

Press Release

P.K. Krishna Raju (PKKR)

06 February, 2018



Rating Update

| | |
|--------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs.6.00 Cr |
| Long Term Rating (Indicative) | SMERA BB- Issuer not co-operating* |
| Short Term Rating(Indicative) | SMERA A4+ Issuer not co-operating* |

Refer Annexure for details

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

SMERA has reviewed the long term rating of '**SMERA BB-**' (read as **SMERA double B minus**) and **short term rating of SMERA A4+ (read as SMERA A four plus)** on the Rs.6.00 crore bank facilities of P. K. Krishna Raju (PKKR). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA 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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Infrastructure Entities: <https://www.smera.in/criteria-infra.htm>
- Services Recognition -<https://www.smera.in/criteria-services.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). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity

PKKR was established as a proprietorship concern in the year 1998 by Mr. P. K. Krishnaraju. The firm is engaged in undertaking of civil construction projects mainly roads and bridges. Further, the firm is a Class I contractor registered with the State Government of Karnataka.

In FY2015-16 (provisional), PKKR reported profit after tax (PAT) of Rs. 1.55 crore on operating income of Rs. 18.03 Crore, as compared to PAT of Rs. 0.75 crore on operating income of Rs. 10.68 crore in the previous year.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|------------------|---------------------------------|------------|------------------|-------------------------|
| 07 November 2016 | Cash Credit | Long Term | 4.00 | SMERA BB- (Assigned) |
| | Bank Guarantee | Short Term | 2.00 | SMERA A4+ (Assigned) |

#Annexure - Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings |
|------------------------|------------------|-------------|---------------|-------------------------------|---------------------------|
| Cash Credit | NA | NA | NA | 4.00 | SMERA BB- (Indicative) |
| Bank Guarantee | NA | NA | NA | 2.00 | SMERA A4+ (Indicative) |

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

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ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details please visit www.smerra.in.

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