RATING RATIONALE

18 June 2020

Kanakia Gruhnirman Private Limited

Brickwork Ratings reviews the ratings for the Bank Loan Facilities of ₹ 24.46 Crores of Kanakia Gruhnirman Private Limited (KGPL or “The Company”) based on best available information, as the issuer did not cooperate.

Particulars

<table>
<thead>
<tr>
<th>Facility</th>
<th>Amount (₹ Cr)</th>
<th>Tenure</th>
<th>Rating#</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous</td>
<td>Present</td>
<td>Previous (March, 2020)</td>
</tr>
<tr>
<td>Fund based</td>
<td>24.46</td>
<td>24.46</td>
<td>Long Term</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BWR BB/Stable (Pronounced as BWR double B)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>[Reassigned on standalone level]</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>24.46</td>
<td>24.46</td>
<td>INR Twenty Four crores and Forty Six lakhs Only</td>
</tr>
</tbody>
</table>

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

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING : Reaffirmed and migrated to “Issuer Not Cooperating” category.

NATURE OF NON-COOPERATION

The rating was due for review in March 2020. BWR took up with the issuer to provide required information over emails and through telephonic communication. However due to the non availability of the required information, the rating was migrated to the “Rating not reviewed” category on 16th March 2019.

However, despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer’s financial performance and its ability to service its debt and maintain a valid rating.
LIMITATIONS OF THE RATING
Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

COMPANY PROFILE (Information available as of 13 March 2019)
Kanakia Gruhnirman Private Limited was incorporated in 1995 and is engaged in real estate activity. The Company has constructed a school building in Chembur and leased it out to its group affiliate Babubhai Kanakia Foundation & RBK Education Solutions Private Limited for the purpose of running the RBK International, under the leave and license agreement. The Company is part of the Kanakia group which was established in the year 1986. The group is promoted by Mr. Rashesh Kanakia (Chairman) and Mr. Himanshu Kanakia (Managing Director). Kanakia Spaces Realty Private Limited is the flagship company of the group and has delivered over 13 million sq. ft. of commercial, residential, entertainment, and education spaces till date. The group also has presence in other verticals such as education and hospitality.

Key financials Indicators

<table>
<thead>
<tr>
<th>Key Parameters</th>
<th>Units</th>
<th>FY2018</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result Type</td>
<td></td>
<td>Audited</td>
<td>Audited</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>Rs. Crs</td>
<td>5.90</td>
<td>6.55</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Rs. Crs</td>
<td>4.97</td>
<td>5.83</td>
</tr>
<tr>
<td>PAT</td>
<td>Rs. Crs</td>
<td>1.00</td>
<td>2.20</td>
</tr>
<tr>
<td>Tangible Net worth</td>
<td>Rs. Crs</td>
<td>2.04</td>
<td>4.24</td>
</tr>
<tr>
<td>Total Debt/Tangible Net worth</td>
<td>Times</td>
<td>22.98</td>
<td>10.71</td>
</tr>
</tbody>
</table>

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY : Not Applicable

ANY OTHER INFORMATION: Not Applicable
### RATING HISTORY FOR THE PREVIOUS THREE YEARS [INCLUDING WITHDRAWAL AND SUSPENDED]

<table>
<thead>
<tr>
<th>Instrument / Facilities</th>
<th>Tenure (Long Term/ Short Term)</th>
<th>Amount (₹ Cr)</th>
<th>Current Rating</th>
<th>Rating History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Based</td>
<td>Long Term</td>
<td>24.46</td>
<td>BWR BB/ Stable Issuer Not Cooperating * (Pronounced as BWR Double B) [Reaffirmed]</td>
<td>27 March 2020^</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BWR BB/ Stable (Pronounced as BWR Triple B) [Structured Obligation] [Reaffirmed]</td>
<td>13 March 2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>BWR BBB/ Stable (SO) (Pronounced as BWR Triple B) [Structured Obligation] [Reaffirmed]</td>
<td>14 February 2018</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>24.46</strong></td>
<td><strong>INR Twenty Four crores and Forty Six lakhs Only</strong></td>
<td></td>
</tr>
</tbody>
</table>

^Rating was moved to Not Reviewed Advisory on 16th March 2019.

### COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)

**Hyperlink/Reference to applicable Criteria**

- General Criteria
- Approach to Financial Ratios
- What constitutes Non-Cooperation
- Rating Criteria for Service Sector
## ANNEXURE I

**Kanakia Gruhnirman Private Limited**

### Details of Bank Facilities rated by BWR

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the Bank</th>
<th>Type of Facilities</th>
<th>Long Term [₹ Cr]</th>
<th>Short Term [₹ Cr]</th>
<th>Total [₹ Cr]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>RBL Bank</td>
<td>Term Loan</td>
<td>24.46</td>
<td>-</td>
<td>24.46</td>
</tr>
</tbody>
</table>

**Total Rupees Twenty Four Crores and Forty Six lakhs only.**
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