

**Press Release**  
**Shree Ganesh Infrastructure**  
**March 14, 2024**



**Rating Downgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE D   Downgraded	-
Bank Loan Ratings	15.00	-	ACUITE D   Downgraded
<b>Total Outstanding Quantum (Rs. Cr)</b>	25.00	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to **Acuite D (read as ACUITE D)** from **ACUITE B+ (read as ACUITE B plus)** and short-term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE A4' (read as ACUITE A Four)** on Rs.25.00 Cr. bank facility of Shree Ganesh Infrastructure (SGI).

The downgrade in rating is on account of a delay in servicing debt obligations by SGI as confirmed by its banker.

**About Company**

M/s. Shree Ganesh Infrastructure, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The day-to-day operations of the entity are managed by Mr. Savan Savani and Mr. Milan Vaghasia.

**About the Group**

M/s. Jay Adinath Infrastructure, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The day-to-day operations of the entity are managed by Mr. Ketan Arunkumar Shah and Mr. Jaykumar Rasikbhai Savani.

M/s. Jay Ambey Construction, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The day-to-day operations of the entity are managed by Mr. Gajeshbhai I. Moradia and Mr. Jayesh I. Hirpada.

M/s. Om Construction - Ahmedabad, a partnership firm, incorporated in May 2021. The Company is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The daytoday operations of the entity are managed by Mr. Savan Savani and Mr. Milan Vaghasia.

**Unsupported Rating**

Not Applicable



## **Extent of Consolidation**

- Full Consolidation

## **Rationale for Consolidation or Parent / Group / Govt. Support**

Acuité has consolidated the business and financial risk profiles of Jay Adinath Infrastructure, Shree Ganesh Infrastructure, Om Construction- Ahmedabad and Jay Ambe Construction considering their common line of business, common management, and significant Financial and operational linkages. The entities are together referred to as Jai Adinath Group.

## **Key Rating Drivers**

### **Strengths**

#### **Track Record and Experienced management in the Infrastructure sector**

The Group was incorporated in May 2021. The Group is engaged in operating in the state of Gujarat for construction of Water Supply Project, Drainage Systems & Overhead Tanks and ancillary Infrastructure Facilities. The partners of the group are Mr. Ketan Arunkumar Shah & Mr. Jaykumar Rasikbhai Savani, Mr. Gajeshbhai I. Moradia & Mr. Jayesh I. Hirpada, Mr. Savan Savani & Mr. Milan Vaghasia and Mr. Savan Savani & Mr. Milan Vaghasia who have an experience of nearly 8-10 years in this business.

Acuité believes that the company is expected to continue to benefit from the proprietor's established presence in the industry and its improving business risk profile over the medium term.

### **Weaknesses**

#### **Instance of delay and irregularities account conduct:**

As per the banker feedback group's account conduct is irregular with continuous over withdrawal and delays in debt repayment till recent past.

### **Rating Sensitivities**

Timely servicing of debt obligations

### **Liquidity Position**

#### **Poor**

Liquidity position of the company is poor as there are continuous over utilizations in the working capital facilities and delays in servicing of debt obligations

### **Outlook:**

Not Applicable

### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	61.07	0.00
PAT	Rs. Cr.	3.41	0.00
PAT Margin	(%)	5.58	0.00
Total Debt/Tangible Net Worth	Times	11.32	0.00
PBDIT/Interest	Times	3.27	0.00

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

Not Applicable

### Any Other Information

#### Standalone Figures:

Particulars	Unit	FY2022 (Actual)	FY2021 (Actual)
Operating Income	Rs. Cr	16.99	0.00
PAT	Rs. Cr	0.73	0.00
PAT Margin	%	4.31	0.00
Total Debt/Tangible Net Worth	Times	13.91	0.00
PBDIT/Interest	Times	5.41	0.00

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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, Acuite 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](http://www.acuite.in)

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Apr 2023	Bank Guarantee (BLR)	Short Term	15.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	10.00	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
The Mehsana Urban Cooperative Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE D   Downgraded ( from ACUITE A4 )
The Mehsana Urban Cooperative Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE D   Downgraded ( from ACUITE B+ )

### \*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

SHREE GANESH INFRASTRUCTURE  
 JAY AMBEY CONSTRUCTION  
 JAY ADINATH INFRASTRUCTURE  
 OM CONSTRUCTION - AHMEDABAD

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### About Acuité Ratings & Research

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