



Press Release

K&R Rail Engineering Limited
August 1, 2023

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings*	Rating Action	Complexity Indicator
Long Term Bank Facilities	1.00	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; Issuer Not Cooperating)	Revised and continued in Issuer not cooperating category	Simple
Short Term Bank Facilities	40.50	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)	Revised and continued in Issuer not cooperating category	Simple
Total	41.50			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The aforesaid rating revision to the bank facilities of K&R Rail Engineering Limited 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 company 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 firm, despite the downgrade.

Non-Cooperation by Issuer:

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mails communications dated June 22, 2023; June 23, 2023; June 26, 2023; June 27, 2023; June 28, 2023 and June 29, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the



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company's management has not submitted all the essential details/information for surveillance exercise.

In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has continued to classify the long-term and short-term bank loan facilities of K&R Rail Engineering Limited aggregating to Rs 41.50 crore under the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB/Negative; ISSUER NOT COOPERATING* and IVR A4; ISSUER NOT COOPERATING* (IVR BB with negative outlook; ISSUER NOT COOPERATING* and IVR A four; ISSUER NOT COOPERATING*).

**Issuer Not Co-operating; based on best available information*

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

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

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

[Criteria for assigning rating outlook](#)

About the Company

Established in 1983 as Gupta Carpets International Limited, M/s K&R Rail Engineering Limited (Formerly Axis Rail India Limited) is one of the leading Professional Turnkey EPC Contractor executing railway siding projects all across India. K&R Rail Engineering Limited is a listed company having its registered office at Secunderabad, Telangana. The company is being promoted and managed by professionals with vast experience in disciplines of rail engineering, transportation, planning & project management and execution of complex railway siding projects. The operations of the company are looked after by Mr. Amit Bansal (Director & CEO) having an experience of around three decades in the sector.



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Financials (Standalone):

For the year ended / As on	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	194.65	307.78
EBITDA	10.89	11.81
PAT	6.06	5.29
Total Debt	13.14	14.25
Tangible Net worth	54.33	96.58
EBIDTA Margin (%)	5.59	3.84
PAT Margin (%)	3.10	1.72
Overall Gearing Ratio (x)	0.24	0.15

Status of non-cooperation with previous CRA: Crisil vide its press release dated June 30, 2023 has classified the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

Any other information: Not Applicable

Rating History for last three years:

Sr No.	Name of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022 (31st May, 2022)	Date(s) & Rating(s) assigned in 2020-2021 (April 01, 2021)	Date(s) & Rating(s) assigned in 2019-20 (January 03, 2020)
1.	Long Term Fund based Facility	Long Term	1.00	IVR BB/Negative; ISSUER NOT COOPERATING*	IVR BB+; ISSUER NOT COOPERATING	IVR BBB-/Stable	-
2.	Short Term Facility	Short Term	40.50	IVR A4; ISSUER NOT COOPERATING*	IVR A4+; ISSUER NOT COOPERATING	IVR A3	IVR A3

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



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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.

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:



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Facilities/ Instruments	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities	--	--	--	1.00	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; Issuer Not Cooperating)
Short Term Bank Facilities	--	--	--	40.50	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)
Total				41.50	

* Issuer did not cooperate; based on best available information

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

Annexure 3: Facility wise lender details: Not Available

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.