



Press Release

E Krishnappa

December 06, 2024

Ratings

Facility	Amount (Rs. crore)	Current Ratings*	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	36.00	IVR B/Negative, ISSUER NOT COOPERATING*. (IVR B with Negative Outlook; ISSUER NOT COOPERATING*)	IVR B+/ Stable (IVR B Plus with Stable Outlook)	Downgraded & moved to ISSUER NOT COOPERATING Category.	Simple
Total	36.00 (Rupees Thirty-Six Crore Only)				

** Issuer not cooperating; Based on best available information*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of E Krishnappa which reflects lack of adequate information available about the performance of the company. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the rating revision.

Note on non-cooperation

Infomerics has been regularly following up with the company to provide the information to monitor its assigned rating to the bank facilities, vide most recent mail communications dated October 28, 2024, November 11, 2024, November 25, 2024, December 02, 2024, and concurrently over several phone calls. However, despite repeated requests by Infomerics. The company has not provided major information to complete the surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the ratings assigned to the bank loan facilities of E Krishnappa aggregating to Rs 36.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR B/Negative Outlook; ISSUER NOT COOPERATING for the long-term bank facilities.

Analytical Approach: Standalone

Applicable Criteria

[Rating Methodology for Real estate entities](#)

[Criteria for rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector/Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

About the Firm

E. Krishnappa, a proprietorship firm, is engaged in the business of leasing warehouses and rural godowns, has a diverse background in real estate, layout formation, film production, and industrial ventures.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Provisional
Total Operating Income	0.72	1.11
EBITDA	0.53	1.09
PAT	0.57	0.99
Total Debt	5.83	4.44
Tangible Net Worth	3.25	4.10
EBITDA Margin (%)	73.83	97.93
PAT Margin (%)	58.98	73.06
Overall Gearing Ratio (x)	1.80	1.08
Interest Coverage (x)	13.84	121.44



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** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: NIL

Any other information: NA

Rating History for last 3 years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					(November 21, 2023)	-	-
1.	Term Loan	Long Term	36.00	IVR B/ Negative; ISSUER NOT COOPERATING*	IVR B+/ Stable	-	-
Total			36.00				

** Issuer not cooperating; Based on best available information*

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.



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Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy, or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Instruments/ Facilities:

S. No.	Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
1	Term Loan	-	-	-	2029	36.00	IVR B/Negative; ISSUER NOT COOPERATING

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.