

Press Release

K G N Electricals

October 31, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	55.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	7.00	ACUITE BB Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	62.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.62.00 crore bank facilities of K G N Electricals (KGNE). This rating continues to be flagged as "Issuer Not Cooperating", and rated on account of information risk.

About the Company

KGNE Electricals, 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:

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 due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with 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 endeavoured 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 requests.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
03 Aug 2021	Bank Guarantee	Short Term	55.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB (Downgraded and Issuer not co-operating*)
04 Jun 2020	Cash Credit	Long Term	7.00	ACUITE BB+ Stable (Reaffirmed)
	Bank Guarantee	Short Term	55.00	ACUITE A4+ (Reaffirmed)
05 Jun 2019	Bank Guarantee	Short Term	42.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BB+ Stable (Upgraded from ACUITE BB Stable)
16 Jul	Cash Credit	Long Term	7.00	ACUITE BB Stable (Reaffirmed)

2018	Bank Guarantee	Short Term	42.00	ACUITE A4+ (Reaffirmed)
04 Jun 2018	Cash Credit	Long Term	5.00	ACUITE BB Stable (Reaffirmed)
	Bank Guarantee	Short Term	30.00	ACUITE A4+ (Reaffirmed)
31 May 2017	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)
	Bank Guarantee	Short Term	30.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	55.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB Reaffirmed Issuer not co-operating*

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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.

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