

Press Release

CNC India Tools And Services Private Limited

May 12, 2021



Rating Withdrawn

Total Bank Facilities Rated*	Rs.20.42 Cr.
Long Term Rating	ACUITE BB- (Withdrawn) *Issuer not cooperating
Short Term Rating	ACUITE A4+ (Withdrawn) *Issuer not cooperating

* Refer Annexure for details

Rating Rationale

Acuité has withdrawn the long term rating of '**ACUITE BB-**' (**read as ACUITE double B minus**) and the short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.20.42 crore bank facilities of CNC India Tools And Services Private Limited (CNCI). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

CNC India Tools and Services Private Limited (CNCI), located in Bangalore was set up as a partnership firm in 1993 promoted by Mr. Jayaraman Nagarajan, Mr. Jayaraman Vijayakumar, Mr. Coimbatore Jayathirtha Badrinath. The company was reconstituted as a private limited company on February 10, 2004. The company is primarily engaged in manufacturing of mainly in the Computer Numerical Control (CNC) machine tools segment and is accredited with ISO9001:2000 certification. The product portfolio comprises of cutting tools, jigs and fixtures, retrofitting and reconditioning of CNC Machines, electrical panel and boards, special purpose machine as required by its clients. The manufacturing facility of the company is located at Peenya, Bangalore, Karnataka. The company exports about 1 per cent of its manufactured product to overseas market mainly to Dubai, UAE and Sharjah and subsequently imports around 1 per cent of its raw material requirements from overseas market mainly from Japan and Germany.

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

Analytical approach

Acuité has considered the standalone financial and business risk profiles of MEPL to arrive at this rating.

Available 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>

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 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.

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

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

About the Rated Entity - Key Financials

The rated entity has not shared the latest Financial Statements despite repeated attempts.

Status of non-cooperation with previous CRA (if Available)

CARE vide its press release dated 29th September, 2020 has mentioned the rating for CNCI of 'CARE B/Stable/A4/Issuer not cooperating'.

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
05-Nov-2020	Term Loan	Long Term	3.82	ACUITE BB- (Downgraded and Indicative)
	Proposed term loan	Long Term	1.00	ACUITE BB- (Downgraded and Indicative)
	Secured Overdraft	Long Term	4.50	ACUITE BB- (Downgraded and Indicative)
	Proposed secured overdraft	Long Term	1.00	ACUITE BB- (Downgraded and Indicative)
	Letter of Credit	Short Term	8.10	ACUITE A4+ (Indicative)
	Proposed letter of credit	Short Term	2.00	ACUITE A4+ (Indicative)
14-Aug-2019	Term Loan	Long Term	3.82	ACUITE BB (Indicative)
	Proposed term loan	Long Term	1.00	ACUITE BB (Indicative)
	Secured Overdraft	Long Term	4.50	ACUITE BB (Indicative)
	Proposed secured overdraft	Long Term	1.00	ACUITE BB (Indicative)
	Letter of Credit	Short Term	8.10	ACUITE A4+ (Indicative)
	Proposed letter of credit	Short Term	2.00	ACUITE A4+ (Indicative)
28-Jun-2018	Term Loan	Long Term	3.82	ACUITE BB (Assigned)
	Proposed term loan	Long Term	1.00	ACUITE BB (Assigned)
	Secured Overdraft	Long Term	4.50	ACUITE BB (Assigned)
	Proposed secured overdraft	Long Term	1.00	ACUITE BB (Assigned)
	Letter of Credit	Short Term	8.10	ACUITE A4+ (Assigned)
	Proposed letter of credit	Short Term	2.00	ACUITE A4+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan	Not Available	Not Available	Not Available	3.82	ACUITE BB- (Withdrawn) *Issuer not cooperating
Proposed term loan	Not Available	Not Available	Not Available	1.00	ACUITE BB- (Withdrawn) *Issuer not cooperating
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE BB- (Withdrawn) *Issuer not cooperating
Proposed secured overdraft	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE BB- (Withdrawn) *Issuer not cooperating
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	8.10	ACUITE A4+ (Withdrawn) *Issuer not cooperating
Proposed letter of credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ (Withdrawn) *Issuer not cooperating

Contacts

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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 6,000 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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