

## Press Release

### Madan Udyog Private Limited

March 06, 2020

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 9.97 Cr. #
<b>Long Term Rating</b>	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*

# Refer Annexure for details`

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

ACUITE has reviewed and downgraded long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.9.97 crore bank facilities of Madan Udyog Private Limited(MUPL). The downgrade is on account of information risk. This rating is now an indicative rating and is based on best available information.

MUPL is a Nagpur based company, incorporated in 2010 by Mr. S.S.Khandewal. The company is engaged in the business of manufacturing tubes and tyres for cycles.

#### Analytical Approach

Acuité has considered the standalone business and financial risk profiles of MUPL 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 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.

This 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>
- Entities in manufacturing sector - <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). 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

	Unit	FY19(Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	31.36	27.21
PAT	Rs. Cr.	0.77	0.58
PAT Margin	(%)	2.46	2.13
Total Debt/Tangible Net Worth	Times	1.98	1.67
PBDIT/Interest	Times	1.79	1.64

**Status of non-cooperation with previous CRA (if applicable)**

Not applicable

**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 (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
03-Jan-2019	Cash Credit	Long Term	9.97	ACUITE BB/Stable (Assigned)

**#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	9.97	ACUITE BB- (Downgraded from ACUITE BB) Issuer not co-operating*

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

**Contacts**

Analytical	Rating Desk
Pooja Ghosh Head - Corporate and Infrastructure Sector Ratings Tel: 033-66201203 <a href="mailto:pooja.ghosh@acuite.in">pooja.ghosh@acuite.in</a>  Shubham Ghosh Analyst - Rating Operations Tel: 033-66201212 <a href="mailto:shubham.ghosh@acuite.in">shubham.ghosh@acuite.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

**About Acuite Ratings & Research:**

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