

Press Release

P Narasimha Rao & Co

January 24, 2020



Rating Update

Total Bank Facilities Rated#	Rs. 8.00 Cr.
Long Term Rating	ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating*
Short Term Rating	ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE BB-**' (**read as ACUITE double B minus**) and short term rating to '**ACUITE D**' (**read as ACUITE D**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs. 8.00 crore bank facilities of P Narasimha Rao & Company. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information available on public domain.

PNRC, a partnership firm was established in 2004 by Mr. P Narasimha Rao, his son Mr. P Jaganmohan Rao and their family members. The firm undertakes tender based contracts to construct roads and bridges in Andhra Pradesh and Telangana. In addition, the firm is a nominated contractor of JSW Steel Limited for its Bellary unit in Karnataka since 1994 for any civil construction within the unit.

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 due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.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). Acuité endeavored 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
28-August-2019	Cash Credit	Long Term	2.50	ACUITE BB- (Issuer not co-operating)*
	Bank Guarantee	Short Term	5.50	ACUITE 4+ (Issuer not co-operating)*
20-June-2018	Cash Credit	Long Term	2.50	ACUITE BB- (Reaffirmed)
	Bank Guarantee	Short Term	5.50	ACUITE 4+ (Reaffirmed)
15-May-2017	Cash Credit	Long Term	2.50	ACUITE BB- (Assigned)
	Bank Guarantee	Short Term	5.50	ACUITE 4+ (Assigned)

Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE D (Downgraded from ACUITE A4+) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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