

Press Release

RIDINGS CONSULTING ENGINEERS INDIA LIMITED

May 22, 2023

Rating Reaffirmed and Issuer not co-operating



| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Ra |
|---------------------------------------|---------------------|--|--|
| Bank Loan Ratings | 3.05 | ACUITE B+ Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 3.95 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 7.00 | - | - |

Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE B+' (read as ACUITE B plus) and short-term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs. 7.00 crore bank facilities of Ridings Consulting Engineers India Limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

Delhi-based, Ridings Consulting Engineers India Limited was incorporated in 1995. The company is engaged in providing services related to Geospatial Information System such as GIS mapping solutions, Sub Surface Utility Engineering Survey, Geospatial Marketing Consulting and Planning, Land Surveying, Hydrographic Survey, local searching, navigation , logistics routing , urban planning, Lida Mapping Services, among others. The company was listed on BSE SME on March 2018. Mr. Praveen Kumar Baveja, Mr. Sumit Dhadda, Mrs. Bharti Sinha are the directors of the company.

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 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.

Rating Sensitivity

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 Acuité to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

| Particulars | Unit | FY 22 (Actual) | FY 21 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 5.56 | 4.20 |
| PAT | Rs. Cr. | 0.03 | 0.02 |
| PAT Margin | (%) | 0.58 | 0.46 |
| Total Debt/Tangible Net Worth | Times | 6.78 | 6.09 |
| PBDIT/Interest | Times | 2.35 | 2.11 |

Status of non-cooperation with previous CRA

Not Applicable

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

In order to inform the investors about complexity of instruments, Acuité 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 |
|-------------|--------------------------------|------------|-----------------|---|
| 24 Feb 2022 | Proposed Bank Guarantee | Short Term | 0.85 | ACUITE A4 (Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 3.05 | ACUITE B+ (Issuer not co-operating*) |
| | Bills Discounting | Short Term | 2.50 | ACUITE A4 (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 0.60 | ACUITE A4 (Issuer not co-operating*) |
| 25 Nov 2020 | Bills Discounting | Short Term | 2.50 | ACUITE A4 (Issuer not co-operating*) |
| | Proposed Bank Guarantee | Short Term | 0.85 | ACUITE A4 (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 0.60 | ACUITE A4 (Issuer not co-operating*) |
| | Secured Overdraft | Long Term | 3.05 | ACUITE B+ (Downgraded and Issuer not co-operating*) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|-------------------------|----------------|-------------------------|------------------|----------------|----------------|------------------|-------------------|--|
| Standard Chartered Bank | Not Applicable | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | Simple | 0.60 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Standard Chartered Bank | Not Applicable | Bills Discounting | Not Applicable | Not Applicable | Not Applicable | Simple | 2.50 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | Simple | 0.85 | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Standard Chartered Bank | Not Applicable | Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | Simple | 3.05 | ACUITE B+ Reaffirmed Issuer not co-operating* |

Contacts

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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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