

Press Release

Rajesh Karanth

February 18, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	20.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	30.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

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.

About the Company

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.

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.

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.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

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

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.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
17 Nov 2020	Secured Overdraft	Long Term	4.00	ACUITE B+ (Issuer not co-operating*)
	Term Loan	Long Term	3.17	ACUITE B+ (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	2.83	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	20.00	ACUITE A4 (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	2.83	ACUITE B+ Stable (Reaffirmed)

09 Sep 2019	Term Loan	Long Term	3.17	ACUITE B+ Stable (Assigned)
	Bank Guarantee	Short Term	20.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	4.00	ACUITE B+ Stable (Reaffirmed)
13 Jun 2018	Secured Overdraft	Long Term	4.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	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)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.83	ACUITE B+ Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	3.17	ACUITE B+ Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité 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 8,850 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 Kanjurmarg, Mumbai.

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