

Press Release

Malnad Alloy Castings Private Limited

January 11, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operati

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.00		ACUITE A4 Reaffirmed Issuer not co-operating*
Bank Loan Ratings	25.00	ACUITE B+ Downgraded Issuer not co-operating*	
Total	29.00	-	-

Rating Rationale

Acuite 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. 29.00 crore bank facilities of Malnad Alloy Castings Private Limited(MACPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

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.

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

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

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.

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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Oct 2020	Proposed Bank Facility	Long Term	9.94	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.71	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	13.20	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	0.10	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	3.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.05	ACUITE BB- (Downgraded and Issuer not co-operating*)
29 Jul 2019	Bills Discounting	Short term	3.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Cash Credit	Long Term	13.20	ACUITE BB Stable (Upgraded from ACUITE B+ Stable)
	Secured Overdraft	Long Term	0.10	ACUITE BB Stable (Upgraded from ACUITE B+ Stable)
	Term Loan	Long Term	0.71	ACUITE BB Stable (Upgraded from ACUITE B+ Stable)
	Proposed Bank Facility	Long Term	9.94	ACUITE BB Stable (Upgraded from ACUITE B+ Stable)
	Term Loan	Long Term	1.05	ACUITE BB Stable (Upgraded from ACUITE B+ Stable)
	Bank Guarantee	Short term	1.00	ACUITE A4+ (Upgraded from ACUITE A4)
19 Oct 2018	Proposed Bank Facility	Long Term	3.50	ACUITE B+ Stable (Reaffirmed)
	Bills Discounting	Short Term	7.50	ACUITE A4 (Reaffirmed)
	Term Loan	Long Term	2.40	ACUITE B+ Stable (Reaffirmed)
	Term Loan	Long Term	1.30	ACUITE B+ Stable (Reaffirmed)
	Standby Line of Credit	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	5.50	ACUITE B+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	0.10	ACUITE B+ Stable (Reaffirmed)
	Letter of Credit	Short Term	0.50	ACUITE A4 (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Packing Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Buyers Credit	Short Term	1.20	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	3.00	ACUITE B+ Stable (Reaffirmed)
		Short		

25 Nov 2017	Packing Credit	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)
	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)
	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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Can Bank Factors Ltd.	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	13.20	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Axis Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	9.94	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.71	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.05	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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About Acuité Ratings & Research

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