

## Press Release

### Durga Construction Company

February 21, 2020

#### Rating Update

|                                     |   |
|-------------------------------------|---|
| <b>Total Bank Facilities Rated#</b> | Rs. 42.00 Cr.                                     |
| <b>Long Term Rating</b>             | ACUITE BB<br>Withdrawn; Issuer not co-operating*  |
| <b>Long Term Rating</b>             | ACUITE A4+<br>Withdrawn; Issuer not co-operating* |

#Refer Annexure for details

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

#### Rating Rationale

Acuite has reviewed the long-term rating of '**ACUITE BB**' (read as **ACUITE double B**) and the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.42.00 crore bank facilities of Durga Construction Company (DCC). This rating is now withdrawn, indicative and is based on best available information.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

DCC established in 1996 as a partnership firm by Mr. Dholu and his brother as partners. Later in 2004, it was joined in by his sons Mr. Shamjibhai Dholu, Mr. Shantilal Dholu and Mr. Naveen Dholu. The firm is engaged in contract mining of coal including the overburden removal business. It mainly caters to government entities and receives order through tenders.

#### **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 due date.

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

#### **Applicable Criteria**

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Entities - <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). Acuite endeavoured 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)**

None

#### **Any other information**

None

### Rating History (Upto last three years)

| Date        | Name of Instrument / Facilities | Term       | Amount (Rs. Cr) | Ratings/Outlook                           |
|-------------|---------------------------------|------------|-----------------|---|
| 18-Feb-2020 | Cash Credit                     | Long Term  | 12.00           | ACUITE BB<br>(Downgraded;<br>Indicative)  |
|             | Bank Guarantee                  | Short Term | 30.00           | ACUITE A4+<br>(Downgraded;<br>Indicative) |
| 10-Dec-2018 | Cash Credit                     | Long Term  | 12.00           | ACUITE BB+ / Stable<br>(Reaffirmed)       |
|             | Bank Guarantee                  | Short Term | 30.00           | ACUITE A4+<br>(Reaffirmed)                |
| 09-Oct-2017 | Cash Credit                     | Long Term  | 12.00           | ACUITE BB+ / Stable<br>(Assigned)         |
|             | Bank Guarantee                  | Short Term | 30.00           | ACUITE A4+<br>(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                                  |
|------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit            | Not Applicable   | Not Applicable | Not Applicable | 12.00                         | ACUITE BB<br>Withdrawn; Issuer not cooperating*  |
| Bank Guarantee         | Not Applicable   | Not Applicable | Not Applicable | 30.00                         | ACUITE A4+<br>Withdrawn; Issuer not cooperating* |

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

### Contacts

| Analytical  | Rating Desk   |
|---|---|
| Aditya Gupta<br>Head- Corporate and Infrastructure Sector<br>Tel: 022-49294041<br><a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a><br><br>Simranjeet Kaur<br>Analyst - Rating Operations<br>Tel: 022-49294052<br><a href="mailto:priyal.jain@acuite.in">priyal.jain@acuite.in</a> | Varsha Bist<br>Manager - Rating Desk<br>Tel: 022-49294011<br><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a> |

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.