

Chaitanya HI-Tech Engineering Company Private Limited

August 08, 2022

Ratings

Facilities/Instruments	Amount (Rs crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.20	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Total Bank Facilities	8.20 (Rs Eight Crore and Twenty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 22, 2021, placed the rating(s) of Chaitanya HI-Tech Engineering Company Private Limited (CHECPL) under the 'issuer non-cooperating' category as CHECPL 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. CHECPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 08, 2022, May 18, 2022, May 28, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'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 CHECPL have been revised on account of non-availability of requisite information. The ratings further consider decline in overall profitability as well as increase in debt levels during FY21 over FY20.

Detailed description of the key rating drivers

Please refer to PR dated [June 22, 2021](#)

Analytical approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

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

About the Company

Based out of Bengaluru, Chaitanya Hi-Tech Engineering Private Limited (CHECPL) was incorporated on April 16, 1997 by Mr. Lalith Raghav, Ms. Bhavana Ramesh Kumar, Ms. Nalinakshi K.B and Mr. H.L. Ramesh Kumar for setting up a manufacturing unit of camshafts. Over the years, the company has started production of other auto-parts apart from camshaft such as drive shaft, valve housing, plunger fitting, valve holders, armature shaft, rotor shaft, gear shaft, adjusting pin and lever shaft. The plants of the company are ISO TS 16949 certified.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	54.35	61.73	NA	NA
PBILDT	3.52	2.82	NA	NA
PAT	-0.60	-0.92	NA	NA
Overall gearing (times)	0.46	0.64	NA	NA
Interest coverage (times)	3.51	4.12	NA	NA

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

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Not Applicable

Any other information: 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-Term Loan		-	-	December 2018	1.20	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE B; Stable; 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) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	1.20	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Jun-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (30-Apr-20)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (01-Apr-19)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (22-Jun-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (30-Apr-20)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (01-Apr-19)

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure 5: Bank Lender Details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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