



Press Release

Kinjal Civilcon LLP

November 19, 2020

Ratings

Instrument / Facility	Amount (INR Crore)	Rating	Rating Action
Long Term Facility – Fund Based – Cash Credit	25.00	IVR BB-/ Stable; ISSUER NOT COOPERATING* [IVR Double B Minus with Stable outlook; ISSUER NOT COOPERATING]	Revised from IVR BB+/Stable [IVR Double B with Stable Outlook] and moved to ISSUER NOT COOPERATING Category
Long Term Facility – Fund Based – Term Loan	60.90	IVR BB-/ Stable; ISSUER NOT COOPERATING* [IVR Double B Minus with Stable outlook; ISSUER NOT COOPERATING]	Revised from IVR BB+/Stable [IVR Double B with Stable Outlook] and moved to ISSUER NOT COOPERATING Category
Long Term Facility – Non Fund Based – Bank Guarantee	43.60	IVR BB-/ Stable; ISSUER NOT COOPERATING* [IVR Double B Minus with Stable outlook; ISSUER NOT COOPERATING]	Revised from IVR BB+/Stable [IVR Double B with Stable Outlook] and moved to ISSUER NOT COOPERATING Category
Total	129.50		

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Kinjal Civilcon LLP performance and hence the uncertainty around its credit risk. Infomerics assesses



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whether the information available about the entity 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 entity, 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 rating to the bank facilities, vide emails dated September 23, 2020, October 05, 2020, October 15, 2020, November 09, 2020 and November 13, 2020 and telephonic follow ups. However, despite repeated requests by Infomerics, the company's management has failed to submit "No Default Statement" and other data for review.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has moved the long term ratings for Cash Credit, Term Loan and Bank Guarantee aggregating to INR 129.50 crore of Kinjal Civilcon LLP to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB-/ Stable: Issuer Not Co-operating; based on best available information (IVR Double B Minus/Stable: Issuer Not Co-operating based on best available information).

Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Construction Companies

Financial Ratios & Interpretation – (Non-financial Sector)

Guidelines on what constitutes Non-Cooperation by clients



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About the Company

Kinjal Construction Company was a proprietorship concern formed in 1994 by Mr. Heeralal Meghraj Doshi, based in Mumbai. In April 2019, the constitution was changed to LLP and the name was changed to Kinjal Civilcon LLP. Under the LLP agreement, the first party is Mr Heeralal Meghraj Doshi and the second party is Mr Arvind Munnalal Jain. The firm undertakes contracts through tender bidding and also through direct contracts for construction, repair, and maintenance of buildings for state government agencies such as the Public Works Department of Maharashtra. The firm also undertakes road construction and maintenance for the Municipal Corporation of Greater Mumbai and the Thane Corporation. Kinjal Civilcon is now registered as I (A) Class Contractor with the Municipal Corporation of Greater Mumbai (M.C.G.M), Thane Municipal Corporation (T.M.C) and the Public Works Department. The company has an established track record amongst Government Authorities, being committed to completing the infrastructure projects within the timelines and maintaining quality work as per the contract specifications.

Financials (Standalone)

(INR Crore)

For the year ended / As on	31-03-18	31-03-19
	Audited	Provisional
Total Operating Income	112.48	84.91
EBITDA	22.79	19.97
PAT	7.66	6.26
Total Debt	145.57	88.22
Tangible Net worth	5.43	19.06
EBIDTA Margin (%)	20.26	23.52
PAT Margin (%)	6.81	7.37
Overall Gearing ratio (x)	26.83	4.63

Status of non-cooperation with previous CRA: Brickwork Ratings vide its press release dated December 19, 2019 has informed that the issuer is not cooperating.

Any other information: Nil



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Rating History for last three years:

S. No.	Name of Instrument/Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (IINR crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (October 26, 2019)	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Fund Based Facility – Cash Credit	Long Term	25.00	IVR BB-/ Stable; ISSUER NOT COOPERATING	IVR BB+/ Stable Outlook	-	-
2.	Fund Based – Term Loan	Long Term	60.90	IVR BB-/ Stable; ISSUER NOT COOPERATING	IVR BB+/ Stable Outlook		
3.	Non Fund Based – Bank Guarantee	Long Term	43.60	IVR BB-/ Stable; ISSUER NOT COOPERATING	IVR BB+/ Stable Outlook		

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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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, suspend 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits – Cash Credit	--	--	Revolving	25.00	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*
Long Term Debt - Term Loan	--	--	December 2020	14.28	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*
Long Term Debt - Term Loan	--	--	December 2023	46.62	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*
Long Term Non-Fund Based Limits – Bank Guarantee	--	--	Up to 60 months	43.60	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*

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