

Navkar Urbanstructure Limited

September 20, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.50	CARE C; Stable; ISSUER NOT COOPERATING* (Single C; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	14.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	22.50 (₹ Twenty-Two Crore and Fifty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 27, 2020, placed the ratings of Navkar Urbanstructure Limited (NUL) under the 'issuer non-cooperating' category as company had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. NUL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and email dated September 02, 2022., September 02, 2022, July 26, 2022, and July 16, 2022. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the ratings on the basis of the best available information which however, in CARE Rating 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 ratings.

At the time of last rating on August 20, 2021, the following were the rating strengths and weaknesses: (Updated from publicly available information)

Detailed description of the key rating drivers

Modest scale of operations and instances of over-draws in CC account

During FY22 (refers to the period April 01 to March 31), NUL reported total operating income (TOI) of Rs.13.63 crore (P.Y. 7.43 crore) with PBILDT and PAT margin of 11.00% and 6.72% respectively.

Further, the TOI in Q1FY23 (refers to the period April 01 to June 30) stood at Rs.1.33 crore as compared to Rs 0.99 crore in Q1FY22.

Further, as on date no information is available on the banking conduct of the company (considering the instances of over-draws in its cash credit account as per the press release dated August 20, 2021).

Please refer PR dated [August 20, 2021](#)

Analytical approach: Standalone

Applicable Criteria:

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Construction](#)

About the Company

Ahmedabad (Gujarat) based NUL, incorporated in June 1992; is promoted by Shah Family. NUL is a registered 'AA class' contractor with Government of Gujarat (G-o-G). The company executes the orders for the different departments of G-o-G and

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

*Based on best available information.

other private players. The company is also engaged in the manufacturing of Reinforced Cement Concrete (RCC) Vertical Hume Pipe with production capacity of manufacturing moulds ranging from 300 mm to 1400 mm and ready-mix concrete (RMC) and operates from its manufacturing facilities located at Kheda, Gujarat.

Brief Financials (Rs. crore)	FY21 (A)	FY22 (A)	Q1 (Prov.)
Total operating income	7.43	13.63	1.33
PBILDT	1.80	1.50	0.09
PAT	0.51	0.92	0.05
Overall gearing (times)	0.33	0.01	NA
Interest coverage (times)	0.90	0.92	2.25

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

Status of non-cooperation with previous CRA: CRISIL has put ratings assigned to the bank facilities of NUL in to 'Non-Cooperation' category vide press release dated May 31, 2022, on account of non-cooperation by NUL with CRISIL's efforts to undertake a review of the ratings outstanding.

Any other information: Not Applicable

Rating history for the last three years: Please refer Annexure-2

Covenants of the rated instruments/facilities: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.50	CARE C; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	14.00	CARE A4; ISSUER NOT COOPERATING*

*Based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ 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	8.50	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE C; Stable; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (27-Mar-20) 2)CARE BB+; Stable (14-Jun-19)
2	Non-fund-based - ST-Bank Guarantee	ST	14.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING* (11-Aug-20)	1)CARE A4+; ISSUER NOT COOPERATING* (27-Mar-20)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ 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
								2)CARE A4+ (14-Jun-19)
3	Non-fund-based - ST-Letter of credit	ST	-	-	-	-	-	1)Withdrawn (14-Jun-19)

*Based on best available information.

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

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

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

Annexure-5: Bank lender details for this company

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

Note on complexity levels of the rated instruments: CARE Ratings 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 us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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