

Kunal Spaces Private Limited

September 30, 2022

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	59.61	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Total Bank Facilities	59.61 (₹ Fifty-Nine Crore and Sixty-One Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 20, 2021, placed the rating(s) of Kunal Spaces Private Limited (KSPL) under the 'issuer non-cooperating' category as KSPL 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. KSPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 05, 2022, June 15, 2022, June 25, 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 have been revised on account of non-availability requisite information. The revision also considers KSPL's leveraged capital structure as a result of significant overall debt vis-à-vis its net worth in FY21.

Detailed description of the key rating drivers

Please refer to PR dated [July 20, 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 Company

Kunal Spaces Private Limited (KSPL) is a part of the Pune based Kunal group which is engaged in real estate activities since 1988. KSPL is a special purpose vehicle (SPV) incorporated in October 2010 to undertake construction of residential and commercial project named 'Kunal Aspiree' at Balewadi, Pune. The company is managed by three directors Mr. Hemendra Shah, Mr. Ramesh G Shah and Mr. Jitendra Mehta. All the three directors are associated and engaged in the construction industry since over a decade through various group companies like Kunal Constructions Private Limited, Kunal Developers, Kunal Sulakshan Associates, Kunal Shelters Private Limited, Kunal Housing, Kunal Spaces Private Limited, Kunal Runwal Associates, Kunal Rama Associates and Kunal Sancheti Associates together referred to as Kunal Group.

Brief Financials (₹ crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	21.81	23.59	NA	NA
PBILDT	1.68	6.42	NA	NA
PAT	0.59	1.79	NA	NA
Overall gearing (times)	18.10	8.82	NA	NA
Interest coverage (times)	1.88	1.59	NA	NA

A: Audited, Prov.: Provisional, NA – Not available

Status of non-cooperation with previous CRA: Not Applicable

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

*Issuer did not cooperate; Based on best available information

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Please refer Annexure-3

Complexity level of various instruments rated for this company: Please refer 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-Term Loan		-	-	June, 2019	59.61	CARE B+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; 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-Term Loan	LT	59.61	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (20-Jul-21)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (11-May-20)	-

*Issuer did not cooperate; based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/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-Term Loan	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 instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careedge.in. 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:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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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