



Rating Rationale

Kalya Construction Pvt Ltd

31st March 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs. 7.25 Crs of Kalya Construction Pvt Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
CC	6.00	6.00	Long Term	BWR B+ (Outlook:Stable)	BWR B+ (Outlook : Stable)
TL	0.11	-			
LG	1.25	1.25	Short Term	BWR A4	BWR A4
Total	7.36	7.25	(Rupees Seven Crores and Twenty Five Lakhs Only.)		

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the audited financial results up to FY16, publicly available information and information/clarification provided by the company's management.

The rating has factored, inter alia, KCPL's experienced promoters, moderate order book in hand, good clientele list and support from other business.

However, the rating is constrained by small scale of operation, high gearing, declining profitability and low net worth.

Rating Outlook: Stable

BWR believes the **Kalya Construction Pvt Ltd** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.



About the Company

Kalya Constructions Pvt Ltd was incorporated in 2009. The company is headed by Mr. Rampal Kalya, Mr. Omprakash Kalya. The Company is into construction activities comprising of works such as cross country pipelines, quarrying works and project works involving huge rock excavations etc. Company gets order through bidding process. Company has taken up works in various states like Gujarat, Bihar, Madhya Pradesh and Jharkhand in addition to the work in Rajasthan.

Company has equipment like excavators, breakers, pneumatic drill units, dozers, wheel loaders, dumpers etc.

Financial Performance

In FY16, company has achieved revenue of Rs 30.22 Crs against Rs 24.72 Crs in FY15. The operating profit margin stood at 8.68 per cent and net profit margin at 0.53 per cent for FY16. The company has debt equity of 2.32 times in FY16. The tangible net-worth stood at Rs 5.04 Crs for FY16.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No.	Instrument / Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs in Crs)	Rating	2016	2015	2014
1	Fund Based	Long Term	6.00	BWR B+ (Outlook: stable)	BWR B+ (Outlook: stable)	Not Rated-	Not Rated-
2	Non Fund Based	Short Term	1.25	BWR A4	BWR A4	Not Rated-	Not Rated-

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Industry](#)



For any other criteria obtain hyperlinks from website

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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.