

Press Release

Karpagavinayaga and Company

January 24, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 10.00 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE BB-) 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 D**' (read as **ACUITE D**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 10.00 crore bank facilities of Karpaga Vinayaga & Co. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information available on public domain.

Karpaga Vinayaga & Co is a Tamil Nadu based partnership firm established in the year 2011 forming part of Prabhat Group of Companies. The partners of the firm are Mr. Jithendra D. Patel and Mr. Dalsuk D. Patel. The firm is engaged in trading and processing of imported timbers. It also provides wood planning and sizing services to local firms situated in Trichy.

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 due date.

Acuité 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>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-61.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.
- Acuité has taken note of the complaint filed by the State Bank of India with CBI dated 1st Feb. 2019 and also the recent media reports stating that CBI has inter alia registered a case against their directors and the Partnership Firms of the group for an alleged bank loan fraud of Rs 9.25 Crores.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
13-01-2020	Cash Credit	Long Term	9.75	ACUITE BB- (Indicative)
	Proposed WCDL	Long Term	0.25	ACUITE BB- (Indicative)
13-10-2018	Cash Credit	Long Term	9.75	ACUITE BB- (Indicative)
	Proposed WCDL	Long Term	0.25	ACUITE BB- (Indicative)
31-08-2017	Cash Credit	Long Term	9.75	ACUITE BB- (Indicative)
	Proposed WCDL	Long Term	0.25	ACUITE BB- (Indicative)

#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	9.75	ACUITE D (Downgraded from ACUITE BB-) Issuer not co-operating*
Proposed WCDL	Not Applicable	Not Applicable	Not Applicable	0.25	ACUITE D (Downgraded from ACUITE BB-) 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 8,000 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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