



Press Release
K K Builders Private Limited
September 07, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.64	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	39.86	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	64.50	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**)' from **Acuite BBB-** (Read as **Acuite Triple B minus**) & short term rating to **ACUITE A4+** '(read as **ACUITE A four plus**)' from **Acuite A3** (Read as **Acuite A Three**) on the Rs. 64.50 Cr bank facilities of K K Builders Private Limited. This rating is now an indicative rating and is based on best available information

The rating has been downgraded on account of information risk .

About the Company

KKBPL was incorporated in 1990 in Jamshedpur, Jharkhand by Mr. Vikas Singh and his family members. The company is primarily engaged in civil construction work for building roads, bridges, and irrigation segments, mainly in Jharkhand and Bihar. The entity majorly works for the Central Govt. entities such as National Projects Construction Corporation Ltd, Central Public Works Department, etc. The company is a Class-1 contractor for government departments.

Non-cooperation by the issuer/borrower

Acuite 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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

All Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	100.01	89.70
PAT	Rs. Cr.	3.19	3.85
PAT Margin	(%)	3.19	4.29
Total Debt/Tangible Net Worth	Times	0.38	0.39
PBDIT/Interest	Times	5.73	7.21

Status of non-cooperation with previous CRA

Care Ratings vide its press release dated 9 August 2023, has mentioned the rating of K K Builders Private Limited to B+/A4 Issuer Not Cooperating as on 9 August 2023.

Crisil Ratings vide its press release dated 11 July 2022, has mentioned the rating of K K Builders Private Limited to B-/A4 Issuer Not Cooperating as on 11 July 2022.

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Jun 2022	Term Loan	Long Term	1.50	ACUITE BBB- Negative (Assigned)
	Inventory Funding	Short Term	4.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	25.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB- Negative (Reaffirmed)
	Proposed Bank Facility	Short Term	0.86	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	9.07	ACUITE BBB- Negative (Reaffirmed)
	Term Loan	Long Term	0.43	ACUITE BBB- Negative (Reaffirmed)
	Term Loan	Long Term	5.12	ACUITE BBB- Negative (Assigned)
	Term Loan	Long Term	0.52	ACUITE BBB- Negative (Assigned)
20 Apr 2021	Proposed Bank Facility	Short Term	11.50	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	25.00	ACUITE A3 (Reaffirmed)
28 Jan 2020	Proposed Bank Guarantee	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	25.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	4.50	ACUITE BBB- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE BB+ Downgraded Issuer not co-operating*
OXYZO Financial Services Private Limited	Not Applicable	Inventory Funding	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE A4+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.86	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	1.50	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.52	ACUITE BB+ Downgraded Issuer not co-operating*
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	5.12	ACUITE BB+ Downgraded Issuer not co-operating*
Hinduja Leyland Finance Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	9.07	ACUITE BB+ Downgraded Issuer not co-

								operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.00	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.43	ACUITE BB+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Khushi Shah Analyst-Rating Operations Tel: 022-49294065 khushi.shah@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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