

Press Release

Jumps Auto Industries Limited

January 16, 2023



Rating Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	21.37	ACUITE BB- Reaffirmed & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	3.00	-	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	24.37	-	-

Rating Rationale

Acuite has reaffirmed & withdrawn the **long-term rating of 'ACUITE BB-' (read as ACUITE double B minus) and the short-term to 'ACUITE A4+' (read as ACUITE A four plus)** on the Rs. 24.37 crore bank facilities of Jumps Auto Industries Limited (Jumps). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating. The rating is being withdrawn on account of the request received from the firm and No Objection Certificate received from the banker.

About the Company

The Gurgaon-based Jumps incorporated in 1999 was converted into a public limited company in 2004 and is promoted by Mr. Joginder Pal Malhotra and Mr. Sanjay Malhotra. The company is engaged in the manufacture and export of auto electric components for commercial vehicles, tractors and stationary engines. The group caters to the domestic as well as overseas market including the United Kingdom, United States of America, South Africa, France, Germany etc. It caters to original equipment manufacturers (OEMs), Tier I suppliers and the aftermarket. The product range includes starter motors, alternators, solenoid switches, and armatures, to name a few.

It also caters to the household appliance industry and other industries. Major customers are Johnsons Control, Rollax GmbH & Co. KG and Bosch Siemens Hausgeräte Group located in Germany and Poland. Jumps and its wholly-owned German subsidiary, viz. Bhavya Jumps GmbH is referred to as the 'Jumps group'.

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 noncooperation 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 rating is based.

Rating Sensitivity

"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

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
25 Oct 2021	Proposed Cash Credit	Long Term	1.57	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	15.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.80	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Post Shipment Credit	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
27 Jul 2020	Term Loan	Long Term	15.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	1.57	ACUITE BB (Downgraded and Issuer not co-operating*)
	Post Shipment Credit	Short Term	3.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	4.80	ACUITE BB (Downgraded and 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
ICICI Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.80	ACUITE BB- Reaffirmed & Withdrawn Issuer not co-operating*
CITI Bank	Not Applicable	Post Shipment Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE A4+ Reaffirmed & Withdrawn Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.57	ACUITE BB- Reaffirmed & Withdrawn Issuer not co-operating*
Exim Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	15.00	ACUITE BB- Reaffirmed & Withdrawn Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.