

## Press Release

Japtech Industries

February 10, 2022



### Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
<b>Bank Loan Ratings</b>	21.00	ACUITE B+   Downgraded   Issuer not co-operating*	-
<b>Bank Loan Ratings</b>	3.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	24.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

#### Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+**' (**read as ACUITE B Plus**) from '**ACUITE BB-**' (**read as ACUITE double B Minus**) and reaffirmed the short term rating of '**ACUITE A4**' (**read as ACUITE A four**)' on the Rs. 24.00 crore bank facilities of Japtech Industries. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

#### About the Company

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.

#### 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.

### Rating Sensitivity

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

### Material Covenants

Not Applicable.

### 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>
- Application Of 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>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Nov 2020	Term Loan	Long Term	6.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	15.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	3.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
21 Aug 2019	Cash Credit	Long Term	15.00	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	6.00	ACUITE BB   Stable (Downgraded from ACUITE BB+   Stable)

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 (Issuer not co-operating*)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
03 Mar 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)
21 Nov 2016	Cash Credit	Long Term	15.00	ACUITE BB   Stable (Reaffirmed)
	Term Loan	Long Term	6.00	ACUITE BB   Stable (Reaffirmed)
	Letter of Credit	Short Term	3.00	ACUITE A4+ (Reaffirmed)
24 Aug 2015	Cash Credit	Long Term	8.00	ACUITE BB   Stable (Assigned)
	Term Loan	Long Term	6.00	ACUITE BB   Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A4+ (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	15.00	ACUITE B+   Downgraded   Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	6.00	ACUITE B+   Downgraded   Issuer not co-operating*

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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 8,850 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 Kanjurmarg, Mumbai.

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