



Press Release
KHUKHRAIN BUILDERS
June 06, 2023

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.75	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	15.50	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	19.25	-	-

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE B' (read as ACUITE B)** and short term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE A4' (read as ACUITE A four)** on the Rs. 19.25 crore bank facilities of Khukhrain Builders. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The downgrade is on the basis on the report about the ongoing delays in their repayments.

About the Company

Khukhrain Builders (KB), is a Delhi-based firm, which was established in 1975 by Mr. Sunil Anand and his son Mr. Piyush Anand. The firm is engaged in civil construction business such as laying water and sewerage lines for various government departments. Further KB is registered as a Class-I contractor.

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 the due date.

Acuité 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 Acuité'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 endeavored 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.

About the Rated Entity - Key Financials

The entity has not shared the latest financial statement for Acuite to comment.

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

Other Factors affecting Rating

None

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

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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
27 Feb 2023	Bank Guarantee	Short Term	15.50	ACUITE A4 (Issuer not co-operating*)
	Dropline Overdraft	Long Term	3.75	ACUITE B (Issuer not co-operating*)
02 Dec 2021	Bank Guarantee	Short Term	15.50	ACUITE A4 (Issuer not co-operating*)
	Secured Overdraft	Long Term	3.75	ACUITE B (Issuer not co-operating*)
02 Sep 2020	Dropline Overdraft	Long Term	3.75	ACUITE B (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	15.50	ACUITE A4 (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
Indian Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	15.50	ACUITE D Downgraded Issuer not co-operating*
Indian Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	3.75	ACUITE D Downgraded 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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