

Press Release

Raj Engineering Co

December 27, 2019



Rating Update

Total Bank Facilities Rated*	Rs30.00 Cr.#
Long Term Rating	ACUITE BB+ Issuer not co-operating*
Short Term Rating	ACUITE A4+ Issuer not co-operating*

#Refer Annexure for details

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

. Acuité has reviewed the long-term rating of '**ACUITE BB+** (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+** (read as **ACUITE A four**) on the Rs.30.00 crore bank facilities of Raj Engineering Co (REC). This rating is now an indicative rating and is based on best available information.

REC was established as a partnership firm by Mr. Rajinder Singh Saini and others. The firm is engaged in the design and fabrication of critical process equipments like pressure vessels, heat exchangers, columns and towers, reactors among others for refineries, petrochemicals, fertilizer complexes and steel plants. The manufacturing plants are located at Turbhe (Navi Mumbai) and Murbad (Thane). For FY2016-17 (Provisional), the firm reported profit after tax (PAT) of Rs.1.44 crore on operating income of Rs.31.30 crore, compared with PAT of Rs.1.82 crore on operating income of Rs.37.43 crore in FY2015- 16.

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 - <https://www.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 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)

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
28-Sep-2018	Cash Credit	Long Term	8.00	ACUITE BB+ Issuer not co-operating*
	Bank Guarantee	Long Term	15.00	ACUITE A4+ Issuer not co-operating*
	Letter of Credit	Short Term	7.00	ACUITE A4+ Issuer not co-operating*
26-Sep-2017	Cash Credit	Long Term	2.25	ACUITE BB+/Stable (Assigned)
	Bank Guarantee	Long Term	6.00	ACUITE A4+/Stable (Assigned)
	Letter of Credit	Short Term	0.19	ACUITE A4+/Stable (Assigned)

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

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	8.00	ACUITE BB+ Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE A4+ Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4+ Issuer not co-operating*

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

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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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