



## Press Release

### T K Engineering Consortium Private Limited

July 02, 2024

#### Ratings

Facilities	Amount (INR crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	28.00	IVR BB+/ Negative ISSUER NOT COOPERATING* (IVR double B plus with Negative outlook Issuer Not Cooperating)	IVR BBB/ Stable (IVR triple B with Stable outlook)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	163.59	IVR A4+ ISSUER NOT COOPERATING* (IVR A four plus Issuer Not Cooperating)	IVR A3+ (IVR A three plus)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>191.59</b> <b>(INR One-hundred ninety-one crore and fifty-nine lakh 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 has downgraded the ratings and moved the ratings assigned to the bank facilities of T K Engineering Consortium Private Limited (TKECPL) to ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence 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.



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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 company.

### **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 e-mail communications dated April 5, 2024, April 30, 2024, May 02, 2024, May 05, 2024, May 07, 2024, May 31, 2024, June 12, 2024, June 20, 2024, June 26, 2024, June 27, 2024, and June 28, 2024 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in 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 long-term and short-term ratings of the bank loan facilities aggregating to INR 191.59 crore of T. K. Engineering Consortium Private Limited shall move to 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating will be denoted as 'IVR BB+/ Negative ISSUER NOT COOPERATING'; Based on best available information (IVR double B plus with negative outlook Issuer Not Cooperating; Based on best available information) and the short-term rating will be at IVR A4+ ISSUER NOT COOPERATING; Based on best available information (IVR A four plus Issuer Not Cooperating; 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 of Rating Outlook](#)

[Policy on default recognition](#)

[Complexity level of rated Instruments/Facilities](#)



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### About the company

T.K. Engineering Consortium Private Limited (TKECPL) was established in February 2008 and is promoted by the Techi family based in Arunachal Pradesh. It started its commercial operations in June 2012 and has more than a decade of multidisciplinary experience in executing project in civil infrastructure development for construction of state and national highways, bridges & culverts, high-capacity transport corridors, airport infrastructure etc. across Arunachal Pradesh, Meghalaya, Assam and Nagaland. The company is registered as a Class – 1A contractor with the Public Works Department (PWD), Assam. TKECPL operates through its registered office in Naharlagun, Arunachal Pradesh. The clientele of the Company includes government sector enterprises such as PWD Arunachal Pradesh, PWD Assam, NHAI, NBCCL, Indian Oil, HPL, CPWD, NHIDCL, BSNL etc.

### Financials (Standalone)

(INR Crore)

For the year ended/ As On*	31.03.2022	31.03.2023
	Audited	Provisional
Total Operating Income	293.06	307.62
EBITDA	48.10	42.31
PAT	7.58	12.10
Total Debt	126.16	80.11
Tangible Net worth	234.66	246.36
EBITDA Margin (%)	16.71	13.88
PAT Margin (%)	2.59	3.93
Overall Gearing Ratio (x)	0.54	0.33

\*Classification as per Infomerics' standards

### Status of non-cooperation with previous CRA:

Brickwork has moved the ratings of T K Engineering Consortium Private Limited in the Issuer Not Cooperating category as the entity had failed to provide information for monitoring of the rating as per the Press Release dated October 31, 2023.

**Any other information:** Nil

### Rating History for last three years:

Sl. No.	Name of Instrument / Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount Outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (June 6, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22



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1.	Cash Credit	Long Term	28.00	IVR BB+/ Negative ISSUER NOT COOPERATING*	IVR BBB/ Stable	-	-
2.	Bank Guarantee	Short Term	163.59	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 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)

**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



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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: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit 1	-	-	-	9.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 2	-	-	-	10.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 3	-	-	-	7.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Cash Credit 4	-	-	-	2.00	IVR BB+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee 1	-	-	-	38.19	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 2	-	-	-	54.40	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 3	-	-	-	53.00	IVR A4+ ISSUER NOT COOPERATING*
Bank Guarantee 4	-	-	-	18.00	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)