

## Press Release

### Karan Automotives Private Limited

August 20, 2020



### Rating Update

<b>Total Bank Facilities Rated*</b>	Rs. 13.50 crore
<b>Long Term Rating</b>	ACUITE B+ (Downgraded; Issuer not co-operating)

\* Refer Annexure for details

### Rating Rationale

Acuité has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 13.50 crore bank facilities of Karan Automotives Private Limited (KAPL). The rating is downgraded on account of information risk.

Delhi based Karan Automotives Private Limited (KAPL) was established as a proprietorship firm in 1998 by Mr. Ravinder Singh and subsequently constitution was changed to a private limited company in 2003. The company is engaged in the manufacturing all kinds of manipulated tubular components, sheet metal parts, precision turned components and their fabricated assemblies for the automobile industry and general engineering industry.

### Analytical Approach

Acuité has considered the standalone business and financial risk profile of KAPL to arrive at the rating.

### 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.

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

### Applicable Criteria

- Entities in Manufacturing Sector– <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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 requests.

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

None

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
June 06, 2019	Cash Credit	Long-Term	6.00	ACUITE BB- (Withdrawn)
	Overdraft	Long-Term	2.65	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long-Term	2.20	ACUITE BB-/ Stable (Reaffirmed)
	Term Loan	Long-Term	1.70	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long-Term	2.00	ACUITE BB-/ Stable (Assigned)
	Working Capital Demand Loan	Long-Term	4.30	ACUITE BB-/ Stable (Assigned)
	Inventory Funding Facility	Long-Term	0.65	ACUITE BB-/ Stable (Assigned)
	Letter of Credit	Short-Term	2.50	ACUITE A4+ (Withdrawn)
March 21, 2018	Cash Credit	Long-Term	6.00	ACUITE BB-/ Stable (Assigned)
	Overdraft	Long-Term	2.65	ACUITE BB-/ Stable (Assigned)
	Term Loan	Long-Term	2.35	ACUITE BB-/ Stable (Assigned)
	Letter of Credit	Short-Term	2.50	ACUITE A4+ (Assigned)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Overdraft	Not applicable	Not applicable	Not applicable	2.65	ACUITE B+ (Downgraded; Issuer not-cooperating*)
Term Loan	Not applicable	Not applicable	Not applicable	2.20	ACUITE B+ (Downgraded; Issuer not-cooperating*)
Term Loan	Not applicable	Not applicable	Not applicable	1.70	ACUITE B+ (Downgraded; Issuer not-cooperating*)
Term Loan	Not applicable	Not applicable	Not applicable	2.00	ACUITE B+ (Downgraded; Issuer not-cooperating*)
Working Capital Demand Loan	Not applicable	Not applicable	Not applicable	4.30	ACUITE B+ (Downgraded; Issuer not-cooperating*)
Inventory Funding Facility	Not applicable	Not applicable	Not applicable	0.65	ACUITE B+ (Downgraded; Issuer not-cooperating*)

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**About Acuite Ratings & Research:**

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