



**Press Release**  
**Kailash Devbuild India Private Limited**  
**December 12, 2024**  
**Rating Upgraded, Reaffirmed & Withdrawal**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.15	ACUITE C   Reaffirmed & Withdrawn	-
Bank Loan Ratings	36.77	ACUITE C   Upgraded & Withdrawn	-
Bank Loan Ratings	0.08	Not Applicable   Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	67.00	-	-

**Rating Rationale**

Acuite has reaffirmed and withdrawn its long term rating of 'ACUITE C' (read as ACUITE Co) on the Rs.30.15 Cr. bank facilities of Kailash Devbuild India Private Limited (KDIPL).

Further, Acuite has upgraded and withdrawn its long term rating at 'ACUITE C' (read as ACUITE C) from 'ACUITE D' (read as ACUITE Do) on the Rs.36.77 Cr. bank facilities of Kailash Devbuild India Private Limited on account of entity meeting the curing period criteria post default.

Acuite has also withdrawn its rating on the proposed long term bank facility of Rs.0.08 Cr. of Kailash Devbuild India Private Limited without assigning any rating as it is a proposed facility.

The rating has been withdrawn as per Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company and the NOC (No Objection Certificate) received from the banker.

**Rationale for the Rating**

The rating action is on account of recent delays in debt servicing being reflected in the credit bureau information report of the company.

**About the Company**

Kailash Devbuild India Private Limited (KDBIL) was established in 1988 as a sole proprietorship under the name of 'Kailash Constructions' by Mr. K. K. Shukla. It is based out of Jabalpur, Madhya Pradesh and undertakes turnkey construction projects for EHV transmission lines and substations and is also engaged in tower fabrication business. The firm was later converted in 2013 and took over the proprietary books. KDBIL constructs high quality EHV transmission lines and substations. For this purpose, they offer integrated services through electrical systems design, complete solutions for civil design and construction activities, complete engineering procurement and turnkey solutions, commissioning and also maintenance services.

**Unsupported Rating**

Not Applicable

## **Analytical Approach**

Acuité has considered the standalone financial and business risk profiles of KDIPL to arrive at the rating.

## **Key Rating Drivers**

## Strengths

### Experienced management coupled with long track of operations

KDBIL, a special-class civil contractor, has been into existence for more than three decades in construction of high-quality EHV transmission lines and substations. Mr. K. K. Shukla, the promoter of KDBIL, is having more than three decades of experience in the civil construction industry. Currently, the business operations are handled and managed by Mr. Bhanu Shukla, who brings an experience of around a decade. KDBIL has executed multiple orders which included construction work of line bays along with installation of line reactors, turnkey construction of pooling substations and others. With promoter's extensive industry experience and timely execution of past projects, KDBIL has been able to establish a long-standing relationship with its suppliers and various government bodies. Further, the revenue of the company grew by ~53.37% to Rs.93.50 Cr. in FY2024 against Rs.60.97 Cr. in FY2023. The improvement in the revenue is primarily on account of timely execution and billing of projects. The operating profit margin improved to 6.24 per cent in FY2024 compared against 5.48 per cent in FY2023. The PAT margin of the company stood at 0.62 percent in FY2024 compared to 0.38 percent in FY2023.

## Weaknesses

### Intensive Nature of Working Capital Operations

The company has an intensive nature of working capital operations marked by Gross Current Asset (GCA) days of 219 days in FY2024, as against 391 days in FY2023. The inventory levels stood at 104 days in FY2024 when compared against 237 days in FY2023. The debtor days stood at 21 days in FY2024 as compared against 91 days in FY2023.

### Average Financial Risk Profile

The financial risk profile of the company is average marked by moderate net worth, gearing, and debt protection metrics. The tangible net worth of the company stood at Rs.27.87 Cr. as on 31 March 2024 as against Rs.28.71 Cr. as on 31 March 2023. The gearing level of the company is below unity at 0.75 times as on 31 March 2024 as against 0.71 times as on 31 March 2023. The total debt of the company stood at Rs.20.95 Cr. as on March 31, 2024. Interest Coverage Ratio (ICR) stood at 1.30 times for FY2024 against 1.31 times for FY2023. However, Debt Service Coverage Ratio (DSCR) stood below unity at 0.96 times for FY2024 against 0.55 times in FY2023. The total outside liabilities to tangible net worth (TOL/TNW) of the company stood at 1.59 times as of March 31, 2024, as against 1.84 times as of March 31, 2023. The Debt/EBITDA levels stood at 3.25 times as of March 31, 2024, as against 4.51 times as of March 31, 2023.

### Instances of delays in debt servicing

Instances of delays in debt-servicing have been reported in recent months in the Credit Bureau Information report of the company.

## Rating Sensitivities

Not Applicable

## Liquidity Position Stretched

The company has a stretched liquidity position marked by insufficient net cash accruals against its maturing debt obligations. The company generated cash accruals of Rs.1.31 Cr. in FY2024 compared against Rs.1.56 Cr. maturing debt obligation over the same period. The company maintains unencumbered cash and bank balances of Rs.0.03 Cr. as on March 31, 2024. The current ratio stood at 2.71 times as on March 31, 2024.

## Outlook: Not Applicable

## Other Factors affecting Rating

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	93.50	60.97
PAT	Rs. Cr.	0.58	0.23
PAT Margin	(%)	0.62	0.38
Total Debt/Tangible Net Worth	Times	0.75	0.71
PBDIT/Interest	Times	1.30	1.31

**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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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
18 Jan 2024	Cash Credit	Long Term	8.00	ACUITE C (Reaffirmed)
	Letter of Credit	Long Term	1.00	ACUITE C (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	19.00	ACUITE C (Reaffirmed)
	Covid Emergency Line.	Long Term	1.20	ACUITE C (Reaffirmed)
	Covid Emergency Line.	Long Term	0.95	ACUITE C (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.08	ACUITE C (Reaffirmed)
	Covid Emergency Line.	Long Term	0.77	ACUITE D (Downgraded from ACUITE C)
	Bank Guarantee (BLR)	Long Term	22.00	ACUITE D (Downgraded from ACUITE C)
	Letter of Credit	Long Term	8.00	ACUITE D (Downgraded from ACUITE C)
	Cash Credit	Long Term	6.00	ACUITE D (Downgraded from ACUITE C)
22 Sep 2023	Cash Credit	Long Term	8.00	ACUITE C (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE C (Reaffirmed)
	Letter of Credit	Long Term	1.00	ACUITE C (Reaffirmed)
	Letter of Credit	Long Term	8.00	ACUITE C (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	19.00	ACUITE C (Reaffirmed)
	Bank Guarantee (BLR)	Long Term	22.00	ACUITE C (Reaffirmed)
	Covid Emergency Line.	Long Term	1.20	ACUITE C (Reaffirmed)
	Covid Emergency Line.	Long Term	0.95	ACUITE C (Reaffirmed)
	Covid Emergency Line.	Long Term	0.77	ACUITE C (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	0.08	ACUITE C (Reaffirmed)
24 Jun 2022	Bank Guarantee (BLR)	Long Term	22.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Bank Guarantee (BLR)	Long Term	19.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Letter of Credit	Long Term	8.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Letter of Credit	Long Term	4.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	6.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
	Cash Credit	Long Term	8.00	ACUITE C (Downgraded from ACUITE BBB-   Stable)
07 Jan	Bank Guarantee (BLR)	Long Term	19.00	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee (BLR)	Long Term	22.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BBB-   Stable (Assigned)

2021	Cash Credit	Long Term	6.00	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Long Term	8.00	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Long Term	4.00	ACUITE BBB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.00	Simple	ACUITE C   Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE C   Upgraded & Withdrawn ( from ACUITE D )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE C   Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE C   Upgraded & Withdrawn ( from ACUITE D )
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	20 May 2024	1.20	Simple	ACUITE C   Reaffirmed & Withdrawn
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	20 May 2024	0.95	Simple	ACUITE C   Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2024	0.77	Simple	ACUITE C   Upgraded & Withdrawn ( from ACUITE D )
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE C   Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE C   Upgraded & Withdrawn ( from ACUITE D )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.08	Simple	Not Applicable Withdrawn

## Contacts

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### About Acuité Ratings & Research

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