

May 10, 2024

R. K. Transport Co.: Ratings downgraded; moved to Issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term / Short term – Non-Fund-based – Bank Guarantee	55.00	55.00	[ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING*; downgraded from [ICRA]BBB+(Stable)/[ICRA]A2+ and moved to 'Issuer Not Cooperating' Category
Total	55.00	55.00	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has downgraded and moved the ratings for the bank facilities of R. K. Trasport Co. (RKTC) to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]BB+(Stable)/[ICRA]A4+ "ISSUER NOT COOPERATING".

The rating downgrade is because of lack of adequate information regarding R. K. Transport Co. performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with R. K. Transport Co., ICRA has been trying to seek information from the entity so as to monitor its performance. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the "Policy in respect of non-cooperation by a rated entity" available at www.icra.in, a rating view has been taken on the entity 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	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity Rating Methodology for Mining Entities
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

RKTC is a sole proprietorship concern involved in the contract mining of coal. The entity is mainly involved in coal mining in open cast mines. RKTC's scope of work mainly includes coal extraction, overburden removal, crushing, drilling, loading and transportation etc. The firm has an operational track record of about two decades in the contract mining business, and it mainly executes contracts for Govt./PSU entities. RKTC is promoted by Mr. R.K. Jain based in Durg, Chhattisgarh.

Key financial indicators (audited)

NEPL	FY2021 (Audited)	FY2022 (Audited)
Operating income	233.9	321.6
PAT	15.9	44.1
OPBDIT/OI	36.2%	33.4%
PAT/OI	6.8%	13.7%
Total outside liabilities/Tangible net worth (times)	0.9	0.8
Total debt/OPBDIT (times)	1.1	0.9
Net debt/OPBITDA (times)	-0.5	-1.7
Interest coverage (times)	12.1	13.2

Source: Company data; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs.crore

Status of non-cooperation with previous CRA:

CRA's	Rating Action	Date of PR
CARE	CARE B/Stable/CARE A4; ISSUER NOT COOPERATING	July 17, 2023

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2024 (Rs. crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				May 10, 2024	-	Feb 27, 2023	Nov 30, 2021
Non-Fund- 1 Based – Bank Guarantee	Long Term / Short Term	55.00	-	[ICRA]BB+(Stable)/[ICRA]A4+ ; ISSUER NOT COOPERATING	-	[ICRA]BBB+ (Stable) / [ICRA]A2+	[ICRA]BBB+ (Stable) / [ICRA]A2+

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term/ Short Term – Non-Fund Based – Bank Guarantee	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-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Non-Fund-Based – Bank Guarantee	NA	NA	NA	55.00	[ICRA]BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING

Source: Company

Annexure-II: 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.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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