

Press Release

Malnad Alloy Castings Private Limited

October 12, 2020



Rating Update

Total Bank Facilities Rated*	Rs.29.00 Cr. #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Short Term Rating	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

Acuite 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.29.00 crore bank facilities of Malnad Alloy Castings Private Limited (MACPL). This rating is now an indicative rating and is based on the best available information.

Malnad Alloy Castings Private Limited (MAPL) is a Karnataka based company incorporated in the year 1983, promoted by Mr. H C Raveendranath and Mr. Y V Madhukar Jois. The company is engaged in the manufacturing of valve components, hydraulic components, pump components and customised castings.

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.

Acuite 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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite 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

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. Cr.)	Ratings/Outlook
29-Jul-2019	Cash Credit	Long Term	13.20	ACUITE BB / Stable (Upgraded)
	Bills Discounting	Short Term	3.00	ACUITE A4+ (Upgraded)
	Secured Overdraft	Long Term	0.10	ACUITE BB / Stable (Upgraded)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Upgraded)
	Term Loan	Long Term	0.71	ACUITE BB / Stable (Upgraded)
	Term Loan	Long Term	1.05	ACUITE BB / Stable (Upgraded)
	Proposed Bank Facility	Long Term	9.94	ACUITE BB / Stable (Upgraded)
19-Oct-2018	Cash Credit	Long Term	5.50	ACUITE B+ / Stable (Reaffirmed)
	Secured Overdraft	Long Term	3.00	ACUITE B+ / Stable (Reaffirmed)
	Standby Line of Credit	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Packing Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Bills Discounting	Short Term	7.50	ACUITE A4 (Reaffirmed)
	Buyers Credit	Short Term	1.20	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	0.10	ACUITE B+ / Stable (Reaffirmed)
	Term Loan	Long Term	1.30	ACUITE B+ / Stable (Reaffirmed)
	Term Loan	Long Term	2.40	ACUITE B+ / Stable (Reaffirmed)
	Letter of Credit	Short Term	0.50	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Proposed Bank Facility	Short Term	3.50	ACUITE A4 (Reaffirmed)
25-Nov-2017	Cash Credit	Long Term	5.50	ACUITE B+ / Stable (Assigned)
	Secured Overdraft	Long Term	3.00	ACUITE B+ / Stable (Assigned)
	Standby Line of Credit	Long Term	1.00	ACUITE B+ / Stable (Assigned)
	Post Shipment Credit	Short Term	1.00	ACUITE A4 (Assigned)

	Packing Credit	Short Term	2.00	ACUITE A4 (Assigned)
	Bills Discounting	Short Term	7.50	ACUITE A4 (Assigned)
	Secured Overdraft	Long Term	0.10	ACUITE B+ / Stable (Assigned)
	Term Loan	Long Term	2.56	ACUITE B+ / Stable (Assigned)
	Term Loan	Long Term	4.84	ACUITE B+ / Stable (Assigned)
	Letter of Credit	Short Term	0.50	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	1.00	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.20	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	0.71	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Term Loan	Not Available	Not Applicable	Not Available	1.05	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	9.94	ACUITE BB- (Downgraded from ACUITE BB / Stable) Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

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