applicable	March, 2021	1.57	ACUITE D (Reaffirmed)
Term Loan	Not Applicable	Not Available	Not Applicable	2.21	ACUITE D (Withdrawn)
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	26.03	ACUITE D (Withdrawn)
Term loan - 2	Not Applicable	Not Available	Not Applicable	1.43	ACUITE D (Withdrawn)
Term Loan	Not Applicable	Not Available	Not Applicable	104.04	ACUITE D (Reaffirmed)
Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	22.00	ACUITE D (Reaffirmed)
WCTL	Not Applicable	Not Applicable	Not Applicable	10.43	ACUITE D (Withdrawn)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE D (Withdrawn)

Term Loan	Not Available	Not Available	Not Available	0.55	ACUITE D (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	68.61	ACUITE D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	159.21	ACUITE D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	7.19	ACUITE D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	16.88	ACUITE D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	147.53	ACUITE D (Reaffirmed)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.46	ACUITE D (Reaffirmed)

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About Acuité Ratings & Research:

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