

## Mithra Kyokuto Special Purpose Vehicle Company Private Limited

December 06, 2021

### Ratings

| Facilities/Instruments        | Amount<br>(Rs. crore)   | Ratings <sup>1</sup>  | Rating Action   |
|-------------------------------|---|---|---|
| Long Term Bank Facilities     | 7.00  | CARE B; Stable;<br>ISSUER NOT COOPERATING*<br>(Single B; Outlook: Stable;<br>ISSUER NOT COOPERATING*) | Rating continues to remain under<br>ISSUER NOT COOPERATING<br>category and Revised from<br>CARE B+; Stable; (Single B Plus;<br>Outlook: Stable) |
| Short Term Bank<br>Facilities | 3.25  | CARE A4;<br>ISSUER NOT COOPERATING*<br>(A Four;<br>ISSUER NOT COOPERATING*)                           | Rating continues to remain under<br>ISSUER NOT COOPERATING<br>category  |
| <b>Total Facilities</b>       | <b>10.25</b><br><b>(Rs. Ten Crore and</b><br><b>Twenty-Five Lakhs</b><br><b>Only)</b> |   |   |

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated November 30, 2020, placed the rating(s) of Mithra Kyokuto Special Purpose Vehicle Company Private Limited (MKSPVCPL) under the 'issuer non-cooperating' category as MKSPVCPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MKSPVCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated October 16, 2021, October 26, 2021, and November 05, 2021. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

***Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).***

The ratings assigned to the bank facilities of MKSPVCPL have been revised on account of non-availability of requisite information. The ratings also factored decline in scale of operations, accumulation of net losses as well as debt coverage indicators.

### Detailed description of the key rating drivers

Please refer to PR dated [November 30, 2020](#)

**Analytical approach:** Standalone (However, financial and operational support extended by the holding company; Kyokuto Kaihatsu Kogyo Company Limited (Japan), have been factored for the purpose of rating).

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Mithra Kyokuto Special Purpose Vehicle Company Private Limited (MKSPVCPL) is a Joint Venture (JV) between Kyokuto Kaihatsu Kogyo Company Limited (KKKCL), Japan and Mithra Garage Private Limited (MGPL) belonging to Mithra Group of Vijayawada, Andhra Pradesh. KKKCL holds 76% stake and the remaining 24% is held by MGPL in MKSPVCPL. MKSPVCPL is engaged in manufacturing, assembling and servicing of bodies of commercial vehicles like Upper Trucks, Mixer Trucks and other parts and components. Incorporated in March 2010, the company commenced production in December 2012 and commenced sale of commercial vehicles from March 2013 onwards. The manufacturing facility of the company is located at Veerapanenigudem Village, Vijayawada, and Andhra Pradesh.

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

\*Issuer did not cooperate; based on best available information

| Brief Financials (Rs. crore) | FY19(A) | FY20(A) | FY21(Prov.) |
|------------------------------|---------|---------|-------------|
| Total operating income       | 41.18   | 31.65   | NA          |
| PBILDT                       | -8.29   | -17.43  | NA          |
| PAT                          | -12.06  | -22.93  | NA          |
| Overall gearing (times)      | NM      | NM      | NA          |
| Interest coverage (times)    | NM      | NM      | NA          |

A: Audited; Prov.: Provisional; NA: Not Available; NM: Not Meaningful

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Disclosure of Interest of Independent/Non-Executive Directors or Managing Director& CEO:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this company:** Annexure-4

#### Annexure-1: Details of Instruments / Facilities

| Name of the Instrument      | ISIN | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|-----------------------------|------|------------------|-------------|---------------|-------------------------------|---|
| Fund-based - LT-Cash Credit |      | -                | -           | -             | 7.00                          | CARE B; Stable; ISSUER NOT COOPERATING*   |
| Non-fund-based - ST-ILC/FLC |      | -                | -           | -             | 3.25                          | CARE A4; ISSUER NOT COOPERATING*          |

\*Issuer did not cooperate; based on best available information

#### Annexure-2: Rating History of last three years

| Sr. No | Name of the Instrument/ Bank Facilities | Current Ratings |                                |   | Rating history                            |  |  |   |
|--------|---|-----------------|--------------------------------|---|---|--|--|---|
|        |   | Type            | Amount Outstanding (Rs. crore) | Rating                                  | Date(s) & Rating(s) assigned in 2021-2022 | Date(s) & Rating(s) assigned in 2020-2021              | Date(s) & Rating(s) assigned in 2019-2020                        | Date(s) & Rating(s) assigned in 2018-2019 |
| 1      | Fund-based - LT-Cash Credit             | LT              | 7.00                           | CARE B; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (30-Nov-20) | 1)CARE BB-; Stable (07-Nov-19)<br>2)CARE BB-; Stable (07-Nov-19) | 1)CARE BB-; Stable (03-Oct-18)            |
| 2      | Non-fund-based - ST-ILC/FLC             | ST              | 3.25                           | CARE A4; ISSUER NOT COOPERATING*        | -   | 1)CARE A4; ISSUER NOT COOPERATING* (30-Nov-20)         | 1)CARE A4 (07-Nov-19)<br>2)CARE A4 (07-Nov-19)                   | 1)CARE A4 (03-Oct-18)                     |

\*Issuer did not cooperate; based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

#### Annexure 4: Complexity level of various instruments rated for this company

| Sr. No | Name of instrument          | Complexity level |
|--------|-----------------------------|------------------|
| 1      | Fund-based - LT-Cash Credit | Simple           |
| 2      | Non-fund-based - ST-ILC/FLC | Simple           |

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

#### Disclaimer

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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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