

**The Manager,**

**August 8, 2023**

<b>Department of Corporate Services, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</b>	<b>Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051</b>
<b>ISIN Code</b>	<b>: INE350H01032</b>
<b>Scrip Code : 532719</b>	<b>Trading Symbol : BLKASHYAP</b>

Dear Sir/ Madam,

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 - Rating/revision in credit rating**

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, we wish to inform you that CRISIL has upgraded the credit rating to **'CRISIL B-/Stable/CRISIL A4**.

The rating letter issued by the CRISIL on August 07, 2023 at 7:14 PM is enclosed herewith.

This is for your information and record.

For **B.L. Kashyap And Sons Limited**

**Pushpak Kumar**  
**VP & Company Secretary**  
**FCS- 6871**

## Rating Rationale

August 07, 2023 | Mumbai

### BL Kashyap and Sons Limited

Ratings upgraded to 'CRISIL B-/Stable/CRISIL A4'

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.539.34 Crore (Reduced from Rs.625 Crore)</b>
<b>Long Term Rating</b>	<b>CRISIL B-/Stable (Upgraded from 'CRISIL D')</b>
<b>Short Term Rating</b>	<b>CRISIL A4 (Upgraded from 'CRISIL D')</b>

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings.

The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL ratings has upgraded its ratings on the bank loan facilities of BL Kashyap and Sons Limited (BLK) to '**CRISIL B-/Stable/CRISIL A4**' from 'CRISIL D/CRISIL D'.

CRISIL Ratings has also **withdrawn** its rating on Rs. 85.66 crore bank loan facilities of BLK, at the company's request and on receipt of 'No Due Certificate/ revised sanction letters' from lender(s). The withdrawal is in line with CRISIL Ratings' withdrawal policy.

The upgrade in the ratings reflects timely servicing of debt obligations for a period of more than 90 days.

The ratings continue to reflect BLK's susceptibility to cyclical in the commercial real estate segment, its limited revenue diversity and modest liquidity position as reflected in high working capital utilisation. These rating weaknesses are partially offset by BLK's established position in the construction industry.

#### Analytical Approach

For arriving at its ratings, CRISIL Ratings has combined the business and financial risk profiles of BLK and its subsidiaries, BLK Lifestyle Ltd, Security Information Systems (India) Ltd, BLK Infrastructure Ltd, and Soul Space Pvt Ltd (SSPL). SSPL is BLK's real estate arm, and the other subsidiaries provide related services. All the companies are together referred to as the BLK group.

Please refer Annexure - List of entities consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

#### Key Rating Drivers & Detailed Description

##### Weakness:

**Modest Financial Risk Profile:** The liquidity position of the group is stretched as reflected in instances of over-utilisation of working capital facilities. Financial risk profile is constrained by large working capital requirement. The interest coverage ratio over the years has also remained modest.

##### Strength:

**Long Vintage:** The promoters of the company have a long vintage of more than three decades in the industry

##### Liquidity: Stretched

Liquidity is stretched as reflected in average bank loan utilisation of more than 80%.

##### Outlook: Stable

CRISIL Ratings believes BLK will continue to benefit from its established market position and experienced promoters.

#### Rating Sensitivity Factors

##### Upward factors

- Significant and sustained improvement in liquidity along with improvement in interest coverage
- Sustenance of revenue and operating margins above 9-10% leading to higher net cash accruals

##### Downward factors

- Worsening of liquidity position and deterioration in interest coverage ratio
- Operating margin declining below 6% weakening net cash accruals

### About the Company

BLK was established in 1989 by Mr. Vinod Kashyap, Mr. Vineet Kashyap, and Mr. Vikram Kashyap. The company was reconstituted as a public limited company with the current name in 1995. The promoters have been active in the real estate sector since 1978; they transferred their business to BLK after it was formed.

BLK provides construction services to customers in the commercial, residential, and industrial segments. The company has also ventured into real estate development and related services, such as furnishing. It has partly restructured its debt under a corporate debt structuring package, which was approved under statutory guidelines then on December 31, 2014.

As per the audited financial statements of fiscal 2023, operating income was Rs. 1110 crore and PAT was Rs. 22 crore, against Rs. 1158 crore and loss of Rs. 44 crore respectively for the previous fiscal.

### Key Financial Indicators (Consolidated)

As on/for the period ended March 31	Unit	2023	2022
Revenue	Rs crore	1110	1158
Profit after tax	Rs crore	22	44
PAT margin	%	2.0%	3.8%
Adjusted debt/Adjusted networkth	Times	0.72	0.90
Interest coverage	Times	2.29	1.69

**Any other information:** Not applicable

### Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

### Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity levels	Rating assigned with outlook
NA	Bank Guarantee	NA	NA	NA	269.11	NA	CRISIL A4
NA	Bank Guarantee	NA	NA	NA	44.71	NA	Withdrawn
NA	Cash Credit	NA	NA	NA	188.51	NA	CRISIL B-/Stable
NA	Working Capital Demand Loan	NA	NA	NA	81.72	NA	CRISIL B-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	40.95	NA	Withdrawn

### Annexure - List of Entities Consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
BLK Lifestyle Limited	Full consolidation	Operational and financial linkages
Security Information Systems (India) Limited	Full consolidation	Operational and financial linkages
BLK Infrastructure Limited	Full consolidation	Operational and financial linkages
Soul Space Projects Limited (SSPL)	Full consolidation	Operational and financial linkages
Soul Space Realty Limited	Full consolidation	Operational and financial linkages
Soul Space Hospitality Limited	Full consolidation	Operational and financial linkages

### Annexure - Rating History for last 3 Years

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	311.18	CRISIL B-/Stable	19-05-23	CRISIL D	19-10-22	CRISIL D (Issuer Not Cooperating)*	29-07-21	CRISIL D (Issuer Not Cooperating)*	29-04-20	CRISIL D (Issuer Not Cooperating)*	CRISIL D (Issuer Not Cooperating)*

			--	15-03-23	CRISIL D		--		--		--	--
<b>Non-Fund Based Facilities</b>	ST	313.82	CRISIL A4	19-05-23	CRISIL D	19-10-22	CRISIL D (Issuer Not Cooperating)*	29-07-21	CRISIL D (Issuer Not Cooperating)*	29-04-20	CRISIL D (Issuer Not Cooperating)*	CRISIL D (Issuer Not Cooperating)*
			--	15-03-23	CRISIL D		--		--		--	--

All amounts are in Rs.Cr.

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

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Bank Guarantee	44.71	ICICI Bank Limited	Withdrawn
Bank Guarantee	7.19	IndusInd Bank Limited	CRISIL A4
Bank Guarantee	16.88	Punjab National Bank	CRISIL A4
Bank Guarantee	3.46	YES Bank Limited	CRISIL A4
Bank Guarantee	23.9	ICICI Bank Limited	CRISIL A4
Bank Guarantee	87.68	Canara Bank	CRISIL A4
Bank Guarantee	130	State Bank of India	CRISIL A4
Cash Credit	21.2	Punjab National Bank	CRISIL B-/Stable
Cash Credit	26.03	YES Bank Limited	CRISIL B-/Stable
Cash Credit	31.8	Punjab National Bank	CRISIL B-/Stable
Cash Credit	40	State Bank of India	CRISIL B-/Stable
Cash Credit	55	Canara Bank	CRISIL B-/Stable
Cash Credit	14.48	IndusInd Bank Limited	CRISIL B-/Stable
Proposed Long Term Bank Loan Facility <sup>&amp;</sup>	40.95	Not Applicable	Withdrawn
Working Capital Demand Loan	21.72	IndusInd Bank Limited	CRISIL B-/Stable
Working Capital Demand Loan	40	State Bank of India	CRISIL B-/Stable
Working Capital Demand Loan	20	State Bank of India	CRISIL B-/Stable

& - \*Not yet sanctioned

#### Criteria Details

Links to related criteria
<a href="#">CRISILs Approach to Financial Ratios</a>
<a href="#">CRISILs Bank Loan Ratings - process, scale and default recognition</a>
<a href="#">Assessing Information Adequacy Risk</a>
<a href="#">CRISILs Approach to Recognising Default</a>
<a href="#">CRISILs Criteria for Consolidation</a>

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