

Press Release

Seth Construction Company

June 01, 2018



Rating Update

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|------------------------------------|--|
| Total Bank Facilities Rated | Rs. 10.00 Cr. # |
| 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

Acuité has reviewed the short term rating of **ACUITE A4+ (read as ACUITE A four plus)** on the Rs.10.00 crore bank facilities of Seth Construction Company (SCC). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité 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 due date.

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

Applicable Criteria

- Default Recognition -<https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <http://acuite.in/view-rating-criteria-4.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). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Company: SCC established in 1973 is a Nagpur-based partnership firm promoted by Yashpal Seth and family. The firm executes infrastructure-related contracts on the basis of tenders awarded by government entities such as Public Works Departments (PWD) - Maharashtra, Defense Research and Development Organization (DRDO), Nagpur Municipal Corporation (NMC) among others.

For FY2015-16, SCC reported profit after tax (PAT) of Rs. 1.79 crore on operating income of Rs. 32.07 crore, as against PAT of Rs.3.14 crore on operating income of Rs. 54.21 crore in FY2014-15. The net worth stood at Rs. 12.26 crore as on March 31, 2016 against Rs. 11.72 crore a year earlier.

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

None

Any other information

None

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-----------|---------------------------------|------------|-----------------|----------------------------|
| 19-Jun-17 | Bank Guarantee | Short Term | 10.00 | ACUITE A4+ (Reaffirmed) |
| 01-Dec-15 | Bank Guarantee | Short Term | 10.00 | ACUITE 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 |
|------------------------|------------------|----------------|----------------|-------------------------------|-----------------|
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 10.00 | ACUITE A4+ |

Contacts

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About Acuité Ratings & Research:

Acuité 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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