



Press Release
RNS INFRA STRUCTURE LIMITED
January 17, 2024

Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	109.35	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	7.05	Not Applicable Withdrawn	-
Bank Ratings Loan	450.00	-	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Bank Ratings Loan	50.00	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	616.40	-	-

Rating Rationale

Acuite has withdrawn & downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B Plus**) from '**ACUITE BBB-**' (read as **ACUITE Triple B Minus**) and short term rating to '**ACUITE A4+**' (Read as **ACUITE A Four Plus**) from **Acuite A3** (Read as **Acuite A Three**) on the Rs. 559.35 crore bank facilities of RNS Infrastructure Limited (RNSIL).

However, the long term rating on the Rs.5.75 crore SBI facilities & Rs.1.30 crore Proposed bank facilities and short term rating on the Rs.50.00 crore SBI Facilities of RNS Infrastructure Limited were withdrawn without assigning any rating as the instrument is fully repaid and the NDC has been received from the particular banker.

The rating is now flagged as "Issuer Not Cooperating" and is downgraded on account of information risk.

The rating is being withdrawn on account of request received from the company and NOC received from the banker as per Acuite's withdrawal policy as applicable to the respected facility/instrument.

About the Company

RNSIL was incorporated in the year 1961 by Dr. R N Shetty as a partnership firm, M/s R N Shetty and Company. In 2003, the firm was reconstituted as private limited company and in 2006 as public limited company. The Company has successfully executed many landmark infrastructure projects like dams, highways, bridges, tunnels and power houses under the able guidance of Mr. R N Shetty. The Company is registered as a Class I Civil Contractors in the

State of Karnataka, Maharashtra, Goa, Tamil Nadu and Andhra Pradesh and completed number of civil construction projects successfully. The company in joint venture with Sunway

Construction BHD, Malaysia has completed two prestigious "golden quadrilateral" Project of the National Highways Authority of India covering a distance of 82 kms from Dharwad to Belgaum at an estimated cost of more than Rs. 400 Cr. It has also executed 3 road projects of total length of 150 Kms under World Bank assistance for improving State Highways under Karnataka State Highways Improvement Project and a 120 kms road for Tamil Nadu State Highways Improvement project. The directors of the company are Mr Satish Rama Shetty, Mr Sunil Rama Shetty, Mr. Naveen Rama Shetty, Mr. Sankappa Keremane Shetty, Mr. Shivabasayya Siddaramayya Hiremath and Mr. Samtha Abhayanand Shetty.

About the Group

RNS Group has diverse interests in construction, properties, automobiles, manufacturing, power, hospitality and education. The group is operating in different segments through companies namely Murudeshwar Ceramics Ltd, Murudeshwar Power Corporation Ltd, RNS Power Ltd, Naveen Hotels Ltd, RNS Motors Ltd, Naveen Mechanised Construction Co.Pvt.Ltd, Naveen Structural & Engineering Co Pvt Ltd, Fire Bricks & Potteries Pvt. Ltd. and R N Shetty Trust.

Unsupported Rating

Not Applicable

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. This rating is, therefore, being flagged as "Issuer notcooperating", in line with prevailing SEBI regulations and Acuité's policies. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality

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 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.	1030.51	402.63
PAT	Rs. Cr.	37.84	14.03
PAT Margin	(%)	3.67	3.49
Total Debt/Tangible Net Worth	Times	0.54	0.63
PBDIT/Interest	Times	2.70	2.25

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>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
07 Apr 2023	Bank Guarantee	Short Term	50.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	40.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	360.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	50.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	1.30	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	35.00	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.38	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	0.75	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.79	ACUITE BBB- Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.18	ACUITE BBB- Stable (Reaffirmed)
02 May 2022	Working Capital Term Loan	Long Term	0.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	1.50	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	2.18	ACUITE BBB- Stable (Assigned)
	Working Capital Term Loan	Long Term	5.72	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	360.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	40.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	40.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	38.00	ACUITE A3 (Assigned)
		Short		

	Bank Guarantee	Term	50.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
HDFC Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	360.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
Union Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	40.00	ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating*
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	Not Applicable Withdrawn
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	Not Applicable Withdrawn
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	30.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	1.30	Not Applicable Withdrawn
HDFC Bank Ltd	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	35.00	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Union Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	3.18	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
HDFC Bank Ltd	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	1.79	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	4.38	ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating*
State Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	0.75	Not Applicable Withdrawn

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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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