

Press Release

Hema Automotive Private Limited

January 14, 2020



Rating Update

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

Refer Annexure for details

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

Acuité has downgraded the long-term rating of HEMA AUTOMOTIVE PRIVATE LIMITED (HAPL) to '**ACUITE BB+**' (**read as ACUITE double B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**) on the Rs. 50.00 crore bank facilities. This rating is now an indicative rating and is downgraded on account of information risk.

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 stand, body chassis etc, 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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Manufacturing Entities - <https://www.acuite.in/criteria-manufacturing.htm>
- Default Recognition: <https://www.acuite.in/criteria-default.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 attempts.

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
12-Dec-2018	Working Capital Demand Loan	Long Term	5.00	ACUITE BBB- Issuer not co-operating*
	Term Loan	Long Term	38.00	ACUITE BBB- Issuer not co-operating*
	Proposed Bank Facility	Long Term	7.00	ACUITE BBB- Issuer not co-operating*
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 BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
Term loans	Not Applicable	Not Applicable	Not Applicable	38.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB+ Issuer not co-operating* (Downgraded from ACUITE BBB-)

*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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