

Press Release

Renuka Equipments Private Limited

July 20, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Bank Loan Ratings	6.50	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	12.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and short term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.12.5 crore bank facilities of Renuka Equipments Private Limited (REPL).

This rating is now an indicative rating and is based on the best available information.

About the Company

Renuka Equipments Private Limited (REPL), based of Nagpur was incorporated in 1997 by Mr. Soumitra Kothari and Mrs. Rasika Kothari. The company is engaged in designing and manufacturer of plant, machinery and structures used in iron and steel, metallurgical and engineering plants such as HM Handles, Bail Arm Lifting hooks, Marshalling Winches, Scrap charging buckets and heat treatment buckets. The manufacturing facility is located at Hingna Industrial Area in Nagpur. REPL also undertakes turnkey and semi turnkey contracts in the metallurgical, mineral processing and engineering. The company has ventured in civil construction and pre engineering structural contracts for Maharashtra Metro Rail Corporation Limited (MMRCL).

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 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). Acuite endeavored 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.

Rating Sensitivities

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

Material Covenants

Not Applicable.

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials:

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

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>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
25 Feb 2021	Cash Credit	Long Term	6.50	ACUITE BB Stable (Upgraded from ACUITE BB- Stable)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Reaffirmed)
23 Dec 2019	Cash Credit	Long Term	6.50	ACUITE BB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Upgraded from ACUITE A4)
05 Jul 2019	Cash Credit	Long Term	6.50	ACUITE BB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	6.00	ACUITE A4 (Issuer not co-operating*)
18 Apr 2018	Cash Credit	Long Term	6.50	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Bank Guarantee	Short Term	6.00	ACUITE A4 (Reaffirmed)
29 Mar	Cash Credit	Long Term	6.50	ACUITE B+ (Issuer not co-operating*)

2018	Bank Guarantee	Short Term	6.00	ACUITE A4 (Issuer not co-operating*)
10 Apr 2017	Cash Credit	Long Term	6.50	ACUITE B+ Stable (Assigned)
	Bank Guarantee	Short Term	6.00	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	6.00	ACUITE A4 Downgraded Issuer not co-operating*
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.50	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Radhika Kolwankar Junior Analyst-Rating Operations Tel: 022-49294065 radhika.kolwankar@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@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.