

Press Release

Kapston Facilities Management Limited (Erstwhile Kapston Facilities Management Private Limited)

April 22, 2021

Rating Update



Total Bank Facilities Rated*	Rs. 25.00 Cr.
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer Not Co-operating**
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer Not Co-operating**

* Refer Annexure for details

** The issuer did not co-operate; based on best available information

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **Acuite A three plus**) on the Rs.25.00 crore bank facilities of Kapston Facilities Management Limited (KFML), erstwhile Kapston Facilities Management Private Limited. The ratings are now indicative ratings based on the best available information.

About the Company

Hyderabad-based KFML was incorporated in the year 2009 and is a provider of private security and facility management services in India. The company, promoted by Mr. Kodali Srikanth, is ISO 9001 & OHSAS 18001 certified, for providing integrated facility management services for security, housekeeping, Electro Mechanical and landscaping (Horticulture) and allied services. In March 2018, the name of the company was changed to Kapston Facilities Management Limited and it was listed on NSE Emerge (SME Platform) on April 4, 2018.

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 non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

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

Note on complexity levels of the rated instrument

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

Limitations 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 has 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.

Liquidity position

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

Rating Sensitivities

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

About the Rated Entity - Key Financials

	Unit	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	213.40	147.23
PAT	Rs. Cr.	10.20	8.56
PAT Margin	(%)	4.78	5.81
Total Debt/Tangible Net Worth	Times	1.09	0.73
PBDIT/Interest	Times	4.15	5.26

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument/facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
30-Jan-2020	Cash Credit	Long Term	20.00	ACUITE BBB/Stable (Reaffirmed)
	Bank Guarantee	Short Term	5.00	ACUITE A3+ (Reaffirmed)
06-Nov-2018	Cash Credit	Long Term	10.00	ACUITE BBB/Stable (Upgraded)
	Cash Credit	Long Term	10.00	ACUITE BBB/Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A3+ (Assigned)
16-Nov-2017	Cash Credit	Long Term	10.00	ACUITE BBB-/Stable (Upgraded)
07-Apr-2017	Cash Credit	Long Term	6.00	ACUITE BB+/Stable (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	20.00	ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer Not Co-operating**
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer Not Co-operating**

**The issuer did not co-operate; based on best available information

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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