

Press Release

MGM Castings Private Limited

October 16, 2020



Rating Update

Total Bank Facilities Rated*	Rs.38.30 Cr. #
Long Term Rating	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs.38.30 crore bank facilities of MGM Castings Private Limited (MGM). This rating is now an indicative rating and is based on the best available information.

Incorporated in 2006, the company has been taken over by the current management – Directors, Mr. Sathynarayan VP and Mr. Purushotham LV Naidu in 2015. The company is based out of Bengaluru (Karnataka), and is in the business of development of commercial properties and leasing out. Currently, it owns and leased out one property, and is in the process to develop a large commercial property of about 150,000 square foot (sq.ft.) in Bengaluru.

Non-cooperation by the issuer/borrower

Acuite 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 the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Real Estate Entities - <https://www.acuite.in/view-rating-criteria-63.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Not Applicable

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
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02-Aug-2019	Term Loan	Long Term	14.30	ACUITE B+ / Stable (Reaffirmed)
	Proposed Term Loan	Long Term	24.00	ACUITE B+ / Stable (Reaffirmed)
05-Jul-2018	Term Loan	Long Term	26.30	ACUITE B+ / Stable (Upgraded)
	Proposed Term Loan	Long Term	12.00	ACUITE B+ / Stable (Upgraded)
19-Apr-2017	Term Loan	Long Term	26.30	ACUITE B / Stable (Assigned)
	Proposed Term Loan	Long Term	12.00	ACUITE B / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Available	Not Applicable	Not Available	14.30	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE B (Downgraded from ACUITE B+ / Stable) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,400 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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(www.acuite.in) for the latest information on any instrument rated by Acuité.