



## Press Release

**R. Krishnamurthy & Co.**

**August 30, 2022**

### Ratings

Facilities**	Amount (Rs. crore)	Previous Rating	Current Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	9.00	IVR BB+ / Stable (Double B Plus; Stable Outlook)	IVR BB; ISSUER NOT COOPERATING* (IVR Double B; ISSUER NOT COOPERATING)	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	21.00	IVR A4+ (A Four Plus)	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING*)	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Long Term/ Short Term Bank Facilities (including proposed limits)	20.00	IVR BB+ / Stable ; IVR A4+ (Double B Plus; Stable Outlook ; A Four Plus)	IVR BB/ IVR A4; ISSUER NOT COOPERATING* (IVR Double B/ IVR A4; ISSUER NOT COOPERATING)	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>50.00</b>	<b>Rupees Fifty Crore Only</b>			

\* Issuer not cooperating; Based on best available information

\*\* Details of facilities is given under Annexure I.

### Ratings

The rating has been downgraded and migrated to 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

### Detailed Rationale

The rating revision is because of lack of adequate information regarding R. Krishnamurthy & Co. performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the firm is commensurate with its rating and reviews the same as per its policy.



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The rating was due for review in June 2022. IVR took up with issuer to provide required information vide multiple E-mail communications latest by August 22, 2022 and through various telephonic calls. Despite the best efforts of IVR to get the minimum required information for a review, the firm has not provided the same. In the absence of adequate information from the firm, IVR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating. IVR has been regularly seeking No default statement (NDS) from the firm and the same has been submitted till date. Hence, on account of inadequate information, IVR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the firm.

### **Non-cooperation by Issuer**

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term rating and short-term rating for the bank loan facilities aggregating to Rs. 50.00 Crore of R. Krishnamurthy & Co. have been downgraded and migrated to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating for the long term be noted as IVR BB; ISSUER NOT CO-OPERATING and short term as IVR A4; ISSUER NOT COOPERATING; based on best available information.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Infrastructure Companies](#)

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

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

### **About the Firm**

R. Krishnamurthy & Co. (RK) was founded as a proprietorship business in September 1991 and later changed to a partnership firm in April 2008. The firm has been named after the primary partner Mr. R. Krishnamurthy, who runs the business, with his wife and the second partner and a team of civil engineers and architects. RK generally executes government



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construction contracts of upto Rs.100 crores as an Engineering contractor. The firm primarily operates in Tamil Nadu and undertakes government and private contracts, with major focus on government projects. It undertakes construction activities of Multi-storied building, Industrial Structure, Railway sliding, Bridges, Road Works, Water & Sewage works.

### Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	122.94	120.55
EBIDTA	4.91	5.45
PAT	3.23	3.13
Total Debt	28.53	31.15
Adjusted Net worth	33.79	36.92
EBIDTA Margin (%)	4.00	4.52
PAT Margin (%)	2.59	2.58
Overall Gearing Ratio (x)	0.84	0.84

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** Vide Press Release dated July 28, 2022 ICRA has retained the firm ratings (ICRA B+/Stable/ICRA A4)) under Issuer Non Cooperating category.

**Any other information:** Nil

### Rating History for last three years:

Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (June 10, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Fund Based	Long Term	9.00	IVR BB; ISSUER NOT COOPERATING	IVR BB+ / Stable	-	-
2.	Non-Fund Based	Short Term	21.00	IVR A4; ISSUER NOT COOPERATING	IVR A4+	-	-



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Sr. No	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (June 10, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
3.	Fund Based	Short Term	2.80	IVR BB; ISSUER NOT COOPERATING	IVR BB+/ Stable	-	-
4.	Fund Based/ Non- Fund Based - Proposed	Long/ Short Term	17.20	IVR BB; ISSUER NOT COOPERATING / A4; ISSUER NOT COOPERATING	IVR BB+/ Stable IVR A4+		

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the firm are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit [www.infomerics.com](http://www.infomerics.com).



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**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, suspend 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	9.00	IVR BB; ISSUER NOT COOPERATING
Letter of Credit/ Bank Guarantee	-	-	-	21.00	IVR A4; ISSUER NOT COOPERATING
Secured OD	-	-	-	2.80	A4 ISSUER NOT COOPERATING
Proposed Long/ Short Term Bank Facilities	-	-	-	17.20	IVR BB; ISSUER NOT COOPERATING / A4; ISSUER NOT COOPERATING

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

**Annexure 3: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-RKrishnamurthy-aug22.pdf>

**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](http://www.infomerics.com).