

Press Release

MKC Infrastructure Limited

April 13, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 132.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed and downgraded long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 132.00 crore bank facilities of MKC INFRASTRUCTURE LIMITED (MKC). The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on best available information.

The Gujarat based MKC (the erstwhile MKC Infrastructure, a partnership firm established in 1963 by Mr. Manjibhai K. Bambhania and Mr. Rameshbhai M. Bambhania) was converted to public limited company in Dec 2009. The company is led by Mr. Purshottambhai Bambhania and Mr. Ashokbhai M. Bambhania. The company undertakes construction of roads, bridges, pipeline, commercial and residential complex projects for the state, central government's public sector organisations among others. The company is registered as "AA" class contractor with government of Gujarat, 'Special Road Category-I for roads, highways, bridges buildings. The company is also registered with NBCC, Kandla Port Trust & Engineering Projects (I) Ltd to name a few.

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.

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/view-rating-criteria-52.htm>
- Entities in Infrastructure Sector - <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 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 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
04-Feb-2019	Cash Credit	Long Term	10.18	ACUITE BBB/Stable (Reaffirmed)
	Term Loan	Long Term	0.82	ACUITE BBB/Stable (Reaffirmed)
	Bank guarantee	Short Term	121.00	ACUITE A3+ (Reaffirmed)
09-Jan-2018	Cash Credit	Long Term	10.00	ACUITE BBB/Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE BBB/Stable (Assigned)
	Bank guarantee	Short Term	121.00	ACUITE A3+ (Assigned)

#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	10.18	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.82	ACUITE BB+ (Downgraded from ACUITE BBB) Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	121.00	ACUITE A4+ (Downgraded from ACUITE A3+) Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Aishwarya Phalke Senior Analyst – Rating Operations Tel: 022-49294031 aishwarya.phalke@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

About Acuite Ratings & Research:

Acuite 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) for the latest information on any instrument rated by Acuité.