

Press Release

Karan Automotives Private Limited

January 03, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.50	ACUITE BB- Reaffirmed Issuer not co-operating*	
Total	13.50	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**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 flagged as "Issuer Not-Cooperating" on account of information risk.

About the Company

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 of all kinds of manipulated tubular components, sheet metal parts, precision turned components and their fabricated assemblies for the automobile industry and general engineering industry.

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 non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is 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 Sensitivities

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

Material Covenants

None

Liquidity Indicators

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

Outlook

None

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

None

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

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Oct 2020	Term Loan	Long Term	1.80	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Inventory Funding	Long Term	0.65	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Secured Overdraft	Long Term	2.65	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Working Capital Demand Loan	Long Term	4.30	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Proposed Bank Facility	Long Term	0.40	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	1.70	ACUITE BB- Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	2.00	ACUITE BB- Stable (Upgraded from ACUITE B+)
20 Aug 2020	Term Loan	Long Term	2.20	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	2.65	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	4.30	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.70	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Inventory Funding	Long Term	0.65	ACUITE B+ (Downgraded and Issuer not co-operating*)

06 Jun 2019	Term Loan	Long Term	2.00	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.70	ACUITE BB- Stable (Assigned)
	Inventory Funding	Long Term	0.65	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	2.20	ACUITE BB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.65	ACUITE BB- Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	4.30	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	6.00	ACUITE BB- (Withdrawn)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Withdrawn)
21 Mar 2018	Cash Credit	Long Term	6.00	ACUITE BB- Stable (Assigned)
	Secured 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

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Tata Capital Limited	Not Applicable	Inventory Funding	Not Applicable	Not Applicable	Not Applicable	0.65	ACUITE BB- Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Overdraft	Not Applicable	Not Applicable	Not Applicable	2.65	ACUITE BB- Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE BB- Reaffirmed Issuer not co-operating*
Axis Bank	Not Applicable	Term Loan	Not available	Not available	Not available	1.80	ACUITE BB- Reaffirmed Issuer not co-operating*
Tata Capital Limited	Not Applicable	Term Loan	Not available	Not available	Not available	1.70	ACUITE BB- Reaffirmed Issuer not co-operating*
Tata Capital Limited	Not Applicable	Term Loan	Not available	Not available	Not available	2.00	ACUITE BB- Reaffirmed Issuer not co-operating*
Tata Capital Limited	Not Applicable	Working Capital Demand Loan (WCDL)	Not available	Not available	Not available	4.30	ACUITE BB- Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 KanjurMarg, Mumbai.

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