

Press Release

Damodar Construction Company

October 25, 2021

Rating Update



Total Bank Facilities Rated*	Rs.7.00 Cr.#
Long Term Rating	ACUITE BB- (Downgraded from 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.

Acuite has downgraded the long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reviewed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.7.00 Cr bank facilities of Damodar Construction Company (DCC). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

The Punjab-based, Damodar Construction Company (DCC) was established in 2010 by Mr. Rakesh Bansal. The partnership firm undertakes work contract for the Indian Railways such as the construction of civil engineering structures like bridges, limited height subways, foot-over board bridges, railway bridges among others.

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 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 continues to be 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 endeavored 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.

Liquidity Indicators

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

Rating Sensitivity

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

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

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

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
27th Jul 20	Secured Overdraft	Long Term	3.00	ACUITE BB (Downgraded from ACUITE BB+) Issuer not co-operating*
	Bank Guarantee	Short Term	4.00	ACUITE A4+ Issuer not co-operating*
2nd May 19	Secured Overdraft	Long Term	3.00	ACUITE BB+ Issuer not co-operating*
	Bank Guarantee	Short Term	4.00	ACUITE A4+ Issuer not co-operating*
12th Apr 18	Secured Overdraft	Long Term	3.00	ACUITE BB+/ Stable (Assigned)
	Bank Guarantee	Short Term	4.00	ACUITE A4+ (Assigned)

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

#Annexure – Details of instruments rated

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Corporation Bank	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*
Corporation Bank	Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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