



## Press Release

**KMC Constructions Limited**

**March 21, 2025**

### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	230.00	IVR BB+/Negative; ISSUER NOT COOPERATING (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating) *	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	Rating downgraded, moved to Issuer Not Cooperating category and Outlook revised	<a href="#">Simple</a>
Short Term Bank Facilities	437.57	IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; Issuer Not Cooperating) *	IVR A3 (IVR A Three)	Rating downgraded and moved to Issuer Not Cooperating category	<a href="#">Simple</a>
Proposed Short Term Bank Facilities	287.43	IVR A4+; ISSUER NOT COOPERATING (IVR A Four Plus; Issuer Not Cooperating) *	IVR A3 (IVR A Three)	Rating downgraded and moved to Issuer Not Cooperating category	<a href="#">Simple</a>
<b>Total</b>	<b>955.00</b> <b>(Rupees Nine</b> <b>hundred and</b> <b>fifty-five crore</b> <b>only)</b>				

*\*Issuer did not cooperate; 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

Infomerics Ratings has migrated the long-term rating and the short-term rating assigned to the bank facilities of KMC Constructions Limited to 'Issuer Not Cooperating' category due to lack of availability of adequate information and the resultant uncertainty around its credit risk. The outlook has been revised to Negative. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this 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 email communications dated February 04, 2025, February 13, 2025, February 21, 2025, and March 05, 2025, and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics reviews the rating based on the best available information. Accordingly, the ratings for the bank facilities of KMC Constructions Limited aggregating Rs.955.00 crore has been migrated to 'ISSUER NOT COOPERATING' category by Infomerics.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

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

[Policy of default recognition](#)

[Criteria of assigning Rating outlook](#)

[Ratin Methodology – Infrastructure Companies](#)

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

[Complexity level of rated instruments/facilities](#)

### **About the company**

KMC Constructions Limited was initially promoted by Mr. Raja Mohan Reddy as a partnership firm named Krishna Mohan Constructions which commenced operations in 1970. Subsequently it was converted into a public limited company in 1994, and the name was changed to KMC Constructions Limited. The company executes projects in various segments viz. roads, multi-lane highways, airport runways, bridges etc under Build-Operate-Transfer, Design- Build-Operate-Transfer,



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Engineering Procurement Construction models. The company's operation is currently managed by second generation entrepreneur, Mr. Pruthvi Kumar Reddy, who is the Managing Director of the company.

### Financials (Standalone):

(Rs. crore)

For the year ended / As on*	31-03-2022	31-03-2023
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	960.26	1225.72
EBITDA	110.63	109.39
PAT	6.99	28.80
Total Debt	590.00	601.48
Adjusted Tangible Net Worth	623.50	652.83
<b>Ratios</b>		
EBITDA Margin (%)	11.52	8.92
PAT Margin (%)	0.72	2.34
Overall gearing ratio (x)	0.95	0.92
Interest Coverage Ratio (x)	1.24	1.96

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** The rating continues to remain under ISSUER NOT COOPERATING category from ICRA Ratings as per press release dated November 04, 2024, due to unavailability of information for monitoring of rating.

**Any other information:** Nil

### 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 (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
					January 22, 2024	-	-
1.	Term Loan	Long Term	230.00	IVR BB+/ Negative; ISSUER NOT COOPERATING	IVR BBB- / Stable	-	-
2.	Bank Guarantee	Short Term	437.57	IVR A4+; ISSUER NOT COOPERATING	IVR A3	-	-



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Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (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
3.	Proposed Bank Guarantee	Short Term	287.43	IVR A4+; ISSUER NOT COOPERATING	IVR A3	-	-

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

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (formerly known as Infomerics Valuation and Rating Pvt Ltd) 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.



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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.

### Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	230.00	IVR BB+/ Negative; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	-	437.57	IVR A4+; ISSUER NOT COOPERATING*
Proposed Bank Guarantee	-	-	-	-	287.43	IVR A4+; ISSUER NOT COOPERATING*

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

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

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

**Annexure 4: List of companies considered for consolidated 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).