



Press Release
K. Gowda & Co.
November 15, 2024

Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	18.10	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Loan Ratings	32.40	Not Applicable Withdrawn	-
Bank Loan Ratings	20.00	-	ACUITE A4 Downgraded & Withdrawn Issuer not co-operating*
Bank Loan Ratings	15.00	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	85.50	-	-

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

Rating Rationale

Acuite has downgraded & withdrawn its long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs 18.10 Cr. bank facilities of K GOWDA & CO (KGC).

Acuite has downgraded & withdrawn its short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs 20.00 Cr. bank facilities of K GOWDA & CO (KGC).

Acuite has also withdrawn its long-term proposed rating on the Rs. 32.40 Cr. without assigning any rating as It is a proposed facility of K GOWDA & CO (KGC).

Acuite has also withdrawn its short-term proposed rating on the Rs. 15.00 Cr. without assigning any rating as It is a proposed facility of K GOWDA & CO (KGC).

The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the firm, and the NOC(No Objection Certificate) received from the banker and the downgrade is based on information risk. The rating is now flagged as "Issuer Not-Cooperating" and is based on the best information available.

About the Company

K Gowda and Co is a Bangalore-based proprietorship firm established in 1979 by Mr. H R K Gowda. It was converted into a partnership firm in 2010. Currently, Mr. H R K Gowda, Mr. Rakshith Kempeere Gowda, Mr. Vijaysurya Kempeere Gowda, Smt. Bhagyamma are partners in the firm. The firm is a Class-I Contractor engaged in civil construction of buildings, irrigation water supply systems and roads for several government organisations. The partners possess over three decades of experience in civil construction industry.

Unsupported Rating

Not Applicable

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 an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’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.a

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	114.86	100.17
PAT	Rs. Cr.	7.74	2.68
PAT Margin	(%)	6.74	2.68
Total Debt/Tangible Net Worth	Times	2.42	2.76
PBDIT/Interest	Times	5.68	3.30

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

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

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Aug 2023	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A4+ (Upgraded from ACUITE A4)
	Proposed Bank Guarantee	Short Term	15.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A4+ (Upgraded from ACUITE A4)
	Cash Credit	Long Term	14.50	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	3.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	0.60	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Proposed Cash Credit	Long Term	15.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Proposed Term Loan	Long Term	17.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Proposed Term Loan	Long Term	0.40	ACUITE BB- Stable (Upgraded from ACUITE B+)
07 Apr 2023	Proposed Bank Guarantee	Short Term	15.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	5.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Cash Credit	Long Term	9.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Proposed Cash Credit	Long Term	15.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Proposed Long Term Loan	Long Term	0.40	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Proposed Term Loan	Long Term	17.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Term Loan	Long Term	3.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Term Loan	Long Term	0.60	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
05 Jan 2023	Bank Guarantee (BLR)	Short Term	2.50	ACUITE A4+ (Upgraded from ACUITE A4)
	Bank Guarantee (BLR)	Short Term	17.50	ACUITE A4+ (Assigned)
	Proposed Bank Guarantee	Short Term	15.00	ACUITE A4+ (Assigned)
	Term Loan	Long Term	0.60	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	3.00	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Cash Credit	Long Term	9.50	ACUITE BB- Stable (Assigned)
	Proposed Cash Credit	Long Term	15.00	ACUITE BB- Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.40	ACUITE BB- Stable (Assigned)
	Proposed Term Loan	Long Term	17.00	ACUITE BB- Stable (Assigned)

20 Oct 2021	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.60	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Cash Credit	Long Term	5.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE A4 Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A4+)
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.50	Simple	ACUITE A4 Downgraded & Withdrawn Issuer not co-operating* (from ACUITE A4+)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.50	Simple	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB-)
Not Applicable	Not avl. / Not appl.	Proposed Bank Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	Not Applicable Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.40	Simple	Not Applicable Withdrawn
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB-)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.60	Simple	ACUITE B+ Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB-)

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

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Abhishek Singh Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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.

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. Ratings assigned by Acuité 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. Ratings assigned by Acuité 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. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.