

May 29, 2020

## Kala Genset Private Limited: Moved to Non-Cooperating category, Ratings downgraded based on best available information

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based- Working Capital Facilities	30.00	30.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to the 'Issuer Not Cooperating' category.
Non-fund based (Bank Guarantee)	5.00	5.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A3+ and moved to the 'Issuer Not Cooperating' category.
<b>Total</b>	<b>35.00</b>	<b>35.00</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

The rating downgrade is because of lack of adequate information regarding Kala Genset Private Limited's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". 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 downgrade.

As part of its process and in accordance with its rating agreement with Kala Genset Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information

The previous detailed rating rationale is available on the following link: [Click here](#)

### About the company:

Incorporated in the year 1997, KGPL is involved in the assembling of diesel genset and is one of the leading generator original equipment manufacturers for KOEL. The company offers gensets in the wide range of 2-750 KVA rating. The company is also involved in the manufacturing of acoustic enclosures (canopy), control panels and power management systems. KGPL has three manufacturing units located at Pune and Belgaum. The company is promoted by Mr. Manoj Chandrakant Phutane who is technically well equipped and has nearly two decades of experience in the genset industry. KGPL offers products ranging from generators, acoustic enclosures, control panels and power management systems involving innovative technologies. The manufacturing set up of KGPL includes R&D facility, testing lab, CNC machine setup, PLC based robotic power coating and painting plant, CAD-CAM design centre, laser cutting machines and punch press. KGPL pays royalty to KOEL for every genset sold through their collaboration.

### Status of non-cooperation with previous CRA

Not applicable

### Any other information

Not applicable

### Key financial indicators:

	FY2017	FY2018
Operating Income (Rs. crore)	176.1	176.8
PAT (Rs. crore)	3.4	4.6
OPBDIT/OI (%)	5.3%	5.8%
RoCE (%)	12.4%	12.7%
Total Outside Liabilities/Tangible Net Worth (times)	1.1	1.3
Total Debt/OPBDIT (times)	3.5	4.5
Interest Coverage	3.3	4.2
DSCR	1.4	1.6

### Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					29-May-2020	-	15-Nov-2018	28-Sep-2017
1	Cash Credit	Long Term	30.00	-	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	-	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2	Non-Fund Based	Short Term	5.00	-	[ICRA]A4+ ISSUER NOT COOPERATING	-	[ICRA]A3+	[ICRA]A3+

### Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	30.00	[ICRA]BB+(Stable) ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	5.00	[ICRA]A4+ ISSUER NOT COOPERATING

Source: Kala Genset Private

Limited

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## About ICRA Limited:

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