



Press Release
KCP INFRA LIMITED (ERSTWHILE KCP ENGINEERS LIMITED)
June 14, 2023

Rating Reaffirmed and Issuer not co-operating

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

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BB+**' (read as **ACUITE double B Plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four Plus**) on the Rs. 190.00 Cr bank facilities and Fixed deposit rating of '**ACUITE BB+**' (read as **ACUITE double B Plus**) on the Rs 50.00 Cr proposed fixed deposits of KCP Infra Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

KCP Infra Limited (erstwhile KCP Engineers Ltd, "KCPIIL") 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 non-cooperation 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 has endeavoured together 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 Sensitivity

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

Material 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 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	603.78	427.70
PAT	Rs. Cr.	35.36	27.15
PAT Margin	(%)	5.86	6.35
Total Debt/Tangible Net Worth	Times	0.79	0.52
PBDIT/Interest	Times	6.43	6.38

Status of non-cooperation with previous CRA

Not Applicable.

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

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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. 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
16 Jun 2022	Secured Overdraft	Long Term	20.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	70.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	100.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Fixed Deposit Program	Long Term	50.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
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	Complexity Level	Quantum (Rs. Cr.)	Rating
Karnataka Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	70.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	100.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Fixed Deposit Program	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE BB+ Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE BB+ Reaffirmed Issuer not co-operating*

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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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