

## Press Release

K2 Metals Private Limited

April 07, 2023



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	27.50	ACUITE B   Reaffirmed   Issuer not co-operating*	-
Bank Loan Ratings	10.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	37.50	-	-

### Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.37.50 Cr bank facilities of K2 Metals Private Limited (KMPL). The rating is now flagged as "**Issuer Not-Cooperating**" on account of information risk.

### About the Company

Incorporated in 2009, KMPL is Maharashtra based company engaged in manufacturing of steel wires and galvanized wired in the range of 0.9 mm to 10.00 mm. The company is promoted by Mr. Rahul Kulkarni and Mrs. Megha Kulkarni and KMPL started its operations from 2014. The company has its manufacturing unit located in Jejuri MIDC, Pune with an installed capacity to manufacture 24,000 MTPA.

### Non-cooperation by the issuer/borrower

Acuité has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 09 consecutive months. 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, 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 ratings is based.

### Rating Sensitivities

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

## Material Covenants

Not Applicable

## 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 22 (Provisional)	FY 21 (Actual)
Operating Income	Rs. Cr.	90.21	90.01
PAT	Rs. Cr.	0.20	0.06
PAT Margin	(%)	0.23	0.07
Total Debt/Tangible Net Worth	Times	1.44	1.46
PBDIT/Interest	Times	1.59	1.41

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

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
27 Jun 2022	Term Loan	Long Term	4.32	ACUITE B   Stable (Downgraded from ACUITE BB-   Stable)
	Letter of Credit	Short Term	10.00	ACUITE A4 (Reaffirmed)
	Cash Credit	Long Term	13.00	ACUITE B   Stable (Downgraded from ACUITE BB-   Stable)
	Proposed Bank Facility	Long Term	5.42	ACUITE B   Stable (Downgraded from ACUITE BB-   Stable)
	Term Loan	Long Term	4.76	ACUITE B   Stable (Downgraded from ACUITE BB-   Stable)

05 Apr 2021	Cash Credit	Long Term	13.00	ACUITE BB-   Stable (Reaffirmed)
	Term Loan	Long Term	4.78	ACUITE BB-   Stable (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A4 (Reaffirmed)
	Proposed Bank Facility	Long Term	9.72	ACUITE BB-   Stable (Reaffirmed)
13 May 2020	Proposed Bank Facility	Long Term	0.83	ACUITE BB-   Stable (Assigned)
	Term Loan	Long Term	6.17	ACUITE BB-   Stable (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	13.00	ACUITE BB-   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
UCO Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	13.00	ACUITE B   Reaffirmed   Issuer not co-operating*
UCO Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	5.42	ACUITE B   Reaffirmed   Issuer not co-operating*
UCO Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	4.76	ACUITE B   Reaffirmed   Issuer not co-operating*
UCO Bank	Not Applicable	Term Loan	01 Sep 2014	12.75	Not available	Simple	4.32	ACUITE B   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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