

Press Release

Rajesh Karanth

November 17, 2020

Rating Update



Total Bank Facilities Rated*	Rs.30.00 Cr. #
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details`

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

Acuite has reviewed the long term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.30.00 crore bank facilities of Rajesh Karanth. This rating is now an indicative rating and is based on the best available information. The rating is constrained by information risk.

Established in 2005, Karnataka-based proprietorship firm, Rajesh Karanth is a civil contractor involved in the construction of roads, bridges and canals for PWD departments in Karnataka. The firm is promoted by Mr. Rajesh Karanth.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of Rajesh Karanth to arrive at this rating.

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 non-cooperation 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Entities in Service Sector - <https://www.acuite.in/view-rating-criteria-50.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 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.

About the Rated Entity - Key Financials

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

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

Not applicable

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. Crore)	Ratings/Outlook
09-Sep-2019	Secured Overdraft	Long Term	4.00	ACUITE B+/Stable (Reaffirmed)
	Term Loan	Long Term	3.17	ACUITE B+/Stable (Assigned)
	Bank Guarantee	Short Term	20.00	ACUITE A4 (Reaffirmed)
	Proposed long term bank facility	Long Term	2.83	ACUITE B+/Stable (Reaffirmed)
13-Jun-2018	Secured Overdraft	Long Term	4.00	ACUITE B+/Stable (Upgraded)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Reaffirmed)
	Proposed Bank Guarantee	Short Term	14.37	ACUITE A4 (Assigned)
29-May-2017	Secured Overdraft	Long Term	4.00	ACUITE B/Stable (Assigned)
	Proposed Secured Overdraft	Long Term	3.07	ACUITE B/Stable (Assigned)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+ Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	3.17	ACUITE B+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A4 Issuer not co-operating*
Proposed long term bank facility	Not Applicable	Not Applicable	Not Applicable	2.83	ACUITE B+ Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Pooja Ghosh Head- Corporate and Infrastructure Sector Ratings Tel: 033-6620 1203 pooja.ghosh@acuite.in Kaustav Saha Senior Rating Analyst- Rating Operations Tel: 033-6620-1211 kaustav.saha@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuite Ratings & Research

Acuite Ratings & Research 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.

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