

Press Release

Magan Construction

January 29, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 10.00 Cr. #
Long Term Rating	ACUITE B (Indicative)
Short Term Rating	ACUITE A4 (Indicative)

Refer Annexure for details

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

Acuité has reviewed the long term rating to '**ACUITE B**' (**read as ACUITE B**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs. 10.00 crore bank facilities of Magan Construction. This rating is now an indicative rating and is on best available information.

Magan Construction (MC), a Mumbai-based proprietorship firm was established in 2009 by Mr. Jaswant B Shah. The firm undertakes civil construction work such as building repair work, water retaining structure on tender basis for government organisations including Maharashtra Housing and Area Development Authority (MHADA) and Brihan Mumbai Municipal Corporation (BMC) in Mumbai.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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>
- Entities in Infrastructure- <https://www.acuite.in/view-rating-criteria-51.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 endeavored 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 Rated Entity - Key Financials

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

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

Not Applicable

Any other information

Acuité 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
25-Sep-2017	Cash Credit	Long Term	2.00	ACUITE B / Stable (Assigned)
	Bank Guarantee	Short Term	8.00	ACUITE A4 (Assigned)
19-Nov-2018	Cash Credit	Long Term	2.00	ACUITE B / Stable (Reaffirmed)
	Bank guarantee/Letter of Guarantee	Short Term	5.00	ACUITE A4 (Reaffirmed)
	Proposed Facility	Long Term	3.00	ACUITE B / Stable (Reaffirmed)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4 Issuer not co-operating*
Proposed Facility	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B 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 (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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