



Press Release
BKB Transport Private Limited
May 27, 2024

Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|---|
| Bank Loan Ratings | 24.00 | ACUITE BB+ Downgraded Issuer not co-operating* | - |
| Bank Loan Ratings | 46.00 | - | ACUITE A4+ Downgraded Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 70.00 | - | - |

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and the short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three Plus**) on the Rs.70.00 crore bank facilities of BKB Transport Private Limited (BTPL).

This rating is now flagged as issuer not cooperating on account of information risk and is based on best available information.

The rating has been downgraded on account of information risk.

About the Company

Incorporated in 1990, BKB Transport Private Limited (BTPL) is a Jharkhand based company engaged in coal transportation, mining contracts and civil works. Initially, the company started with coal transportation and from 2004 they ventured into civil works. For coal transportation the company is doing road to road and road to rail mode of transportation. In 2007, the company entered into contract mining for overburden removal with Central Coalfields Limited (CCL). Currently, for mining it is also involved in blasting, drilling and site levelling. The company is promoted by the Agarwal family consisting of Mr. Subodh Agarwal, Mr. Vinod Agarwal, Mr. Pramod Agarwal and Mr. Arun Agarwal.

About the Group

Incorporated in 1993, Vinayak Support Services Private Limited (VSSPL) is promoted by the Agarwal family. It is a Jharkhand based company engaged in coal transportation and mining for clients including Hindalco Industries Limited. It also executes orders for trading of bauxite and coal.

Unsupported Rating

Not Applicable

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). Acuité has 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

| Particulars | Unit | FY 23 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 752.46 | 526.22 |
| PAT | Rs. Cr. | 19.90 | 14.16 |
| PAT Margin | (%) | 2.64 | 2.69 |
| Total Debt/Tangible Net Worth | Times | 0.86 | 0.38 |
| PBDIT/Interest | Times | 4.39 | 3.51 |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.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 |
|-------------|--------------------------------|------------|-----------------|---|
| 27 Feb 2023 | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| | Bank Guarantee (BLR) | Short Term | 20.70 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| | Cash Credit | Long Term | 20.00 | ACUITE BBB Stable (Upgraded from ACUITE BB+) |
| | Cash Credit | Long Term | 4.00 | ACUITE BBB Stable (Upgraded from ACUITE BB+) |
| | Proposed Bank Guarantee | Short Term | 0.30 | ACUITE A3+ (Upgraded from ACUITE A4+) |
| 01 Aug 2022 | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+) |
| | Bank Guarantee (BLR) | Short Term | 20.70 | ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+) |
| | Cash Credit | Long Term | 20.00 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable) |
| | Cash Credit | Long Term | 4.00 | ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable) |
| | Proposed Bank Guarantee | Short Term | 0.30 | ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+) |
| 05 May 2021 | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A3+ (Assigned) |
| | Bank Guarantee (BLR) | Short Term | 20.70 | ACUITE A3+ (Assigned) |
| | Cash Credit | Long Term | 20.00 | ACUITE BBB Stable (Assigned) |
| | Cash Credit | Long Term | 4.00 | ACUITE BBB Stable (Assigned) |
| | Proposed Bank Guarantee | Short Term | 0.30 | ACUITE A3+ (Assigned) |
| 01 Feb 2021 | Bank Guarantee (BLR) | Short Term | 25.00 | ACUITE A4+ (Reaffirmed & Withdrawn & Issuer not co-operating*) |
| | Bank Guarantee (BLR) | Short Term | 20.70 | ACUITE A4+ (Reaffirmed & Withdrawn & Issuer not co-operating*) |
| | Cash Credit | Long Term | 20.00 | ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*) |
| | Cash Credit | Long Term | 4.00 | ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*) |
| | Proposed Bank Guarantee | Short Term | 5.30 | ACUITE A4+ (Reaffirmed & Withdrawn & 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 |
|----------------------|----------------------|-------------------------|----------------------|----------------------|----------------------|------------------|-------------------|--|
| Punjab National Bank | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 25.00 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+) |
| Union Bank of India | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 20.70 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+) |
| Union Bank of India | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 4.00 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB) |
| Punjab National Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 20.00 | ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB) |
| Not Applicable | Not avl. / Not appl. | Proposed Bank Guarantee | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.30 | ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+) |

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

1. BKB Transport Private Limited
2. Vinayak Support Services Private Limited

Contacts

| Analytical | Rating Desk |
|---|--|
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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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