

Press Release

R.K. Associates

September 12, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	15.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (Read as **ACUITE double B minus**) and the short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE 4+**' (read as **ACUITE four plus**) on the Rs.25.00 crore bank facilities of R.K. Associates (RKA). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

The Karnataka-based RKA, incorporated in 1987, is a Super Grade LEC (Licensed Electrical Contractor) and also a Class I contractor under KPDW (Karnataka Public Work Department). The proprietorship firm is engaged in the construction of sub-stations and related electrical work in Karnataka. The Proprietor, Mr. H.N. Ramkrishna has more than three decades of experience in the industry.

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 the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Jun 2021	Bank Guarantee	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
20 Mar 2020	Cash Credit	Long Term	10.00	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
16 Jan 2019	Cash Credit	Long Term	10.00	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	15.00	ACUITE A4+ (Issuer not co-operating*)
16 Nov 2017	Cash Credit	Long Term	10.00	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Bank Guarantee	Short Term	15.00	ACUITE A4+ (Upgraded from ACUITE A4)
31 Aug 2016	Cash Credit	Long Term	10.00	ACUITE BB- Stable (Assigned)
	Bank Guarantee	Short Term	10.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4 Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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