

## Press Release

Hitaishi KK Manufacturing Company Private Limited

November 30, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	26.00	-	ACUITE D   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	7.00	ACUITE D   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	33.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long term rating to '**ACUITE D' (read as ACUITE D)** and short term rating to '**ACUITE D' (read as ACUITE D)** on the Rs. 33.00 crore bank facilities of Hitaishi KK Manufacturing Company Private Limited. The rating is now flagged as "Issuer Not-Cooperating", and based on the best available information.

### About the Company

Hitaishi KK Manufacturing was formed in 1974 as a partnership firm by Mr. Om Prakash Prahladka. Later in 2010, it was converted into a private limited company. The company manufactures and exports musical instruments and handicrafts made out of wood, jute, horn, etc. with its manufacturing facility located in Kolkata. The company procures its raw material locally. The company sells around 95 per cent in the export market to countries such as Dubai, Japan, USA and Europe and the balance is sold in the domestic market.

### 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 unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating continues to be 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 endeavored 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."

### Material Covenants

None

### Liquidity Position

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

### Outlook

Not Applicable

### Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	33.80	38.98
PAT	Rs. Cr.	0.05	0.13
PAT Margin	(%)	0.15	0.34
Total Debt/Tangible Net Worth	Times	1.43	1.34
PBDIT/Interest	Times	1.17	1.28

### Status of non-cooperation with previous CRA

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

### 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](http://www.acuite.in).

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Sep 2021	Bills Discounting	Short Term	11.00	ACUITE D (Downgraded from ACUITE A4+)
	Term Loan	Long Term	2.00	ACUITE D (Downgraded from ACUITE BB-   Stable)
	Cash Credit	Long Term	4.00	ACUITE D (Downgraded from ACUITE BB-   Stable)
	Packing Credit	Short Term	11.50	ACUITE D (Downgraded from ACUITE A4+)
	Letter of Credit	Short Term	2.50	ACUITE D (Downgraded from ACUITE A4+)
	Bank Guarantee	Short Term	1.00	ACUITE D (Downgraded from ACUITE A4+)

	Proposed Long Term Loan	Long Term	1.00	ACUITE D (Downgraded from ACUITE BB-   Stable)
04 Nov 2019	Bills Discounting	Short Term	11.00	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.00	ACUITE BB-   Stable (Assigned)
	Packing Credit	Short Term	11.50	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	1.00	ACUITE BB-   Stable (Reaffirmed)
	Letter of Credit	Short Term	2.50	ACUITE A4+ (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Assigned)
14 May 2019	Letter of Credit	Short Term	2.50	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	11.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	4.00	ACUITE BB- (Issuer not co-operating*)
	Packing Credit	Short Term	14.50	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	1.00	ACUITE BB- (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
Indian Bank	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE D   Reaffirmed   Issuer not co-operating*
Indian Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	11.00	ACUITE D   Reaffirmed   Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE D   Reaffirmed   Issuer not co-operating*
Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	2.50	ACUITE D   Reaffirmed   Issuer not co-operating*
Indian Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	11.50	ACUITE D   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE D   Reaffirmed   Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	11.30	Dec 31 2023 12:00AM	Simple	2.00	ACUITE D   Reaffirmed   Issuer not co-operating*

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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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