

Press Release

Keyem Infra Project Private Limited (Erstwhile Keyem Engineering Ent
June 25, 2024

Rating Downgraded and Issuer not co-operating



Bank Loan Ratings	16.75	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	129.30	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	146.05	-	-

Rating Rationale

Acuité has downgraded long-term rating at "ACUITE BB+" (read as ACUITE double B plus) from "ACUITE BBB+" (read as ACUITE t riple B plus) and short-term rating at "ACUITE A4+" (read as ACUITE A four plus) from "ACUITE A2" (read as ACUITE A two) on the Rs.146.05 Crore bank facilities of Keyem Infra Project Private Limited (Erstwhile Keyem Engineering Enterprises).

The rating is now indicative and is based on best available information. The rating downgrade is on account of information risk. This rating is flagged as issuer not cooperating.

About the Company

Established in 1996, Keyem Engineering Enterprises (KEE) is a Chennai-based proprietorship concern managed by Mr. Ramachandran. The company was incorporated as Keyem Infra Project Private Limited in the year 2022. The company is located at Chennai, Tamil Nadu. KEE is a Class-1 contractor, engaged in construction and development of underground sewerage systems, pumping stations, water and sewage treatment plants. The firm has been in this business for over two decades, and primarily works for various Municipal Corporations, Municipalities, Panchayats under the purview of Tamil Nadu Water Supply and Drainage Board (TWAD). Directors of the company are Mr. Somu Sarvai Ramachandran and Ms. Nalini.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuité 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 due date. Acuité 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 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 endeavoured 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 Acuité to comment upon.

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	302.11	412.69
PAT	Rs. Cr.	22.54	32.25
PAT Margin	(%)	7.46	7.81
Total Debt/Tangible Net Worth	Times	3.77	0.22
PBDIT/Interest	Times	23.70	25.09

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>
- 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
31 Mar 2023	Bank Guarantee (BLR)	Short Term	29.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	9.30	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	38.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	23.65	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	1.35	ACUITE A2 (Assigned)
	Bank Guarantee (BLR)	Short Term	12.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	15.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	0.65	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	1.00	ACUITE BBB+ Stable (Assigned)
	Cash Credit	Long Term	0.60	ACUITE BBB+ Stable (Reaffirmed)
	Cash Credit	Long Term	12.50	ACUITE BBB+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB+ Stable (Reaffirmed)
30 Jan 2023	Bank Guarantee (BLR)	Short Term	29.50	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee (BLR)	Short Term	38.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee/Letter of Guarantee	Short Term	16.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee/Letter of Guarantee	Short Term	15.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Bank Guarantee/Letter of Guarantee	Short Term	15.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Cash Credit	Long Term	0.60	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	0.80	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	12.50	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Letter of Credit	Short Term	5.00	ACUITE A2 (Upgraded from ACUITE A3+)
	Secured Overdraft	Long Term	2.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Bank Guarantee/Letter of Guarantee	Short Term	15.00	ACUITE A3+ (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	16.00	ACUITE A3+ (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	38.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	29.50	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter	Short		

03 Nov 2021	of Guarantee	Term	15.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	0.80	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	0.60	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	12.50	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	5.00	ACUITE A3+ (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB Stable (Reaffirmed)
20 Aug 2021	Bank Guarantee (BLR)	Short Term	23.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	27.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	12.50	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	5.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Secured Overdraft	Long Term	2.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	38.80	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	38.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Federal Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	25.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.50	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Indian Overseas Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Indian Overseas Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.50	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
ICICI Bank Ltd	Not avl. / Not	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BB+ Downgraded Issuer not co-

	appl.							operating* (from ACUITE BBB+)
Federal Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.60	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.65	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)

Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in Archita Sharma Associate Analyst-Rating Operations Tel: 022-49294065 archita.sharma@acuite.in	Varsha Bist Associate Vice President-Rating Administration Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.