

Press Release

Krishna Construction Co.

February 23, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	42.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	45.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

#Refer Annexure for details *The issuer did not co-operate; based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and the short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A3**) on the Rs.45.00 crore bank facilities of Krishna Construction Co. (KCC). The rating downgraded is on account of information risk required for review of ratings. The rating is now an indicative rating and is based on the best available information.

About the Company

Krishna Construction Co. (KCC) based in Gujarat, was established as a partnership firm in 1983 by Mr. Purshotam Patel and Mr. Sumabhai Patel. The firm was taken over by current Partners, Mr. Bharatbhai Patel, Mr. Jeetendra Patel and Mrs. Shantaben Patel, in 1988. The firm is registered as a class 'AA' contractor for the Government of Gujarat. The firm is engaged in civil construction for water supply schemes and bridges.

Non-cooperation by the issuer/borrower

Acuite 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 continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None.

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable.

Key Financials:

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

Status of non-cooperation with previous CRA

ICRA, vide its press release dated April 21, 2021 had denoted the rating of Krishna Construction Co. (KCC) as 'ICRA B+/Stable/A4 (Issuer Not Cooperating)' on account of lack of adequate information required for monitoring of ratings.

Any other information

None

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Dec 2020	Bank Guarantee	Short Term	28.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	14.00	ACUITE A3 (Reaffirmed)
04 Dec 2019	Bank Guarantee	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	35.00	ACUITE A3 (Reaffirmed)
04 Oct 2019	Bank Guarantee	Short Term	20.00	ACUITE A3 (Issuer not co-operating*)
	Term Loan	Long Term	3.00	ACUITE BBB- (Issuer not co-operating*)
26 Jul 2018	Term Loan	Long Term	3.00	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	20.00	ACUITE A3 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Yes Bank Ltd	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	28.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)

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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 8,850 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 Kanjurmarg, Mumbai.

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