

Press Release

Mech Choice Tools (MCT)

January 24, 2020

Rating Update



Total Bank Facilities Rated*	Rs.10.00 Cr.#
Long Term Rating	ACUITE BB+ (Revised from ACUITE BBB-) (Indicative: Downgrade)

#Refer Annexure for details

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

Rating Rationale

Acuite has revised the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.10.00 crore bank facilities of Mech Choice Tools. This rating is now an indicative rating and is based on best available information.

The Jalandhar-based, MCT is a partnership firm established in 2017 by Mr. Keshav Shoor and Mr. Raghav Shoor along with Vishal Tools and Forgings Private Limited (VTFPL). VTFPL's Managing Director, Mr. Jyoti Prakash is the founding partners. The firm is engaged in manufacturing and exporting of hand tools. The proposed manufacturing facility is located at Dhogri Industrial Park (Jalandhar) with installed capacity of 1800 tonnes per annum. The firm is expected to sell its products to International Chain Stores and Wholesale suppliers located in Europe and America. The raw material is expected to be procured from local suppliers located in Punjab.

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.

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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). 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.

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

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
November 12, 2018	Proposed Bank Facility	Long Term	10.00	ACUITE BBB-/Stable (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Revised from ACUITE BBB-) (Indicative: Downgrade)

*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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