

Press Release

R Krishnamurthy & Co

June 02, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 90.00 Cr.
Long Term Rating	ACUITE BB Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

* Refer Annexure for details

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

Rating Rationale

Acuite has reviewed long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) short-term rating of '**ACUITE A4 +**' (read as **ACUITE A4 Plus**) on the Rs.90.00 crore bank facilities of R Krishnamurthy & Co. This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

SMERA 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 required documents before due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Infrastructure Entities - <https://acuite.in/view-rating-criteria-14.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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity

R Krishnamurthy & Co (RKC) a proprietorship concern established in 1991 was converted into a partnership firm in 2008. The firm is engaged in the civil construction business and caters to the governments of Tamil Nadu and Pondicherry. The partners, Mr. Krishnamurthy R and Mr. Jamunarani K possess extensive experience in the industry. The day-to-day operations are led by Mr. Krishnamurthy R.

In FY2016-17, RKC reported profit after tax (PAT) of Rs.4.46 crore on operating income of Rs.110.72 crore as against PAT of Rs.4.12 crore on operating income of Rs.121.54 crore in the previous year. The net worth stood at Rs.19.28 crore as on March 31, 2017 against Rs.14.17 crore a year earlier.

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

None

Any other information

None

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
24-April-2017	Cash Credit	Long Term	8.00	SMERA BB/Stable (Assigned)
	Proposed Cash Credit	Long Term	20.00	SMERA BB/Stable (Assigned)
	Bank Guarantee	Short Term	7.00	SMERA A4+ (Assigned)
	Proposed Bank Guarantee	Short Term	55.00	SMERA A4+ (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	8.00	SMERA BB Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	SMERA BB Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	7.00	SMERA A4+ Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	55.00	SMERA A4+ Issuer not co-operating*

Contacts

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About Acuite Ratings & Research:

Acuite 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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