

**Press Release**  
**CNC Automotive**  
**May 18, 2022**



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

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.00	ACUITE BB-   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	13.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to ‘**ACUITE BB-**’ (read as **ACUITE double B minus**) from ‘**ACUITE BB**’ (read as **ACUITE double B**) on the Rs. 13.00 crore bank facilities of CNC Automotive (CNC). The rating continues to be flagged as “Issuer Not-Cooperating” and is downgraded on account of information risk.

**About the Company**

CNC Automotive was established on 15 March, 2001 as a partnership firm by Mr. Mahesh N Shah, Mr. Vivek J Shah, and Mr. Jayant N Shah. Later on 01 April 2006, Mrs. Pravina J Shah, Mrs. Reena V Shah, Mrs. Smita M Shah and Mr. Jay M Shah joined as partners. The entity is engaged in manufacturing of ready to use precision machined components, mainly for automobile sector. The entity also manufactures cloth fibre for automotive sector and is engaged in surface treatment of components.

The entity operates from its factories at Peenya Industrial area, Bangalore and has two branches in its vicinity. The entity is a part of CNC Automotive group which was found in 1969. The group is engaged in manufacturing of precision turned components and sub-assemblies for the automotive, hydraulic, general engineering and telecommunication sectors. The entity caters to domestic market and started exporting in FY2016-17, and has two subsidiaries, namely, Acutech and Kaizen CNC Centre Private Limited. The entity was awarded BOSCH award in appreciation of their active promotion and implementation of ‘Poka Yoke’ in their manufacturing process in FY2009.

**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.

This rating continues to be flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuite’s policies.

### 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.

### Rating Sensitivity

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

### Material Covenants

None

### Liquidity Position

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

### Outlook

Not Applicable

### Status of non-cooperation with previous CRA

None

### 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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Feb	Cash Credit	Long Term	1.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	7.50	ACUITE BB (Downgraded and Issuer not co-operating*)

2021	Term Loan	Long Term	4.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	0.50	ACUITE BB (Downgraded and Issuer not co-operating*)
10 Dec 2019	Cash Credit	Long Term	1.00	ACUITE BB+ (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	7.50	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	4.00	ACUITE BB+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	0.50	ACUITE BB+ (Issuer not co-operating*)
29 Jun 2019	Cash Credit	Long Term	1.00	ACUITE BBB (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	7.50	ACUITE BBB (Issuer not co-operating*)
	Term Loan	Long Term	4.00	ACUITE BBB (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	0.50	ACUITE BBB (Issuer not co-operating*)
06 Apr 2018	Cash Credit	Long Term	1.00	ACUITE BBB (Issuer not co-operating*)
	Term Loan	Long Term	4.00	ACUITE BBB (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	0.50	ACUITE BBB (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	7.50	ACUITE BBB (Issuer not co-operating*)
09 May 2017	Cash Credit	Long Term	1.00	ACUITE BBB   Stable (Assigned)
	Term Loan	Long Term	4.00	ACUITE BBB   Stable (Assigned)
	Proposed Cash Credit	Long Term	0.50	ACUITE BBB   Stable (Assigned)
	Proposed Long Term Loan	Long Term	7.50	ACUITE BBB   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB-   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE BB-   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE BB-   Downgraded   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	4.00	ACUITE BB-   Downgraded   Issuer not co-operating*

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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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