

Press Release

Hema Automotive Private Limited

December 13, 2018



Rating Update

Total Bank Facilities Rated	Rs. 50.00 Cr. #
Long Term Rating	ACUITE BBB- Issuer not co-operating*

Refer Annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE BBB-**' (**read as ACUITE triple B minus**) on the Rs. 50.00 crore bank facilities of Hema Automotive Private Limited (HAPL). This rating is now an indicative rating and is based on best available information.

The Delhi-based, HAPL incorporated in 2015 was promoted by Mr. Chandresh Jajoo and Mr. Adarsh Kumar Yadav (Directors). The company manufactures auto components (stand, body and chassis) for Hero MotoCorp Limited at Neemrana, Rajasthan. HAPL is part of Hema Group which comprises of HAPL and Hema Engineering Industries Limited (HEIL).

The group incorporated in 1987 is engaged in the manufacturing of auto components including stand, body chassis for OEM's such as Hero Moto Corp, TVS Motor, Royal Enfield, Yamaha to name a few. It is led by Mr. Chandresh Jajoo and Mr. Adarsh Kumar Yadav.

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.

Applicable Criteria

- Manufacturing Entities - <https://www.acuite.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.htm>
- Consolidation of Companies: <https://www.acuite.in/view-rating-criteria-22.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

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	1179.62	1089.70	901.10
EBITDA	Rs. Cr.	124.60	114.64	90.82
PAT	Rs. Cr.	19.44	16.53	13.65
EBITDA Margin	(%)	10.56	10.52	10.08
PAT Margin	(%)	1.65	1.52	1.52
ROCE (%)	(%)	4.64	4.33	3.91
Total Debt/Tangible Net Worth	Times	1.33	1.17	1.16
PBDIT/Interest	Times	1.85	1.85	1.78
Total Debt/PBDIT	Times	3.68	3.07	3.39
Gross Current Assets (Days)	Days	192	165	201

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

Not Applicable

Any other information

Not Applicable

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
21-Dec-2017	Working Capital Demand Loan	Long Term	5.00	ACUITE BBB- / Stable (Assigned)
	Term Loan	Long Term	38.00	ACUITE BBB- / Stable (Assigned)
	Proposed Bank Facility	Long Term	7.00	ACUITE BBB- / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Working capital demand loan (WCDL)	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BBB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	38.00	ACUITE BBB- Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BBB- Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings 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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