



Press Release

Karnavati Infrastructure Private Limited

April 29, 2024

Ratings

Facilities/ Instruments	Amount (INR crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facility	4.25	IVR B+/ Negative ISSUER NOT COOPERATING* (IVR B plus with Negative Outlook Issuer Not Cooperating)	Downgraded from IVR BB-/ Stable (IVR Double B minus with stable outlook) and moved to Issuer Not Cooperating category	Simple
Short Term Bank Facility	10.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	Reaffirmed and moved to Issuer Not Cooperating category	Simple
Total	14.25 (INR Fourteen crore and twenty-five lakh only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The downgrade in ratings is because of lack of adequate information regarding Karnavati Infrastructure Private Limited's (KIPL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its ratings and reviews the same as per its policy. The outlook remains negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this ratings as the ratings may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the entity to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated April 04, 2024, April 8, 2024, April 10, 2024, April 17, 2024, April 19, 2024, April 23, 2024, and



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concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted surveillance fees and 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 rating of the bank loan facilities aggregating to INR 14.25 crore of Karnavati Infrastructure Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term and short term rating will be at IVR B+/ Negative/ IVR A4 ISSUER NOT COOPERATING based on best available information (IVR B plus with Negative outlook and IVR A four Issuer Not Cooperating based on best available information).

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Infrastructure companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of Rating Outlook](#)

About the Company

Karnavati Infrastructure Private Limited (KIPL) is engaged in the civil construction. The company was established on February 1, 2011 and is based in Ahmedabad. The company has undertaken several projects under the state and central government, through central railways, DFCCIL, Sardar Sarovar Narmada Nigam Limited, Irrigation Department of Gujarat, Gujarat Water Resources Development Corporation, Ahmedabad Urban Development Company, Road and buildings department and PWD department.

Financials (Standalone):

(INR Crore)

For the year ended* / As On	31-03-2021	31-03-2022
	Audited	Audited
Total Income	32.09	35.92
EBITDA	3.18	3.66
PAT	0.96	1.18



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Total Debt	7.69	8.46
Tangible Net worth	4.85	5.94
EBITDA Margin (%)	6.56	8.97
PAT Margin (%)	9.91	10.18
Overall Gearing Ratio (x)	2.97	3.27

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: The Brickwork Ratings moved the ratings under Issuer Not Cooperating category as per press release dated 22nd November 2023 due to non-availability of information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (March 21, 2023)	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	4.25	IVR B+/ Negative ISSUER NOT COOPERATING*	-	IVR BB-/ Stable	-
2.	Bank Guarantee	Short Term	10.00	IVR A4 ISSUER NOT COOPERATING*	-	IVR A4	-

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

Name: Sandeep Khaitan
 Tel: (033) 4803 3621
 Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration



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from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit 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 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	4.25	IVR B+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	10.00	IVR A4 ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Applicable



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Annexure 3: List of companies considered for consolidated analysis: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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

