

December 02, 2019

## R. Krishnamurthy & Co.: Continues to remain in Non-Cooperating category, Long Term Rating downgraded based on best available information

### Summary of rated instruments

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Cash credit	8.00	8.00	[ICRA]B+(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and continues to remain under ‘Issuer Not Cooperating’ category
Short term – Non Fund Based	7.00	7.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating continues to remain under ‘Issuer Not Cooperating’ category
Long term/ Short term – Unallocated	15.00	15.00	[ICRA]B+(Stable)/[ICRA]A4 ISSUER NOT COOPERATING*; Long Term Rating downgraded from [ICRA]BB (Stable), Ratings continues to remain under ‘Issuer Not Cooperating’ category
<b>Total</b>	<b>30.00</b>	<b>30.00</b>	

<sup>\*</sup>Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in [Annexure-1](#)

### Rationale

The rating is downgraded because of lack of adequate information regarding R. Krishnamurthy & Co performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by the rated entity”. 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 downgrade.

As part of its process and in accordance with its rating agreement with R. Krishnamurthy & Co, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with SEBI’s Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA’s Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

## About the company

R. Krishnamurthy & Co. was established as a proprietorship concern by Mr. R. Krishnamurthy in 1991 and later converted into a partnership firm in 2008. RK undertakes contracts in the construction segment and has an established experience of over 20 years in the civil construction in the state of Tamil Nadu and Pondicherry.

**Key Financial Indicator:** Not Applicable

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

## Rating history for past three years

S. No.	Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017
					02-Dec-19	30-Nov-18	8-May-17	-
1	Cash Credit	Long Term	8.00	-	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable); ISSUER NOT COOPERATING	-
2	Non Fund Based	Short Term	7.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-
3	Unallocated	Long Term/ Short Term	15.00	-	[ICRA]BB (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB (Stable)/ [ICRA]A4; ISSUER NOT COOPERATING	-

*\*Issuer did not cooperate; based on best available information.*

## Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [www.icra.in](http://www.icra.in)

## Annexure-1

### Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	Long-term	-	-	-	8.00	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
NA	Non Fund Based	Short Term	-	-	-	7.00	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Unallocated	Long Term/ Short Term	-	-	-	15.00	[ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING

Source: RKC

## Analyst Contacts

**Mr. K Ravichandran**  
+91 44 4596 4301  
[ravichandran@icraindia.com](mailto:ravichandran@icraindia.com)

**Srinivasan R**  
+91 44 4596 4315  
[r.srinivasan@icraindia.com](mailto:r.srinivasan@icraindia.com)

**Rathina Pradeep R**  
+91 44 4297 4307  
[rathina.r@icraindia.com](mailto:rathina.r@icraindia.com)

**Akshay Kumar M**  
+91 44 4297 4310  
[akshay.m@icraindia.com](mailto:akshay.m@icraindia.com)

## Relationship Contact

**Jayanta Chatterjee**  
+91 80 4332 6401  
[jayantac@icraindia.com](mailto:jayantac@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

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## ICRA Limited

### Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: [info@icraindia.com](mailto:info@icraindia.com)

Website: [www.icra.in](http://www.icra.in)

### Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

### Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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