

**Press Release**

**M G Industries**

**October 03, 2022**



**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	2.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	4.50	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	6.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuité has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.6.50 crore bank facilities of M G Industries (MGI). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

**About the Company**

MGI, established in 1981 by Mr. Kanaiyalal Changrani, is engaged in the manufacturing of precision components, electrical and pneumatic tools for automobiles at Nashik (Maharashtra). The firm led by the second generation entrepreneurs, Mr. Kunal Changrani, Mrs. Reena Changrani and Mr. Sagar Changrani, caters to a reputed client base. The raw materials are procured domestically.

**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 the due date.

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

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

**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 requests.

### Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

### Material Covenants

None

### Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

### Outlook

Not Applicable

### Other Factors affecting Rating

Not Applicable

### Status of non-cooperation with previous CRA

None

### Any other information

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

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jul 2021	Term Loan	Long Term	1.45	ACUITE B+ ( Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4 ( Issuer not co-operating*)
	Cash Credit	Long Term	3.05	ACUITE B+ ( Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	1.00	ACUITE A4 ( Issuer not co-operating*)
15 Apr 2020	Letter of Credit	Short Term	1.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	3.05	ACUITE B+ (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	1.00	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	1.45	ACUITE B+ (Issuer not co-operating*)
06 Feb 2019	Term Loan	Long Term	1.45	ACUITE B+ (Issuer not co-operating*)
	Cash Credit	Long Term	3.05	ACUITE B+ (Issuer not co-operating*)
	Proposed Letter of Credit	Short Term	1.00	ACUITE A4 (Issuer not co-operating*)

	Letter of Credit	Short Term	1.00	ACUITE A4 (Issuer not co-operating*)
22 Nov 2017	Cash Credit	Long Term	3.05	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	1.45	ACUITE B+   Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Assigned)
	Proposed Letter of Credit	Short Term	1.00	ACUITE A4 (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Central Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.05	ACUITE B+   Reaffirmed   Issuer not co-operating*
Central Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Central Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	1.45	ACUITE B+   Reaffirmed   Issuer not co-operating*

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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