

Press Release

Jayachandran Alloys Private Limited

May 28, 2024



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	75.72	ACUITE BB+ Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	75.72	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.75.72 Cr. bank facilities of Jayachandran Alloys Private Limited (JAPL). The rating is being flagged as "Issuer Not Cooperating" in line with existing SEBI regulations and Policy in respect of 'What Constitutes Non-Cooperation' of Acuite. The rating has been downgraded on account of information risk.

About the Company

Tamil Nadu based Jayachandran Alloys Private Limited (JAPL) was incorporated in the year 2006 by Mr. Anbalagan and his four brothers. The company is engaged in manufacturing of lead alloys from lead battery scrap. The company has its facility located in Perundurai (Tamil Nadu) with installed capacity of 24000 tons per annum. The day to day operations of the company are managed by Mr. C Pradeep, Managing director.

Unsupported Rating

Not applicable

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. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite has 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	371.84	392.57
PAT	Rs. Cr.	2.61	5.04
PAT Margin	(%)	0.70	1.28
Total Debt/Tangible Net Worth	Times	2.62	2.52
PBDIT/Interest	Times	2.08	2.52

Status of non-cooperation with previous CRA

Not applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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
28 Feb 2023	Bills Discounting	Long Term	14.59	ACUITE BBB Stable (Reaffirmed)
	Bills Discounting	Long Term	13.41	ACUITE BBB Stable (Assigned)
	PC/PCFC	Long Term	30.00	ACUITE BBB Stable (Reaffirmed)
	PC/PCFC	Long Term	11.50	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	1.58	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.47	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.17	ACUITE BBB Stable (Reaffirmed)
08 Mar 2022	Bills Discounting	Long Term	11.00	ACUITE BBB Stable (Reaffirmed)
	PC/PCFC	Long Term	16.57	ACUITE BBB Stable (Reaffirmed)
	PC/PCFC	Long Term	13.43	ACUITE BBB Stable (Assigned)
	Proposed Short Term Bank Facility	Short Term	1.99	ACUITE A2 (Reaffirmed)
	Term Loan	Long Term	0.03	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.87	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.76	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	1.91	ACUITE BBB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	4.25	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	28.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Kotak Mahindra Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	41.50	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	01 Jun 2019	Not avl. / Not appl.	01 May 2022	Simple	1.47	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.58	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Kotak Mahindra Bank	Not avl. / Not appl.	Working Capital Term Loan	25 Jan 2021	Not avl. / Not appl.	25 Jan 2025	Simple	3.17	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

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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.

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