

Press Release

G Shankar

January 13, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	250.00		ACUITE A4+ Reaffirmed Issuer not co-operating*
Bank Loan Ratings	150.00	ACUITE BB- Downgraded Issuer not co-operating*	
Total	400.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 400.00 Cr bank facilities of G Shankar (GS). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Established in early 1990, GS 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).

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.

The 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 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.

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

CRISIL vide its press release dated 19 May 2021, has classified GS as 'Issuer Not Cooperating' and rated 'CRISIL B+/Stable/A4'.

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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Oct 2020	Proposed Secured Overdraft	Long Term	25.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	65.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	60.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	250.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
10 Sep 2019	Working Capital Demand Loan	Long Term	60.00	ACUITE BBB Stable (Assigned)
	Secured Overdraft	Long Term	65.00	ACUITE BBB Stable (Assigned)
	Proposed Secured Overdraft	Long Term	25.00	ACUITE BBB Stable (Assigned)
	Bank Guarantee	Short Term	250.00	ACUITE A3+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Karnataka Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	250.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	65.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Not Applicable	Not Applicable	Proposed Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Karnataka Bank Ltd	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	60.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

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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 8,850 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 Kanjurmarg, Mumbai.

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