

Karan Construction Company

November 18, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable (Single B Plus; Outlook: Stable)
Short Term Bank Facilities	10.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	20.00 (Rs. Twenty Crore Only)		

Details of instruments/facilities in Annexure-1

**Issuer did not cooperate; based on best available information*

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated November 02, 2021, placed the rating(s) of Karan Construction Company (KCC) under the 'issuer non-cooperating' category as KCC had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. KCC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 18, 2022, September 28, 2022, October 08, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of KCC have been revised on account of non-availability of requisite information.

Detailed description of the key rating drivers

Please refer to PR dated [November 02, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Firm

Karan Construction Company was established in the year 1991 with its office located at Haldia, Purba Medinipur. Since its inception the firm is engaged in civil, mechanical and electrical works on behalf of various public and private entities. Mr. Suresh Chandra Karan has more than a decade of experience in civil construction industry. He looks after the day-to-day operations of the entity along with other two partners and other technical and non-technical professionals who are having long experience in this industry.

Brief Financials (Rs. crore)	FY20 (Prov.)	FY21 (A)	FY22 (A)	H1FY23 (Prov.)
Total operating income	49.58	NA	NA	NA
PBILDT	2.55	NA	NA	NA
PAT	0.56	NA	NA	NA
Overall gearing (times)	0.61	NA	NA	NA
Interest coverage (times)	1.90	NA	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available

Status of non-cooperation with previous CRA: Acuite (SMERA) as continued the rating assigned to the bank facilities of KCC into Issuer Not Cooperating category vide press release dated November 03, 2022 on account of its inability to carry out a review in the absence of the requisite information from the firm.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

CRISIL as continued the rating assigned to the bank facilities of KCC into Issuer Not Cooperating category vide press release dated November 11, 2022 on account of its inability to carry out a review in the absence of the requisite information from the firm.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure-3

Complexity level of various instruments rated for this firm: Annexure-4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Bank Overdraft		-	-	-	3.00	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE B; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	10.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	7.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Nov-21)	1)CARE BB-; Stable (22-Sep-20)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (10-Dec-19)
2	Fund-based - LT-Bank Overdraft	LT	3.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (02-Nov-21)	1)CARE BB-; Stable (22-Sep-20)	1)CARE BB; Stable; ISSUER NOT COOPERATING* (10-Dec-19)
3	Non-fund-based - ST-Bank Guarantee	ST	10.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (02-Nov-21)	1)CARE A4 (22-Sep-20)	1)CARE A4; ISSUER NOT COOPERATING* (10-Dec-19)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of rated instrument/facility: Not Applicable

Annexure-4: Complexity level of various instruments rated for this firm

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Bank Overdraft	Simple
2	Fund-based - LT-Cash Credit	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Bank Lender Details for this firm

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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