



**Press Release**  
**K K BUILDERS PRIVATE LIMITED**  
**June 04, 2024**  
**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.57	ACUITE C   Downgraded	-
Bank Loan Ratings	9.07	ACUITE D   Downgraded	-
Bank Loan Ratings	35.86	-	ACUITE A4   Downgraded
Bank Loan Ratings	4.00	-	ACUITE D   Downgraded
Total Outstanding Quantum (Rs. Cr)	64.50	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB+**' (read as **Acuite double B plus**) on the Rs. 15.57 Cr. bank facilities and '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE BB+**' (read as **Acuite double B plus**) on the Rs. 9.07 Cr. bank facilities. Also, Acuite has downgraded its short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 35.86 Cr. bank facilities and '**ACUITE D**' (read as **ACUITE D**) from '**Acuite A4+**' (read as **ACUITE A four plus**) on the Rs. 4.00 Cr. bank facilities of K K Builders Private Limited.

**Rationale for Rating Downgrade**

The rating downgrade is on account of a delay in servicing debt obligations by K K Builders Private Limited as confirmed by its bankers.

**About the Company**

Bihar based K K Builders Private Limited was incorporated in 1990 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 Limited, Central Public Works Department, etc. The company is a Class-I contractor for government departments. The Directors of the company are Mr. Vikash Singh, Mrs. Urmila Singh, Mrs. Nisha Singh, Mrs. Rekha Singh, Mrs. Anita Singh, Mrs. Ankita Singh, Mrs. Usha Singh, Mrs. Shweta Singh, Mrs. Rashmi Sing and Mr. Kumud Ranjan Pathak.

**Unsupported Rating**

Not applicable

### **Analytical Approach**

Acuité has considered the standalone business and financial risk profile of K K Builders Private Limited to arrive at the rating.

### **Key Rating Drivers**

### **Strengths**

### **Extensive experience of promoters in the industry**

Bihar based K K Builders Private Limited was incorporated in 1990 by Mr. Vikas Singh and his family members. The promoters have an industry experience of more than thirty years. The entity majorly works for the Central Govt. entities such as National Projects Construction Corporation Limited, Central Public Works Department, etc. The company is a Class-1 contractor for government departments. Acuité believes that K K Builders Private Limited will continue to benefit from the extensive experience of its promoters.

### **Weaknesses**

#### **Instances of delays in recent past**

There have been instances of delays in servicing of debt obligations by K K Builders Private Limited in recent past due to stretched liquidity position. The same is also confirmed by its bankers.

### **Rating Sensitivities**

- Timely servicing of debt obligations.

### **Liquidity Position**

#### **Poor**

Due to delays in service of debt obligations by the company, the liquidity is marked poor.

### **Outlook: Not Applicable**

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	68.84	100.01
PAT	Rs. Cr.	1.78	3.19
PAT Margin	(%)	2.58	3.19
Total Debt/Tangible Net Worth	Times	0.22	0.38
PBDIT/Interest	Times	3.82	5.73

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

Not Applicable

### Any other information

None

### Applicable Criteria

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

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
07 Sep 2023	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	6.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
	Inventory Funding	Short Term	4.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Proposed Short Term Bank Facility	Short Term	0.86	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Term Loan	Long Term	1.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
	Term Loan	Long Term	9.07	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
	Term Loan	Long Term	2.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
	Term Loan	Long Term	0.43	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
	Term Loan	Long Term	0.52	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
	Term Loan	Long Term	5.12	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB-   Negative)
14 Jun 2022	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BBB-   Negative (Reaffirmed)
	Inventory Funding	Short Term	4.00	ACUITE A3 (Assigned)
	Proposed Short Term Bank Facility	Short Term	0.86	ACUITE A3 (Assigned)
	Term Loan	Long Term	9.07	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.43	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.52	ACUITE BBB-   Negative (Assigned)
	Term Loan	Long Term	5.12	ACUITE BBB-   Negative (Assigned)
	Term Loan	Long Term	1.50	ACUITE BBB-   Negative (Assigned)
20 Apr 2021	Bank Guarantee (BLR)	Short Term	25.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	11.50	ACUITE A3 (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 avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE A4   Downgraded ( from ACUITE A4+ )
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE A4   Downgraded ( from ACUITE A4+ )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.00	ACUITE C   Downgraded ( from ACUITE BB+ )
OXYZO Financial Services Private Limited	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.00	ACUITE D   Downgraded ( from ACUITE A4+ )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.86	ACUITE A4   Downgraded ( from ACUITE A4+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2024	Simple	1.50	ACUITE C   Downgraded ( from ACUITE BB+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Jan 2029	Simple	0.52	ACUITE C   Downgraded ( from ACUITE BB+ )
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Dec 2023	Simple	5.12	ACUITE C   Downgraded ( from ACUITE BB+ )
Hinduja Leyland Finance Ltd.	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	07 Oct 2024	Simple	9.07	ACUITE D   Downgraded ( from ACUITE BB+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	25 Mar 2026	Simple	2.00	ACUITE C   Downgraded ( from ACUITE BB+ )
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	01 Jan 2027	Simple	0.43	ACUITE C   Downgraded ( from ACUITE BB+ )

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### 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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