

Press Release

Mech Choice Tools

May 11, 2021



Rating Withdrawn

Total Bank Facilities Rated#	Rs.10.00 Cr.
Long Term Rating	ACUITE BB Withdrawn; Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE BB** (read as ACUITE double B) on the Rs.10.00 Cr. bank facilities of Mech Choice Tools (MCT). The rating continuous to be flagged as an 'Issuer Not-Cooperating' based on best available information.

The rating is being withdrawn on account of the request received from the company and the NOC received from the banker as per Acuité's policy on withdrawal of ratings.

About the Company

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.

About the Group

The Jalandhar based, Vishal Group (VG) consists of Vishal Tools & Forgings Private Limited (VTFPL) incorporated in 1992 and Mech Choice Tools (MCT), a partnership firm established in 2017 promoted by Mr. Jyoti Prakash Shoor and family. VG is engaged in manufacturing, trading and exporting of hand tools. The group caters to the international chain stores and wholesale suppliers located in North American and European countries. The group has two manufacturing unit with total installed capacity of around 16 tonnes per day located in Jalandhar. Also, the group is setting-up a new unit under MCT with installed capacity of 1800 tonnes per annum. Presently, the group derives around 11 percent of its revenue from trading activity, 6 percent from scrap sales and remaining 83 percent from manufacturing activity.

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.

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>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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 has endeavoured 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.

Liquidity Position

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

Rating Sensitivities

No information provided by the issuer / available for Acuité 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)

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
21-Apr-2021	Proposed Bank Facility	Long Term	10.00	ACUITE BB (Downgraded & Indicative)
24-Jan-2020	Proposed Bank Facility	Long Term	10.00	ACUITE BB+ (Downgraded & Indicative)
12-Nov-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. Cr.)	Name of the Bank	Ratings
Proposed Bank Facility	Not Available	Not Available	Not Available	10.00	Not Applicable	ACUITE BB Withdrawn; Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President – Corporate Ratings Tel: 022 – 49294041 aditya.gupta@acuite.in Aditya Sahu Analyst – Rating Operations Tel: 022 – 49294055 aditya.sahu@acuite.in	Varsha Bist Senior Manager – Rating Desk Tel: 022 – 49294011 rating.desk@acuite.in

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 8,683 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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