



## Press Release

**KLSR Infratech Limited**

**September 06, 2024**

### Ratings

Sl. No.	Instruments/Facilities	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
1	Long Term Fund Based Facility – CC	17.00	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/ Negative, ISSUER NOT COOPERATING*/ (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING* Category	Simple
2	Proposed Long Term Fund Based Facility – CC	33.00	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	IVR BBB-/ Negative, ISSUER NOT COOPERATING*/ (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING* Category	Simple
3	Short Term Fund Based Facility – Short Term Loan (Working capital facility)	5.00	IVR A4+/ ISSUER NOT COOPERATING* (IVR A Four Plus, ISSUER NOT COOPERATING*)	IVR A3/ ISSUER NOT COOPERATING* (IVR A Three, ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING* Category	Simple



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4	Short Term Non-Fund Based Facility – Bank Guarantee	153.00	IVR A4+/ ISSUER NOT COOPERATING* (IVR A Four Plus, ISSUER NOT COOPERATING*)	IVR A3/ ISSUER NOT COOPERATING* (IVR A Three, ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING* Category	Simple
5	Proposed Short Term Non-Fund Based Facility – Bank Guarantee	192.00	IVR A4+/ ISSUER NOT COOPERATING* (IVR A Four Plus, ISSUER NOT COOPERATING*)	IVR A3/ ISSUER NOT COOPERATING* (IVR A Three, ISSUER NOT COOPERATING*)	Downgraded & continued in ISSUER NOT COOPERATING* Category	Simple
	<b>Total</b>	<b>Rs 400.00 Cr (Rupees Four Hundred Crore Only)</b>				

*\* Issuer not cooperating; Based on best available information*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### Detailed Rationale

The downgrade in the ratings and negative outlook to the bank facilities of KLSR Infratech Limited reflects lack of adequate information available about the performance of the company and non-payment of annual surveillance fees. 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, despite the rating revision.

### Non- Cooperation by Issuer

Infomerics has repeatedly followed up with the company to provide information to monitor the ratings vide emails last being dated 3<sup>rd</sup> September 2024, along with telephonic conversations.



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However, despite repeated requests by Infomerics, we have not received the surveillance mandate for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the relevant information & surveillance fees, in consonance with SEBI guidelines, Infomerics has continued the ratings assigned to the bank loan facilities of KLSR Infratech Limited aggregating to INR 400.00 crore in the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB+/ Negative; ISSUER NOT COOPERATING for the long-term bank facilities and IVR A4+; ISSUER NOT COOPERATING for the short-term bank facilities.

**Analytical Approach:** Standalone

### **Applicable Criteria**

[Rating Methodology for Infrastructure Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

[Policy on Issuer Not Cooperating](#)

### **About the company**

KLSR Infratech Ltd is a construction company in the field of Infrastructure Development since the year 1999. They have been executing Water Supply Projects with various departments like Rural Water Supply & Sanitation (RWS & S), Public Health Department, Andhra Pradesh Industrial Infrastructure Corporation (APIIC), Telangana State Industrial Infrastructure Corporation (TSIIC), Municipal Corporations etc. Currently, they are executing projects in the states of Andhra Pradesh, Telangana, Tamilnadu and trying to expand the business to the states of Karnataka, Maharastra, UP etc. The company has executed many prestigious projects like Mission Bhagiratha in Telangana, AMRUT Schemes in Andhra Pradesh.



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Mr. Kolli Lakshmi Sreedhar Reddy is the Managing Director of the company.

### Financials (Standalone)\*:

(INR crore)

For the year ended* / As on	31-03-2022	31-03-2023
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	409.63	504.71
EBITDA	47.51	47.11
PAT	39.63	40.43
Total Debt	32.24	31.48
Tangible Net worth	241.76	282.19
EBIDTA Margin (%)	11.60	9.33
PAT Margin (%)	9.68	8.01
Overall Gearing ratio (x)	0.13	0.10
Interest Coverage (x)	8.51	13.96

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** NA

**Any other information:** None

**Rating History for last three years:**

Sr. No	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding / Proposed (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (March 18, 2024)	Date (January 24, 2023)	Date (Month XX, 20XX)
1.	Cash Credit	Long Term	17.00	IVR BB+/ Negative,	IVR BBB-/ Negative, ISSUER NOT	IVR BBB/ Stable	-



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Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding / Proposed (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					Date (March 18, 2024)	Date (January 24, 2023)	Date (Month XX, 20XX)
				ISSUER NOT COOPERATING*	COOPERATING*		
2.	Cash Credit (Proposed)	Long Term	33.00	IVR BB+/ Negative, ISSUER NOT COOPERATING*	IVR BBB-/ Negative, ISSUER NOT COOPERATING*	IVR BBB/ Stable	-
3.	Short Term Loan (Working capital facility)	Short Term	5.00	IVR A4+/ ISSUER NOT COOPERATING*	IVR A3/ ISSUER NOT COOPERATING*	IVR A3+	-
4.	Bank Guarantee	Short Term	153.00	IVR A4+/ ISSUER NOT COOPERATING*	IVR A3/ ISSUER NOT COOPERATING*	IVR A3+	-
5.	Bank Guarantee (Proposed)	Short Term	192.00	IVR A4+/ ISSUER NOT COOPERATING*	IVR A3/ ISSUER NOT COOPERATING*	IVR A3+	-

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

### Analytical Contacts:

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### About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

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

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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

**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 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.





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### Annexure 1: Facility Details:

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	17.00	IVR BB+/ Negative, ISSUER NOT COOPERATING
Cash Credit (Proposed)	-	-	-	-	33.00	IVR BB+/ Negative, ISSUER NOT COOPERATING
Short Term Loan (Working capital facility)	-	-	-	-	5.00	IVR A4+/ ISSUER NOT COOPERATING
Bank Guarantee	-	-	-	-	153.00	IVR A4+/ ISSUER NOT COOPERATING
Bank Guarantee (Proposed)	-	-	-	-	192.00	IVR A4+/ ISSUER NOT COOPERATING

**Annexure 2: Facility wise lender details: Not Applicable**

**Annexure 3: Detailed explanation of covenants of the rated facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/combined analysis: 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)