

Press Release
Inkel Limited
December 08, 2023



Rating Reaffirmed Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Fixed Deposits (FD)	40.00	ACUITE BB Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	51.30	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	40.00	-	-
Total Withdrawn Quantum (Rs. Cr)	51.30	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of **Acuite BB(read as Acuite double B)**, and now it has been marked as '**Issuer not Co-operating**' on the Rs.40.00 Cr. Fixed Deposit Programme of Inkel Limited. The rating is based on the best available information

Acuite has also withdrawn the short term rating on Rs.51.30 Cr. bank loan facilities of Inkel Limited. The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating is being withdrawn on account of request received from the Company and No Objection Certificate received from the banker indicating that the liabilities to the banker have been discharged.

About the Company

Inkel is PPP (Public-Private-Partnership) initiative of Government of Kerala (GoK) to encourage NRI (Non-resident Indian) investments in Infrastructure. The government along with State owned companies holds 29.6 percent in the company. Further, the board consists of Mr. P Rajeeve as Chairman - Minister for Industries, Law and Coir in the Govt. of Kerala, Dr. Kamalakannan Ellangovan as Managing Director - Former Additional Chief Secretary, Department of Industries & NORKA, Government of Kerala and Mr. Suman Billa - Principal Secretary, Department of Industries & NORKA, Government of Kerala.

The company provides holistic consultancy services as a Project Management Consultant (PMC) for Infrastructure projects Inkel's major source of revenue of is centage fees which is 3-7 percent the project cost. The company has been diversifying profit-earning streams from predominantly PMC to EPC contractor. Further, the company intends to set up wind power plant of 14 MGW with total project cost of Rs. 98.00 Cr. Additionally, the company earns Initial lease premium and operating lease through subleasing land leased from Inkel KSIDC.

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.

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 endeavored to gather 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."

All 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 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	85.01	94.70
PAT	Rs. Cr.	14.43	8.88
PAT Margin	(%)	16.98	9.37
Total Debt/Tangible Net Worth	Times	0.57	0.62
PBDIT/Interest	Times	2.50	2.19

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Dec 2022	Proposed Fixed Deposit Program	Long Term	40.00	ACUITE BB Stable (Assigned)
	Bank Guarantee	Short Term	51.30	ACUITE A4+ (Assigned)

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 Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	51.30	Not Applicable Withdrawn
Not Applicable	Not Applicable	Fixed Deposit Program	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	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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