

Press Release

K G N Electricals

August 03, 2021



Rating Update

Total Bank Facilities Rated*	Rs.62.00 Cr. #
Long Term Rating	ACUITE BB (Downgraded) 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.

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB**' (**read as ACUITE double B**) from '**ACUITE BB+**' (**read as ACUITE double B plus**) and reviewed the short term rating to '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.62.00 crore bank facilities of K G N Electricals (KGNE). The rating is flagged as "Issuer Not-Cooperating" on account of information risk.

KGNE, a Karnataka based partnership firm was established in 1997. The partners of the firm are Mr. Mohammed Idress and Mr. Mohamed Younus. The partnership firm is registered EPC contractor for erection and maintenance substations and transmission lines. KGNE, has Super Grade License and caters to government departments in Karnataka.

Non-cooperation by the issuer/borrower

Acuité 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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- **Default Recognition** - <https://www.acuite.in/view-rating-criteria-52.htm>
- **Manufacturing Entities** - <https://www.acuite.in/view-rating-criteria-59.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). Acuité endeavoured 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.

Liquidity Indicators

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

Rating Sensitivity

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

About the Rated Entity - Key Financials

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

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

Not Applicable

Any other information

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
04-June-2020	Cash Credit	Long Term	7.00	ACUITE BB+/Stable (Reaffirmed)
	Bank Guarantee	Short Term	55.00	ACUITE A4+ (Reaffirmed)
05-June-2019	Cash Credit	Long Term	7.00	ACUITE BB+/Stable (Upgraded)
	Bank Guarantee	Short Term	42.00	ACUITE A4+ (Reaffirmed)
16-July-2018	Cash Credit	Long Term	5.00	ACUITE BB/Stable (Reaffirmed)
	Bank Guarantee	Short Term	30.00	ACUITE A4+ (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Lender Name	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	State Bank of India	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB (Downgraded) Issuer not Cooperating
Bank Guarantee	State Bank of India	Not Applicable	Not Applicable	Not Applicable	55.00	ACUITE A4+ Issuer not Cooperating

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

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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 8,695 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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