



Press Release
KINJAL CIVILCON LLP
April 04, 2025
Rating Reaffirmed and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	32.00	ACUITE B+ Stable Upgraded	-
Bank Loan Ratings	45.28	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	77.28	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to '**ACUITE B+**' (read as **ACUITE B Plus**) from '**ACUITE C**' (read as **ACUITE C**) on Rs. 32.00 Cr. bank facilities of Kinjal Civilcon LLP (KCL). The outlook is '**Stable**'.

Acuite has reaffirmed its short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 45.28 Cr. bank facilities of Kinjal Civilcon LLP (KCL).

Rationale for Rating Upgrade

The rating has been upgraded basis the regularization of banking conduct along with completion of curing period. The rating factors in experienced management and moderation in operating performance of the firm with sound order book position. However, the rating remains constrained due to the average financial risk profile marked by low net worth, moderate gearing coupled with low coverage indicators and stretched liquidity position as reflected in its continuous high utilisation of bank limits.

About the Company

Mumbai based Kinjal Civilcon LLP (KCL) was established as a partnership firm in 2019 by Mr. Heeralal Doshi, Mr. Divyesh Doshi, Mr. Sadashiv Shetty, Mr. Ashokkumar Bafna, Mr. Sogaram Dewasi, Mrs. Kinjal Salecha and Miss. Divya Doshi. The firm is engaged as a civil contractor for construction of buildings, flyovers, etc.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of KCL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management

Established in 2019, Kinjal Civilcon LLP (KCL) is managed by Mr. Heeralal Doshi and Mr. Divyesh Doshi. The firm is engaged in construction of buildings, flyovers, etc. The partners have been engaged in the industry for over three decades. Additionally, the firm is supported by a qualified management team. The partners extensive industry

experience is evident in their strong and long-standing relationships with customers and suppliers.

Moderation in scale of operations with sound order book position

The firm's operating income improved to Rs. 211.29 Cr. for FY24 against Rs.144.79 Cr. in FY23. However, a moderation in revenue is observed, with the firm recording Rs. 164.63 Cr. of revenue in 11MFY25 and projecting total revenue of approximately Rs. 200 Cr for FY25. The operating margin of the firm deteriorated to 10.89 percent in FY24 from 13.29 percent in FY23. Similarly, the PAT margin also declined slightly, standing at 3.76 percent in FY24 compared to 4.01 percent in FY23. As of January 31,2025, the firm has an unexecuted order book

of Rs. 671.62 Cr. which is expected to be executed over the next two to three years, providing adequate revenue visibility in the medium term. However, the firm has not secured any new orders since 2022. Notably, the top four orders account for approximately 93 percent of the total order book, making their timely execution without significant delays a key area of focus.

Weaknesses

Average financial risk profile

The financial risk profile of KCL is average, marked by low net worth, moderate gearing and average debt protection metrics. The firm's net worth stood at Rs. 37.73 Cr. as of March 31, 2024 compared to Rs. 26.46 Cr. as of March 31, 2023. The gearing of the firm remained moderate at 1.59 times as of March 31, 2024, compared to 2.34 times as of March 31, 2023. Further, debt protection metrics are low, with the debt service coverage ratio (DSCR) at 1.09 times in FY 2024, compared to 0.66 times in the previous year. Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 4.28 times as of March 31, 2024, compared to 5.44 times as of March 31, 2023. The Net Cash Accruals to Total Debt (NCA/TD) stood at 0.16 times in FY 2024, compared to 0.12 times in the previous year. Acuité believes, the financial risk profile would remain average over the medium term on the back of low coverage indicators and modest net worth base.

Working capital Intensive nature of operations

The firms' operations remained working capital intensive marked by its Gross Current Assets (GCA) of 192 days for FY24 as against 248 days for FY23. The receivable cycle remains elongated however recorded an improvement of 118 days in FY24 as against 151 days in FY23. Further, the inventory cycle of the firm stood improved at 31 days in FY24 as against 44 days in FY23 whereas the creditors cycle stood at 184 days in FY24 as against 205 days in FY23. The average fund-based bank limit utilization for 6 months' period ended February 2025 stood high at ~94.24 percent. Acuité believes that the firm's ability to improve its working capital cycle couple with limited reliance of working capital limits would remain a key rating sensitivity.

Rating Sensitivities

Ability to continuously improve revenues and profitability
Ability to secure healthy order book position with inflow of new orders
Ability to improve working capital management and financial risk profile
Timely completion of work orders without any significant delays

Liquidity Position

Stretched

The firm's liquidity position is stretched marked by modest net cash accruals as against its maturing debt obligations. The firm generated cash accruals of Rs. 9.41 Cr. during FY24 against its repayment obligation of Rs. 7.79 Cr. during the same period. The average fund-based bank limit utilization for 6 months' period ended February 2025 stood high at ~94.24 percent. Furthermore, the firm-maintained cash and bank balances of Rs. 1.00 Cr. as on March 31, 2024. The current ratio stood moderate at 1.00 times as on March 31, 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	211.29	144.79
PAT	Rs. Cr.	7.95	5.81
PAT Margin	(%)	3.76	4.01
Total Debt/Tangible Net Worth	Times	1.59	2.34
PBDIT/Interest	Times	2.33	2.00

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.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. Acuite'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
20 Mar 2025	Bank Guarantee/Letter of Guarantee	Short Term	17.76	ACUITE A4 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	27.52	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	0.42	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.21	ACUITE C (Downgraded from ACUITE B+ Stable)
	Cash Credit	Long Term	25.00	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	1.18	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.03	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.22	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.45	ACUITE C (Downgraded from ACUITE B+ Stable)
	Secured Overdraft	Long Term	0.88	ACUITE C (Downgraded from ACUITE B+ Stable)
	Working Capital Term Loan	Long Term	2.52	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.14	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.13	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.30	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.31	ACUITE C (Downgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.21	ACUITE C (Downgraded from ACUITE B+ Stable)
	Proposed Long Term Bank Facility	Long Term	15.28	ACUITE Not Applicable (Withdrawn)
16 Sep 2024	Bank Guarantee/Letter of Guarantee	Short Term	18.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	30.28	ACUITE A4 (Upgraded from ACUITE D)
	Term Loan	Long Term	0.49	ACUITE B+ Stable (Upgraded from ACUITE C)
	Working Capital Term Loan	Long Term	3.32	ACUITE B+ Stable (Upgraded from ACUITE C)
	Proposed Long Term Bank Facility	Long Term	9.51	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.16	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.17	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.36	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.36	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.24	ACUITE B+ Stable (Upgraded from ACUITE C)
	Cash Credit	Long Term	25.00	ACUITE B+ Stable (Upgraded from ACUITE C)
	Secured Overdraft	Long Term	2.01	ACUITE B+ Stable (Upgraded from ACUITE D)

	Term Loan	Long Term	0.28	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.04	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.26	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	0.52	ACUITE B+ Stable (Upgraded from ACUITE C)
	Term Loan	Long Term	1.56	ACUITE B+ Stable (Upgraded from ACUITE C)
20 Jun 2023	Bank Guarantee/Letter of Guarantee	Short Term	17.77	ACUITE A4 (Assigned)
	Term Loan	Long Term	0.23	ACUITE C (Assigned)
	Term Loan	Long Term	0.25	ACUITE C (Assigned)
	Term Loan	Long Term	2.36	ACUITE C (Assigned)
	Term Loan	Long Term	0.42	ACUITE C (Assigned)
	Term Loan	Long Term	0.06	ACUITE C (Assigned)
	Term Loan	Long Term	0.36	ACUITE C (Assigned)
	Term Loan	Long Term	0.66	ACUITE C (Assigned)
	Cash Credit	Long Term	25.00	ACUITE C (Downgraded from ACUITE B+ Stable)
	Working Capital Term Loan	Long Term	3.74	ACUITE C (Assigned)
	Term Loan	Long Term	9.42	ACUITE D (Assigned)
	Secured Overdraft	Long Term	2.01	ACUITE D (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	30.28	ACUITE D (Assigned)
13 Feb 2023	Cash Credit	Long Term	25.00	ACUITE B+ Stable (Upgraded from ACUITE C)
22 Sep 2022	Cash Credit	Long Term	25.00	ACUITE C (Downgraded from ACUITE B+ Stable)
23 Jun 2022	Cash Credit	Long Term	25.00	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Maharashtra	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.76	Simple	ACUITE A4 Reaffirmed
Abhyudaya Cooperative Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.52	Simple	ACUITE A4 Reaffirmed
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Saraswat Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.88	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Cholamandalam Investment Finance Company Ltd.	Not avl. / Not appl.	Term Loan	25 Mar 2022	Not avl. / Not appl.	25 Mar 2027	0.14	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Cholamandalam Investment Finance Company Ltd.	Not avl. / Not appl.	Term Loan	25 Mar 2022	Not avl. / Not appl.	25 Mar 2027	0.13	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	22 Nov 2021	Not avl. / Not appl.	22 Nov 2026	1.18	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	25 Jan 2022	Not avl. / Not appl.	25 Jan 2027	0.21	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	25 Jan 2022	Not avl. / Not appl.	25 Jan 2027	0.03	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	31 Aug 2022	Not avl. / Not appl.	31 Aug 2027	0.22	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	07 Oct 2022	Not avl. / Not appl.	31 Oct 2027	0.42	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	08 May 2024	Not avl. / Not appl.	15 Mar 2028	0.45	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Cholamandalam	Not avl.		15 Jan	Not avl.	15 Nov			ACUITE B+ Stable

Investment Finance Company Ltd.	/ Not appl.	Term Loan	2024	/ Not appl.	2027	0.30	Simple	Upgraded (from ACUITE C)
Cholamandalam Investment Finance Company Ltd.	Not avl. / Not appl.	Term Loan	15 Feb 2024	Not avl. / Not appl.	15 Dec 2027	0.31	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Cholamandalam Investment Finance Company Ltd.	Not avl. / Not appl.	Term Loan	15 Feb 2024	Not avl. / Not appl.	15 Dec 2027	0.21	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)
Bank of Maharashtra	Not avl. / Not appl.	Working Capital Term Loan	31 Mar 2022	Not avl. / Not appl.	31 Mar 2027	2.52	Simple	ACUITE B+ Stable Upgraded (from ACUITE C)

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