



Press Release

Karnavati Infrastructure Private Limited

July 3, 2025

Ratings

| Instrument / Facility | Amount (Rs. crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|--------------------------|---|--|--|---|------------------------|
| Long Term Bank Facility | 4.25 | IVR B/ Negative ISSUER NOT COOPERATING* (IVR B with negative outlook Issuer Not Cooperating) | IVR B+/ Negative ISSUER NOT COOPERATING* (IVR B plus with negative outlook Issuer Not Cooperating) | Rating downgraded and remained in Issuer Not Cooperating category | Simple |
| Short Term Bank Facility | 10.00 | IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating) | IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating) | Rating reaffirmed and remained in 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/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has downgraded the long-term rating and reaffirmed the short-term rating and continued the ratings assigned to the bank facilities of Karnavati Infrastructure Private Limited's (KIPL) in the ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company 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 long-term rating outlook remains negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.



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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned ratings to the bank facilities, vide mail communications dated February 28, 2025, April 2, 2025, April 7, 2025, April 25, 2025, April 29, 2025, May 2, 2025, May 7, 2025, June 3, 2025, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company'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 ratings based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to INR 14.25 crore of Karnavati Infrastructure Private Limited's (KIPL) shall be continued under the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR B/ Negative ISSUER NOT COOPERATING' based on best available information (IVR B with negative outlook Issuer not cooperating based on best available information) and the short-term rating be noted as 'IVR A4 ISSUER NOT COOPERATING' based on best available information (IVR A four Issuer not cooperating based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

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

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

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



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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):

(Rs. crore)

| For the year ended/ As on* | 31.03.2021 | 31.03.2022 |
|----------------------------|----------------|----------------|
| | Audited | Audited |
| Total Operating Income | 32.09 | 35.92 |
| EBITDA | 3.18 | 3.66 |
| PAT | 0.96 | 1.18 |
| 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 |
| Interest Coverage (x) | 4.38 | 4.33 |

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

Brickworks ratings continues to maintain the rating of Karnavati Infrastructure Private Limited in the Issuer Non-Cooperating category as the company did not cooperate in the rating procedure despite repeated follow ups as per the Press Release dated November 25, 2024.

Any other information: Nil

Rating History for last three years:

| Sr. No. | Name of Instrument/Facilities | Current Ratings (Year 2025-26) | | | Rating History for the past 3 years | | |
|---------|-------------------------------|--------------------------------|--------------------------------|---|--|---|---|
| | | Type (Long Term/Short Term) | Amount outstanding (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |
| | | | | | (April 29, 2024) | - | (March 21, 2023) |
| 1. | Cash Credit | Long Term | 4.25 | IVR B/ Negative ISSUER NOT COOPERATING* | IVR B+/ Negative ISSUER NOT COOPERATING* | - | IVR BB-/ Stable |
| 2. | Bank Guarantee | Short Term | 10.00 | IVR A4 ISSUER NOT COOPERATING* | IVR A4 ISSUER NOT COOPERATING* | - | IVR A4 |

*Issuer did not cooperate; based on best available information



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Analytical Contacts:

Name: Sandeep Khaitan

Tel: (033) 4803 3621

Email: sandeep.khaitan@infomerics.com

About Infomerics:

Infomerics Valuation and Rating 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 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 and definition of ratings please 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.



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Annexure 1: Facility Details

| Name of Facility | ISIN | 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

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: 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.