

Press Release

G Shankar

October 12, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 400.00 Cr. #
Long Term Rating	ACUITE BB/Stable (Downgraded and Indicative)
Short Term Rating	ACUITE A4+ (Downgraded and Indicative)

Refer Annexure for details`

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

Acuité has downgraded the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) 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.400.00 crore bank facilities of G Shankar (GS). This rating is now an indicative rating and is based on the best available information. The downgrade is due to information risk.

Established in early 1990, G Shankar is a Karnataka-based proprietorship firm promoted by Mr. G Shankar. The firm executes civil construction contracts for irrigation projects, mainly involved in excavation and aqueduct work at canals. The firm is a registered Class I contractor and executes projects for Krishna Bhagya Jala Nigam Limited, Karnataka Neeravari Nigam Limited, and Visvesvaraya Jala Nigam Limited. The firm also operates banquet halls, Shamili Inn at Ambalpadi and Shamili Shanaya at Udipi (Karnataka) that constituted ~ about 0.1 per cent of total revenues in FY2019 (Provisional).

Analytical Approach

Acuité has considered the standalone business and financial risk profile of GS to arrive at this rating.

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.

The 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>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.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). ACUITE endeavored 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 attempts.

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
10 th Sep 2019	Overdraft	Long Term	65.00	ACUITE BBB/Stable (Assigned)
	Proposed Overdraft	Long Term	25.00	ACUITE BBB/Stable (Assigned)
	Working Capital Demand Loan	Long Term	60.00	ACUITE BBB/Stable (Assigned)
	Bank Guarantee	Short Term	250.00	ACUITE A3+/Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue	Ratings/Outlook
Overdraft	Not Applicable	Not Applicable	Not Applicable	65.00	ACUITE BB/Stable (Downgraded and Indicative)
Proposed Overdraft	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB/Stable (Downgraded and Indicative)
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	60.00	ACUITE BB/Stable (Downgraded and Indicative)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	250.00	ACUITE A4+ (Downgraded and Indicative)

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

Contacts

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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 6,000 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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