

Press Release

Jandu Construction Company

April 13, 2020

Rating Update



Total Bank Facilities Rated*	Rs.71.00 Cr.#
Long Term Rating	ACUITE BB+ Downgraded & Issuer not co-operating*
Short Term Rating	ACUITE A4+ Downgraded & Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) to '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating of '**ACUITE A3**' (read as **ACUITE A three**) to '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 71.00 cr. bank facilities of Jandu Construction Company (JCC). This rating is now an indicative rating and is downgraded on account of information risk.

The Haryana based Jandu Construction Company (JCC) was established in 2005. The Partnership firm is engaged in the construction of roads and bridges. The firm caters only to government projects and is entirely based on tender system. Also, the firm is Class I contractor of PWD (Public Works Department).

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.

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

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.

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). 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 attempts.

Status of non-cooperation with previous CRA (if applicable)

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.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
01-Feb-2019	Cash Credit	Long term	12.00	ACUITE BBB- / Negative (Reaffirmed & Outlook revised to negative)
	Overdraft	Long term	1.00	ACUITE BBB- / Negative (Reaffirmed & Outlook revised to negative)
	Overdraft	Long term	#1.00	ACUITE BBB-/ Negative (Assigned)
	Proposed	Long term	0.50	ACUITE BBB-/ Negative (Assigned)
	Bank guarantee/Letter of Guarantee	Short term	#14.00	ACUITE A3 (Reaffirmed)
	Bank guarantee/Letter of Guarantee	Short term	18.50	ACUITE A3 (Reaffirmed)
	Bank guarantee/Letter of Guarantee	Short term	24.00	ACUITE A3 (Reaffirmed)
23-May-2018	Cash Credit	Long term	12.00	ACUITE BBB- / Stable (Assigned)
	Secured Overdraft	Long term	1.00	ACUITE BBB- / Stable (Assigned)
	Bank Guarantee	Short term	7.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short term	10.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short term	16.00	ACUITE A3 (Assigned)

#Bank guarantee total cap of Rs. 15.00 crore with interchangeability for overdraft upto Rs. 1.00 crore.

*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+ Downgraded & Issuer not co-operating*
Overdraft	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB+ Downgraded & Issuer not co-operating*
Overdraft	Not Applicable	Not Applicable	Not Applicable	#1.00	ACUITE BB+ Downgraded & Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB+ Downgraded & Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	#14.00	ACUITE A4+ Downgraded & Issuer not co-operating*

Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	18.50	ACUITE A4+ Downgraded & Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE A4+ Downgraded & Issuer not co-operating*

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

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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.

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