

Press Release

K Koteswara Reddy

April 03, 2018

Rating Update



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|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs. 11.25 Cr. # |
| Long Term Rating | SMERA BB- Issuer not co-operating* |
| Short Term Rating | SMERA A4 Issuer not co-operating* |

Refer Annexure for details

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

SMERA has reviewed long-term rating of '**SMERA BB-**' (read as **SMERA BB minus**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs. 11.25 crore bank facilities of K Koteswara Reddy(KKR). 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

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Infrastructure Entities - <https://www.smera.in/criteria-infra.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 endeavored together 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

K Koteswara Reddy (KKR), a proprietorship firm established in 1988 is engaged in civil construction. The firm executes projects for road construction in Telangana, Andhra Pradesh and Madhya Pradesh.

In FY2015-16, KKR reported net profit of Rs. 1.49 cr on operating income of Rs. 34.56 cr as against profit after tax (PAT) of Rs. 0.91 cr on operating income of Rs. 16.19 cr in the previous year. The net worth stood at Rs. 7.08 cr as on March 31, 2016 against Rs. 5.36 cr a year earlier.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Crore) | Ratings/Outlook |
|-----------------|------------------------------------|------------|--------------------|------------------------------|
| 7th March, 2017 | Overdraft | Long Term | 3.50 | SMERA BB-/ Stable (Assigned) |
| | Bank guarantee/Letter of Guarantee | Short Term | 7.75 | 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 |
|------------------------------------|------------------|----------------|----------------|-------------------------------|-----------------------------------|
| Overdraft | Not Applicable | Not Applicable | Not Applicable | 3.50 | SMERA BB-Issuer not co-operating* |
| Bank guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 7.75 | SMERA A4 Issuer not co-operating* |

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

Contacts

| Analytical | Rating Desk |
|---|---|
| <p>Suman Chowdhury President - SMERA Bond Ratings Tel: 022-67141107 suman.chowdhury@smera.in</p> <p>Rupesh Patel Analyst - Rating Operations Tel: 022-67141320 rupesh.patel@smera.in</p> | <p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 varsha.bist@smera.in</p> |

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, D&B and leading public and private sector banks in India. SMERA is registered with SEBI, accredited by RBI as an External Credit Assessment Institution (ECAI), under BASEL-II norms for undertaking Bank Loan Ratings. SMERA Bond Ratings is a division of SMERA Ratings Limited responsible for ratings of bank facilities, and capital market/money market debt instruments such as Bonds, Debentures, Commercial Papers, Fixed Deposits, Certificate of Deposit etc.. For more details, please visit www.smera.in.

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