

Consolidated Construction Consortium Limited

February 18, 2019

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long term Bank Facilities	597.89	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Short term Bank Facilities	602.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Issuer not cooperating; Based on best available information
Total	1199.89 (Rs. One Thousand One Hundred and Ninety Nine crore and Eighty nine lakh only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Consolidated Construction Consortium Limited (CCCL) to monitor the ratings vide e-mail communications dated September 19, 2018, December 21, 2018 and February 06, 2019 and a letter dated February 07, 2019 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on CCCL's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

The ratings take into account the on-going delays in debt servicing by the company.

Detailed description of the key rating drivers

At the time of last rating on March 14, 2018 the following were the rating strengths and weaknesses (updated for the information available from Registrar of Companies and stock exchange):

Ongoing delays in debt servicing

CCCL has ongoing delays in servicing of interest on account of tight liquidity position due to its elongated operating cycle.

Weak financial profile

The financial profile of CCCL is characterised by net losses and elongated working capital cycle. The company reported loss during FY18. The collection period stands high due to delayed payments from clients.

Moderate order book position

The contracts are secured primarily on tender basis. The company participates in the bidding on its own or through joint venture route to secure a contract. The order book has been declining over the years and the size of the order being executed has also been reduced. The company had orders worth of Rs.903.60 crore at the beginning of FY19. The company has reported total revenue of Rs.349.5 crore during 9 months period of FY19.

Key Rating Strengths

Significant experience of the promoters & track record of project execution

CCCL was promoted by first-generation entrepreneurs - Mr R. Sarabeswar, Mr S Sivaramakrishnan, and Mr V.G. Janarthanam. The promoters are well qualified and had worked with L&T-ECC and Shobakshi Group with an experience of around three decades in the construction business. The technical experience gained over the years has enabled them to execute various projects across different sectors.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)
[CARE's Criteria on assigning Outlook to Credit Ratings](#)
[CARE's Policy on Default Recognition](#)
[Financial ratios –Non-Financial Sector](#)

About the Company

CCCL was incorporated in 1997 by first-generation entrepreneurs Mr R Sarabeswar, Mr S Sivaramakrishnan and Mr V G Janarthanam. CCCL is primarily engaged in construction activities in commercial, infrastructure, industrial and residential domain. CCCL has other subsidiaries, namely, Consolidated Interiors Ltd (interior contracts and fit out services), Noble Consolidated Glazing Ltd (Glazing Services) and CCCL Power Infrastructure Ltd (BOP Orders for Power Projects and food processing).

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	581.26	506.20
PBILDIT	0.50	31.72
PAT	-139.07	-85.48
Overall gearing (times)	24.23	-26.53
Interest coverage (times)	0.00	0.30

A: Audited

Status of non-cooperation with previous CRA: ICRA ratings has conducted the review on the basis of best available information and has classified Consolidated Construction Consortium Limited as Issuer Not Cooperating vide its press release dated March 27, 2017.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	460.39	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based - LT-Term Loan	-	-	September 2023	137.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Non-fund-based - ST-BG/LC	-	-	-	602.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*Issuer did not cooperate; based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Cash Credit	LT	460.39	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (14-Mar-18)	1)CARE D (06-Feb-17)	1)CARE D (04-Mar-16)
2.	Fund-based - LT-Term Loan	LT	137.50	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (14-Mar-18)	1)CARE D (06-Feb-17)	1)CARE D (04-Mar-16)
3.	Non-fund-based - ST-BG/LC	ST	602.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE D (14-Mar-18)	1)CARE D (06-Feb-17)	1)CARE D (04-Mar-16)

*Issuer did not cooperate; based on best available information

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CIN - L67190MH1993PLC071691