

Press Release

KCP Infra Limited (erstwhile KCP Engineers Limited)

June 16, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	170.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Bank Loan Ratings	20.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Fixed Deposits (FD)	50.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	240.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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 Plus**), short term rating to '**ACUITE A4+**' (read as **ACUITE A four Plus**) from '**ACUITE A2+**' (read as **ACUITE A two Plus**) to the Rs. 190.00 Cr bank facilities and Fixed deposit rating to '**ACUITE BB+**' (read as **ACUITE double B Plus**) from '**ACUITE A**' (read as **ACUITE A**) to the Rs 50.00 Cr proposed fixed deposits of KCP Infra Ltd. This rating is an indicative rating and is based on the best available information.

About the Company

KCP Infra Limited (erstwhile KCP Engineers Ltd, "KCPIL") was established as a partnership business in 2005 based out of Coimbatore and is promoted by civil engineer Mr. K Chandraprakash. The company is engaged in undertaking infrastructural construction projects like construction of roads, bridges, irrigation projects, solid waste management projects, water supply projects and smart city projects. The company operates mainly out of Chennai and Coimbatore and caters to projects in Tamil Nadu, Kerala and Andhra Pradesh. The company is a Class 1 Licensed contractor with various agencies in state and central government

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 an 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 Acuité'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). Acuité has endeavoured together information about the entity/industry from the public domain. Therefore, Acuité 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."

Material Covenants

None

Liquidity Position

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

Outlook: Not applicable

Key Financials

Particulars	Unit	FY 20 (Actual)	FY 19 (Actual)
Operating Income	Rs. Cr.	603.78	427.70
PAT	Rs. Cr.	36.45	27.15
PAT Margin	(%)	6.04	6.35
Total Debt/Tangible Net Worth	Times	0.58	0.47
PBDIT/Interest	Times	9.37	6.38

Status of non-cooperation with previous CRA

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Jun 2021	Secured Overdraft	Long Term	20.00	ACUITE BBB+ Stable (Assigned)
	Bank Guarantee	Short Term	70.00	ACUITE A2+ (Assigned)
	Proposed Bank Guarantee	Short Term	100.00	ACUITE A2+ (Assigned)
	Proposed Fixed Deposit Program	Long Term	50.00	ACUITE FA Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Karnataka Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	70.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2+)
Karnataka Bank Ltd	Not Applicable	Overdraft	Not Applicable	10.70	Not Applicable	20.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	100.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2+)
Not Applicable	Not Applicable	Proposed Fixed Deposit Program	Not Applicable	8.00	Not Applicable	50.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE A)

Contacts

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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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