



Press Release

L B Kunjir

December 06, 2024

Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	19.57	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	15.51	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	35.08	-	-

* The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded and withdrawn the long-term rating to 'ACUITE BB+' (read as ACUITE Double B Plus) from 'ACUITE BBB' (read as ACUITE Tripple B) and short-term rating to 'ACUITE A4+' (read as ACUITE A four Plus) from 'ACUITE A2' (read as ACUITE A two) on Rs.35.08 crore bank facilities of L B Kunjir (LBK). The rating is now flagged as "Issuer Not-Cooperating" and is based on the best available information. The rating downgrade is on account of information risk.

The withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility/instrument. The rating is being withdrawn on account of request received from the company, and NOC (No Objection Certificate) received from the bankers.

About the Company

Established in 2002, L B Kunjir is a partnership firm engaged in undertaking civil construction projects mainly related to irrigation like earthen dams, canals and barrage etc. The firm is registered as class I-A contractor with P.W.D. (Govt. of Maharashtra). The day to day operations of the firm are managed by its partners, Mr. Laxman B Kunjir, Mrs. Kusum L Kunjir and their son Mr. Amit L Kunjir. LBK is also engaged in both wind power generation and solar power generation. It has six wind turbines of Suzlon with an installed capacity of 7.35 M.W. each and photovoltaic panels with an installed capacity of 2.50 MW (for solar power generation) at various locations in Rajasthan and Maharashtra.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of

information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	111.23	68.74
PAT	Rs. Cr.	14.73	10.98
PAT Margin	(%)	13.24	15.98
Total Debt/Tangible Net Worth	Times	1.09	0.93
PBDIT/Interest	Times	4.24	5.10

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Sep 2023	Bank Guarantee (BLR)	Short Term	15.51	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	19.00	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.57	ACUITE BBB Stable (Reaffirmed)
22 Jul 2022	Bank Guarantee (BLR)	Short Term	17.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Cash Credit	Long Term	15.00	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Term Loan	Long Term	2.57	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
	Proposed Long Term Bank Facility	Long Term	0.51	ACUITE BBB Stable (Downgraded from ACUITE BBB+ Stable)
10 Mar 2021	Bank Guarantee (BLR)	Short Term	17.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Cash Credit	Long Term	15.00	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	0.51	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)
	Term Loan	Long Term	2.57	ACUITE BBB+ Stable (Upgraded from ACUITE BBB Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.51	Simple	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A2)
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.00	Simple	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB)
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.57	Simple	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BBB)

* The issuer did not co-operate; based on best available information.

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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