



Press Release

Krishna Enterprises

August 04, 2020

Rating Update

Total Bank Facilities Rated*	Rs. 10.00 crore
Long Term Rating	ACUITE BB+ (Downgraded; Issuer not co-operating)

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE Double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs. 10.00 crore bank facilities of Krishna Enterprises (KE). The rating is downgraded on account of information risk.

Krishna Enterprises was established in the year 1991 by Mr. Devendra Seth. Currently, his sons, Mr. Ajay Seth and Mr. Sanjay Seth, look after the business. Mr. Ajay Seth looks after the commercial aspect of the business and Mr. Sanjay Seth looks after the technical aspect of the business. The firm is engaged in the manufacturing of machine components used in the engineering sector. The company has its own manufacturing facility where it has the capacity and resources to manufacture 700 different types of components based on the specification and customization set by the client.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of KE to arrive at the rating.

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 the due date.

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

Applicable Criteria

- Entities in Manufacturing Sector– <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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 endeavoured 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 (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
October 16, 2019	Term Loan	Long-Term	2.00	ACUITE BBB- Issuer not-cooperating*
	Term Loan	Long-Term	8.00	ACUITE BBB- Issuer not-cooperating*
August 09, 2018	Term Loan	Long-Term	2.00	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Short-Term	8.00	ACUITE BBB-/ Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term Loan	Not applicable	Not applicable	Not applicable	2.00	ACUITE BB+ (Downgraded; Issuer not-cooperating*)
Term Loan	Not applicable	Not applicable	Not applicable	8.00	ACUITE BB+ (Downgraded; Issuer not-cooperating*)

Contacts

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in
Charu Mahajan Rating Analyst - Rating Operations Tel: 011-49731313 charu.mahajan@acuite.in	

About Acuité Ratings & Research:

Acuité Ratings & Research 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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