



**Press Release**  
**Karpagavinayaga and Company**  
**October 18, 2023**

**Rating Reaffirmed and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.00	ACUITE D   Reaffirmed   Issuer not co-operating*	-
<b>Total Outstanding Quantum (Rs. Cr)</b>	10.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 10.00 crore bank facilities of Karpaga Vinayaga and Company (KVC). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

**About the Company**

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:**

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 the due date.

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.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability:**

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

**Rating Sensitivity**

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

## All Covenants

Not Applicable

**Liquidity Position**

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

**Outlook**

Not Applicable

**Other Factors affecting Rating**

Not Applicable

## Key Financials

Particulars	Unit	FY 15 (Actual)	FY 14 (Actual)
Operating Income	Rs. Cr.	443.54	385.10
PAT	Rs. Cr.	3.29	2.28
PAT Margin	(%)	0.74	0.59
Total Debt/Tangible Net Worth	Times	0.57	0.70
PBDIT/Interest	Times	1.38	1.33

## Status of non-cooperation with previous CRA

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.

## Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Jul 2022	Proposed Working Capital Term Loan	Long Term	0.25	ACUITE D ( Issuer not co-operating*)
	Cash Credit	Long Term	9.75	ACUITE D ( Issuer not co-operating*)
21 Apr 2021	Cash Credit	Long Term	9.75	ACUITE D (Issuer not co-operating*)
	Proposed Working Capital Term Loan	Long Term	0.25	ACUITE D (Issuer not co-operating*)
24 Jan 2020	Proposed Working Capital Term Loan	Long Term	0.25	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	9.75	ACUITE D (Downgraded and Issuer not co-operating*)
13 Jan 2020	Proposed Working Capital Term Loan	Long Term	0.25	ACUITE BB- (Issuer not co-operating*)
	Cash Credit	Long Term	9.75	ACUITE BB- (Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.75	ACUITE D   Reaffirmed   Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Working Capital Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	0.25	ACUITE D   Reaffirmed   Issuer not co- operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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