

Press Release

RKBK Limited (RKBKL)

July 26, 2018

Rating Update



Total Bank Facilities Rated	Rs. 13.00 Cr.#
Long Term Rating	ACUITE BBB Issuer Not Co-operating*
Short Term Rating	ACUITE A3+ Issuer Not Co-operating*

Refer Annexure for details

*The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has reviewed the long term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) and short term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs.13.00 crore bank facilities of RKBK Limited (RKBKL). This rating is now an indicative rating and is based on best available information. However we are yet to receive banker's feedback.

Non-cooperation by the issuer/borrower:

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/criteria-trading.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Company: RKBK, incorporated in 1976, is an authorised dealer of IOCL. The company deals in petroleum products through 80 depots and 16 petrol pumps in Uttar Pradesh, Bihar and Jharkhand. It is also engaged in blending, packaging and selling of tea, tooth paste, detergent powder under the 'Dinkar' brand name.

For FY2015-16, the company reported profit after tax of Rs.6.06 crore on total income of Rs.569.38 crore as against profit after tax of Rs.1.88 crore on total income of Rs.573.17 crore a year earlier. The net worth stood at Rs.25.40 crore as on March 31, 2016, as compared with Rs.19.71 crore a year earlier.

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

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
08-Jul-2017	Cash Credit	LongTerm	12.50	SMERA BBB/Stable (Reaffirmed)
	Bank Guarantee	ShortTerm	0.50	SMERA A3+ (Reaffirmed)
28-Mar-2016	Term Loan	LongTerm	0.89	SMERA BBB/Stable (Assigned)
	Cash Credit	LongTerm	15.00	SMERA BBB/Stable (Assigned)
	Cash Credit – Proposed	LongTerm	0.55	SMERA BBB/Stable (Assigned)
	Bank Guarantee	ShortTerm	0.50	SMERA A3+ (Assigned)
	Forward Contract	ShortTerm	0.20	SMERA A3+ (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE BBB Issuer not cooperating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A3+ Issuer not cooperating*

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.*