

Press Release

Sheth Construction Company

December 10, 2020



Rating Update

Total Bank Facilities Rated*	Rs.48.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BB-/ Stable) 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 downgraded the long-term rating to '**ACUITE BB+** (read as ACUITE double B plus) from '**ACUITE BBB-**' (read as ACUITE triple B minus) and the short-term rating to '**ACUITE A4+** (read as ACUITE A four plus) from '**ACUITE A3**' (read as ACUITE A three) on the Rs.48.00 Crore bank facilities of Sheth Construction Company (SCC). This rating is now an indicative rating and is based on the best available information.

Established in 1975, SCC is a Mumbai-based partnership firm promoted by Mr. Shashikant Khimchand Sheth, Mrs. Usha Kirtikant Sheth and Mr. Pankaj Rasiklal Sheth. The firm undertakes civil construction contracts for Municipal Corporation of Greater Mumbai (MCGM) and Surat Municipal Corporation (SMC) for construction of roads, buildings, stormwater drainage/sewerage, water supply arrangement, garden development, club/swimming pool construction, pumping station and reservoirs. SCC is registered as a Class IA contractor with MCGM and Class AA contractor with SMC.

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 non-cooperation by the issuer along with an 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>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-51.htm>
- Financial Ratios and Adjustments - <https://www.acuite.in/view-rating-criteria-53.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 requests.

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

Not Applicable

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
26-Sep-2019	Cash Credit	Long Term	8.00	ACUITE BBB-/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	40.00	ACUITE A3 (Reaffirmed)
26-Aug-2019	Cash Credit	Long Term	6.00	ACUITE BBB- (Indicative)
	Bank Guarantee	Short Term	28.00	ACUITE A3 (Indicative)
	Proposed Bank Guarantee	Short Term	12.00	ACUITE A3 (Indicative)
	Proposed Cash Credit	Long Term	2.00	ACUITE BBB- (Indicative)
07-Dec-2018	Cash Credit	Long Term	6.00	ACUITE BBB-/ Stable (Assigned)
	Proposed Cash Credit	Long Term	2.00	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee	Short Term	28.00	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	12.00	ACUITE A3 (Assigned)
05-Jun-2018	Cash Credit	Long Term	6.00	ACUITE BBB-/ Stable (Assigned)
	Proposed Cash Credit	Long Term	2.00	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee	Short Term	28.00	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	12.00	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	8.00	ACUITE BB+ (Downgraded) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	40.00	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 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 8,462 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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