August 09, 2021

Karda Constructions Limited: Ratings Withdrawn

Summary of rating action

Instrument^^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund based - Term Loan	31.00	31.00	[ICRA]D; Withdrawn
Long Term - Fund based - Cash Credit	33.00	33.00	[ICRA]D; Withdrawn
Long Term/Short Term - Fund based/Non-fund based	36.00	36.00	[ICRA]D/[ICRA]D; Withdrawn
Long Term – NCD/Debt	50.00	50.00	[ICRA]D; Withdrawn
Total	**150.00**	**150.00**	

^^Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Karda Constructions Limited (KCL/ the company) at the request of the company and based on the No Dues Certificate received from the banker. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous rating rationale is available at the following link: Click Here

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Real Estate Entities Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	The rating is based on standalone financial statements of the rated entity.

About the company

Incorporated in 2008, Karda Constructions Limited is involved in the development of residential as well as commercial real estate projects. The company is promoted by Mr. Naresh Karda, who is the managing director of the company and a civil engineer by qualification. A major number of the projects of the Group are residential with homes ranging from 1BHK apartments to penthouses. The company is listed on NSE and BSE.

In FY2021, the company reported a net profit of Rs. 20.2 crore on an operating income of Rs. 121.4 crore, compared to a net profit of Rs. 9.6 crore on an OI of Rs. 114.1 crore in FY2020.

Key financial indicators – KCL (Standalone)

Particulars	FY2020	FY2021
Operating Income (Rs. crore)	114.12	121.38
PAT (Rs. crore)	9.64	20.24
OPBDIT/OI (%)	24.00%	29.24%
PAT/OI (%)	8.44%	16.68%
Total Outside Liabilities/Tangible Net Worth (times)	1.81	1.55
Total Debt/OPBDIT (times)	3.79	1.30
Interest Coverage (times)	1.53	2.44

Note: PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current Rating (FY2022)				Chronology of Rating History for the past 3 years					
	Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding as of July 31, 2021 (Rs. crore)	Date & Rating	Date & Rating in FY2021				Date & Rating in FY2020	Date & Rating in FY2019
					Aug 09, 2021	Jan 08, 2021	Nov 18, 2020	Oct 08, 2020	May 28, 2020	Jul 29, 2019	Jun 28, 2018
1	Term Loan	Long-term	31.00	-	[ICRA]D; Withdrawn	[ICRA]D	[ICRA]BB-&	[ICRA]BB-&	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)
2	Cash Credit	Long-term	33.00	-	[ICRA]D; Withdrawn	[ICRA]D	[ICRA]BB-&	[ICRA]BB-&	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)
3	Fund based/Non-fund based	Long /Short Term	36.00	-	[ICRA]D/ [ICRA]D; Withdrawn	[ICRA]D/[ICRA]D	[ICRA]BB-&/ [ICRA]A4&	[ICRA]BB-&/ [ICRA]A4&	[ICRA]BB-(Stable)/ [ICRA]A4	[ICRA]BB-(Stable)/ [ICRA]A4	[ICRA]BB-(Stable)/ [ICRA]A4
4	Proposed non-convertible debenture	Long Term	50.00	-	[ICRA]D; Withdrawn	[ICRA]D	[ICRA]BB-&	[ICRA]BB-&	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	

Amount in Rs. Crore
&- under ratings watch with developing implications

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term - Fund based - Term Loan	Simple
Long Term - Fund based - Cash Credit	Simple
Long Term/Short Term - Fund based/Non-fund based	not applicable
Long Term – NCD/Debt	very simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2015	-	FY2023	31.00	[ICRA]D; Withdrawn
NA	Cash Credit				33.00	[ICRA]D; Withdrawn
NA	Fund based/Non-fund based				36.00	[ICRA]D/ [ICRA]D; Withdrawn
NA	Proposed non-convertible debenture				50.00	[ICRA]D; Withdrawn

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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