Press Release
Hema Automotive Private Limited
October 11, 2023
Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE BB- | Reaffirmed | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating to **'ACUITE BB-' (read as ACUITE Double B minus)** on the Rs. 50.00 crore bank facilities of Hema Automotive Private Limited (HAPL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

About the Company

The Delhi-based, Hema Automotive Private Limited (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. Hema Automotive Private Limited 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 Enfeild, 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 the due date.

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

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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 endeavored 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.

Rating Sensitivity

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

All Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Key Financials

Particulars	Unit	FY 19 (Actual)	FY 18 (Actual)
Operating Income	Rs. Cr.	161.69	190.06
PAT	Rs. Cr.	(0.07)	0.19
PAT Margin	(%)	(0.05)	0.10
Total Debt/Tangible Net Worth	Times	6.18	6.37
PBDIT/Interest	Times	1.68	1.63

Status of non-cooperation with previous CRA

None

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Jul 2022	Working Capital Demand Loan	Long Term	5.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	7.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	38.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
14 Apr 2021	Working Capital Demand Loan	Long Term	5.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	7.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	38.00	ACUITE BB (Downgraded and Issuer not co-operating*)
14 Jan 2020	Working Capital Demand Loan	Long Term	5.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	38.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	7.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE BB- | Reaffirmed | Issuer not co-operating*
Hero Fincorp Ltd.	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	38.00	ACUITE BB- | Reaffirmed | Issuer not co-operating*
Hero Fincorp Ltd.	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	Simple	5.00	ACUITE BB- | Reaffirmed | Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.