



## Press Release

**Krishna Enterprises**

August 04, 2020

### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 10.00 crore
<b>Long Term Rating</b>	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*)

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### About Acuité Ratings & Research:

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