



## Press Release

### KKSpun India Limited (KKSIL)

January 02, 2023

#### Ratings

Instrument Facility /	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term fund-based bank facilities	111.36	IVR BB/ ISSUER NOT COOPERATING (IVR Double B; Issuer not cooperating)	Revised and moved to "Issuer not cooperating category"	Simple
Short Term non-fund-based facilities	461.00	IVR A4/ ISSUER NOT COOPERATING (IVR A Four; Issuer not cooperating)	Revised and moved to "Issuer not cooperating category"	Simple
<b>Total</b>	<b>572.36</b>			

Details of Facilities are in Annexure 1

#### Detailed Rationale

The revision in the ratings assigned to the bank facilities of **KKSpun India Limited (KKSIL)** reflects lack of adequate information available about the performance of the company and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications dated December 15, 2022 and December 26, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information.



## Press Release

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information.

Accordingly, the rating for the bank facilities of KKSpun India Limited aggregating Rs.572.36 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

### **Liquidity – Stretched**

The company's liquidity remains to be stretched on account of increased working capital cycle on account of high inventory levels. The average utilisation of fund based limits have remained high at 93% for the past 6 months ended Feb. 2022.

### **About the Company**

KKSpun India Limited (KKSIL), established in 2006, promoted by Mr. Pramod Kumar Gupta, is a Delhi-based company manufacturing precast concrete pipes and fittings at its 8 plants spread across India. It is India's largest provider of precast concrete solutions for the Infrastructure Industry. It undertakes Government and private tenders linked to irrigation, sewerage network, and river interception. They have forward integrated into Engineering, Design, Manufacturing and Construction (EDMC) since 2012. Their comprehensive precast concrete business extends to include products such as RCC pipes, jacking pipes, shaft and tunnel segments, irrigation pipes etc. It also provides a range of proven precast solutions for Storm water drainage, better sewage, Box culverts solution for instant bridging for pedestrian, fauna, robust solution for agricultural water supply and irrigation needs, kerbing and barrier solution manufactured to local road authority specifications, solutions for catering to the telecom industry as well.



## Press Release

### Financials (Standalone):

(Rs. Crore)

For the year ended* As on	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	599.56	338.52
EBITDA	90.61	59.52
PAT	20.89	1.24
Total Debt	182.96	239.32
Tangible Net Worth	157.14	159.47
EBITDA Margin (%)	15.11	17.58
PAT Margin (%)	3.46	0.36
Overall Gearing Ratio (x)	1.16	1.50

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

### Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21 (Dated: February 11, 2021)	Date(s) & Rating(s) assigned in 2019-20 (Dated: November 29, 2019)
1.	Fund Based Facilities – Term Loans	Long Term	41.36	IVR BB/ISSUER NOT COOPERATING	- IVR BBB- / Stable (March 22, 2022) - IVR D (December 17, 2021)	IVR A-/ Credit watch with developing implication	IVR A-/ Stable
2.	Fund Based Facilities – Cash Credit	Long Term	70.00	IVR BB/ISSUER NOT	- IVR BBB- / Stable (March 22, 2022)	IVR A-/ Credit watch with developin	IVR A-/ Stable



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				COOPERATING	- IVR D (December 17, 2021)	g implication	
3.	Non fund-based Bank Facilities – LC/BG	Short Term	461.00	IVR A4/ISSUER NOT COOPERATING	- IVR A3 (March 22, 2022) - IVR D (December 17, 2021)	IVR A2+	IVR A2+

*\*Issuer did not cooperate; based on best available information*

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### About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com)



## Press Release

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Facilities – Term Loans	-	-	FY2025-26	41.36	IVR BB/ ISSUER NOT COOPERATING
Long Term Fund Based Facilities – Cash Credit	-	-	-	70.00	IVR BB/ ISSUER NOT COOPERATING
Short term non fund-based Bank Facilities – LC/BG	-	-	-	461.00	IVR A4/ ISSUER NOT COOPERATING

**Annexure 2: List of companies considered for consolidated analysis: Not Applicable.**

**Annexure 3: Facility wise lender details: Not Applicable**

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).