

Press Release

High End Quality Constructions Private Limited

November 04, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE B- Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	5.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of 'ACUITE B-' (read as ACUITE B minus) and short term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs.25 crore bank facilities of High End Quality Construction Private Limited (HEQCPL). The rating is now flagged as "Issuer Not-Cooperating" based on account of information risk.

The team had been following up continuously with the client for the revised financials, but haven't received it yet.

About the Company

Chennai based High End Quality Constructions Private Limited (HEPL) was established in the year 2008 and the company is promoted by Mr. K. Siva Kumar and Mrs. T. Sudha. The company is engaged in executing civil construction projects and is a registered Class I contractor with the Public Works Department, Government of Tamil Nadu and Government of Pondicherry.

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 the due date. Acuite 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 Acuite'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). 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.

Rating Sensitivities

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

None

Key Financials:

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

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity levels of rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Aug 2021	Secured Overdraft	Long Term	4.20	ACUITE B- Stable (Reaffirmed)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Reaffirmed)
	Proposed Secured Overdraft	Long Term	15.80	ACUITE B- Stable (Reaffirmed)
25 Feb 2021	Proposed Secured Overdraft	Long Term	15.80	ACUITE B- (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	4.20	ACUITE B- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Issuer not co-operating*)

02 Dec 2019	Proposed Secured Overdraft	Long Term	15.80	ACUITE B+ Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Assigned)
	Secured Overdraft	Long Term	4.20	ACUITE B+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	15.80	ACUITE B- Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	4.20	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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