

Press Release

M Mahipal Reddy Constructions

December 16, 2019

Rating Update



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|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs. 8.50 Cr. # |
| Long Term Rating | ACUITE B+ 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 reviewed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short-term rating of '**ACUITE A4**' (read as '**ACUITE A four**') on the Rs. 8.50 crore bank facilities of M Mahipal Reddy Constructions (MMRC). This rating is now an indicative rating and is based on best available information.

MMRC is a partnership firm established in 2012. It is involved in civil construction work, primarily construction and upgrade of roads. The firm is enlisted as a Class-1 contractor with Public Works Department, and its registered office is located at Vikarabad (Telangana). The firm participates in tenders issued by PWD and other Government departments. The contracts awarded are related to upgrade of roads, mainly the national highways. The firm is promoted by Mr. Mahipal Reddy along with three of his other family member's as partners.

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 due date.

This rating is therefore being 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>
- Service Sector Entities - <https://www.acuite.in/view-rating-criteria-50.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 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.

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 |
|------------------|---------------------------------|------------|------------------|-----------------------------|
| October 09, 2018 | Secured Overdraft | Long Term | 1.30 | ACUITE B+/Stable (Assigned) |
| | Proposed Secured Overdraft | Long Term | 0.20 | ACUITE B+/Stable (Assigned) |
| | Bank Guarantee | Short Term | 3.10 | ACUITE A4 |
| | Proposed Bank Guarantee | Short Term | 3.90 | ACUITE A4 |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|----------------------------|------------------|----------------|----------------|-----------------------------|---|
| Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | 1.30 | ACUITE B+/Stable Issuer not co-operating* |
| Proposed Secured Overdraft | Not Applicable | Not Applicable | Not Applicable | 0.20 | ACUITE B+/Stable Issuer not co-operating* |
| Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 3.10 | ACUITE A4 Issuer not co-operating* |
| Proposed Bank Guarantee | Not Applicable | Not Applicable | Not Applicable | 3.90 | 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 (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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