

## Press Release

**Malnad Alloy Castings Private Limited**

October 12, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs.29.00 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.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

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 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
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

Analytical	Rating Desk
Aditya Gupta Vice President- Corporate Ratings Tel: 022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>
Aditya Sahu Analyst - Rating Operations Tel: 022-49294055 <a href="mailto:aditya.sahu@acuite.in">aditya.sahu@acuite.in</a>	

### 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.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité.