

Press Release

The Canara Workshops Limited

June 12, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 10.35 Cr. #
Long Term Rating	ACUITE B (Indicative)
Short Term Rating	ACUITE A4 (Indicative)

Refer Annexure for details*

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

Acuité has reviewed the long term rating of '**ACUITE B** (**read as ACUITE B**) and the short term rating of '**ACUITE A4** (**read as ACUITE A four**) to the above mentioned bank facilities of THE CANARA WORKSHOPS LIMITED (TCWL). This rating is now an indicative rating and is based on best available information.

TCWL, incorporated in 1943, is a Mangalore-based company promoted by the late Mr. Vaman Srinivas Kudva. The company manufactures leaf springs and related components used in commercial and passenger vehicles. The facility is equipped with rolling mill with capacity of 7,000 TPA and machining capacity of 7,200 TPA.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of TCWL to arrive at this rating.

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.

The 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/criteria-default.htm>
- Financial Ratios And Adjustments -<https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.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)

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
11-April-2019	Dropline Overdraft	Long Term	7.50	ACUITE B/Stable (Downgraded)
	Letter of Credit	Short Term	2.10*	ACUITE A4 (Reaffirmed)
	Proposed Overdraft	Long Term	0.75	ACUITE B/Stable (Downgraded)
02-Feb-2018	Dropline Overdraft	Long Term	7.60	ACUITE B+/Stable (Reaffirmed)
	Letter of Credit	Short Term	1.60	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Reaffirmed)
	Proposed Overdraft	Long Term	0.65	ACUITE B+/Stable (Reaffirmed)
28-Oct-2016	Dropline Overdraft	Long Term	7.60	ACUITE B+/Stable (Upgraded)
	Term Loan	Long Term	0.09	ACUITE B+/Stable (Upgraded)
	Proposed Overdraft	Long Term	0.56	ACUITE B+/Stable (Upgraded)
	Letter of Credit	Short Term	1.60	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	0.50	ACUITE A4 (Reaffirmed)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE B (Indicative)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.10*	ACUITE A4 (Indicative)
Proposed Overdraft	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE B (Indicative)

*Rs.0.50 crore Letter of Credit facility interchangeable with Bank Guarantee.

*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 ACUITE 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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