

## Press Release

### Japtech Industries

November 11, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs.24.00 Cr. #
<b>Long Term Rating</b>	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

# Refer Annexure for details

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

### Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB-**' (read as ACUITE double B minus) from '**ACUITE BB**' (read as ACUITE double B) and the short term rating to '**ACUITE A4**' (read as ACUITE A four) from '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs.24.00 crore bank facilities of Japtech Industries. This rating is now an indicative rating and is based on the best available information and is downgraded on account of information risk.

Japtech Industries (JI) was founded by the Agarwal family as a partnership firm in 1988. Mr. Naresh Agarwal, Ms. Sunita Agarwal, Mr. Aman Agarwal and Ms. Poonam Mittal are current partners of the firm. The firm is a Tier- I manufacturer of automobile parts, i.e. metal sheet press components. The firm caters to Original Equipment Manufacturer (OEM) like Tata Motors, Mahindra, Piaggio, among others. The firm has two manufacturing units, at Jamshedpur and Pune.

### 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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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 has endeavoured 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.

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Aug-2019	Term Loan	Long Term	6.00	ACUITE BB / Stable (Downgraded from ACUITE BB+ / Stable)
	Cash Credit	Long Term	15.00	ACUITE BB / Stable (Downgraded from ACUITE BB+ / Stable)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed)
25-May-2018	Term Loan	Long Term	3.00	ACUITE BB+ / Stable (Upgraded from ACUITE BB)
	Cash Credit	Long Term	15.00	ACUITE BB+ / Stable (Upgraded from ACUITE BB)
	Letter of Credit	Short Term	6.00	ACUITE A4+ (Reaffirmed)
04-Apr-2018	Cash Credit	Long Term	15.00	ACUITE BB (Indicative)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Indicative)
03-May-2017	Cash Credit	Long Term	15.00	ACUITE BB / Stable (Reaffirmed)
	Term Loan	Long Term	6.00	ACUITE BB / Stable (Withdrawn)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed)

#### #Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Available	Not Available	Not Available	6.00	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

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

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### About Acuité Ratings & Research:

Acuité Ratings & Research 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 8,400 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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