

January 24, 2024

## Akash Enterprises: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	8.00	8.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
Short Term-Non-Fund Based-Others	10.65	10.65	[ICRA]A4; ISSUER NOT COOPERATING*; Rating Continues to remain under issuer not cooperating category
<b>Total</b>	<b>18.65</b>	<b>18.65</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the long-term and short-term ratings for the bank facilities of Akash Enterprises in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Akash Enterprises, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	Not Applicable
Consolidation/Standalone	Standalone

### About the company

Akash Enterprises was established in 1992 as a proprietorship concern by Mr. Ravindra Nayak. The firm undertakes electrical contracts primarily in Bangalore, Karnataka. It undertakes turnkey electrical contracts which involve electrical

installation of lighting systems and power distribution to commercial complex and residential colonies. In addition, the firm also secures sanction for High Tension (HT) load requirements from the Bangalore Electricity Supply Company Limited (BESCOM). It undertakes contracts for commercial and residential buildings, malls, airports, hotels, hospitals and educational institutions. The firm has around 400 employees on rolls and has two branches in Bangalore and is coming up with its third branch in Bangalore by April 2019.

### Key Financial Indicators:

	FY2021 (in crore)	FY2022 (in crore)
Operating income	3.4	0.9
PAT	-	-
OPBDITA/OI	3.4%	7.5%
PAT/OI	1.4%	-0.6%
Total outside liabilities/Tangible net worth (times)	4.8	4.0
Total debt/OPBDITA (times)	10.1	17.3
Interest coverage (times)	2.7	1.6

Source: MCA

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

### Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

### Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021	
					24-Jan-2024	30-Nov-2022	08-Oct-2021	31-Aug-2020	
1	Cash Credit	Long Term	8.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	
2	Non-Fund Based	Short Term	10.65	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non-Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	8.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	10.65	[ICRA]A4; ISSUER NOT COOPERATING

Source: Akash Enterprises

### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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### Branches



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