



Press Release

Ace Kudale Corporation Limited

July 15, 2024

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	43.95	IVR B/Negative/INC* (IVR Single B with Negative Outlook/ ISSUER NOT COOPERATING)	IVR B+/Stable (IVR Single B Plus with Stable outlook)	Downgraded and Migrated to ISSUER NOT COOPERATING Category Rating outlook revised from Stable to Negative	Simple
Short Term Bank Facilities	6.05	IVR A4/INC* (IVR A Four/ ISSUER NOT COOPERATING)	IVR A4 (IVR A Four)	Reaffirmed and Migrated to ISSUER NOT COOPERATING	Simple
Total	50.00	Rupees Fifty Crore Only			

** ISSUER NOT COOPERATING; Based on best available information*

Details of Facilities/Instrument are in Annexure 1

Facility wise lender details are at Annexure 2

Detailed explanation of covenants is at Annexure 3

Ratings

The rating has been downgraded/reaffirmed with revision in outlook to negative and migrated to 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

Detailed Rationale

The rating revision is because of lack of adequate information regarding Ace Kudale Corporation Limited (AKCL) performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The rating was due for review in May 2024. IVR took up with issuer to provide required information vide multiple E-mail communications latest by July 2, 2024, and through various telephonic calls. Despite the best efforts of IVR to get the minimum required information for a



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review, the entity has not provided the same. In the absence of adequate information from the entity, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Hence, on account of inadequate information, IVR is unable to assess the entity's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Non-cooperation by Issuer

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term rating and short-term rating for the bank loan facilities aggregating to Rs. 50.00 Crore of AKCL have been downgraded/reaffirmed with revision in outlook to negative and migrated to 'ISSUER NOT COOPERATING' category by Infomerics and the rating for the long term be noted as IVR B/Negative; ISSUER NOT CO-OPERATING and short term as IVR A4; ISSUER NOT COOPERATING; based on best available information.

Analytical Approach: For arriving at the ratings, IVR has analysed AKCL's credit profile by considering the standalone financial statements of the company.

Applicable Criteria:

[Rating Methodology for Trading Companies](#)
[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)
[Guidelines on what constitutes Non-Cooperation by clients](#)
[Criteria for Assigning Rating Outlook](#)
[Complexity level of the rated instrument/ facilities](#)
[Policy of Default recognition](#)

About the Company

Kudale Group is in the service industry in Pune since 1932. Over the years, the company has developed relationship with customers which have lasted over four generations. Authorized dealership of the Maruti Suzuki was started in 2009 in Manjari area of Pune City and in the first year the company bagged the regional award for the lowest cost of body repairs. Later in 2012, one more branch was opened in Bhosari area of Pune City.



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Financials (Standalone):

(Rs. crore)

For the year ended*/As on	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	172.26	179.15
EBIDTA	0.89	0.66
PAT	-3.01	0.21
Total Debt	55.45	57.80
Tangible Net worth	-1.13	-1.12
EBIDTA Margin (%)	0.51	0.37
PAT Margin (%)	-1.70	0.11
Overall Gearing Ratio (x)	-49.16	-51.55
Interest Coverage Ratio (x)	0.12	-0.12

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (May 25, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Fund Based	Long Term	43.95	IVR B/Negative /INC	IVR B+/Stable	-	-
2.	Fund Based	Short Term	6.05	IVR A4/INC	IVR A4	-	-

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	April 2033	8.31	IVR B/Negative/ INC
Term Loan 2	-	-	April 2026	6.86	IVR B/Negative/ INC
Term Loan 3	-	-	July 2032	2.19	IVR B/Negative/ INC



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Term Loan 4	-	-	November 2032	0.88	IVR B/Negative/INC
Term Loan – Proposed	-	-	-	19.12	IVR B/Negative/INC
Overdraft	-	-	-	6.59	IVR B/Negative/INC
Inventory Funding	-	-	-	5.80	IVR A4/INC
Trade Finance	-	-	-	0.25	IVR A4/INC

Annexure 2: Facility wise lender details. <https://www.infomerics.com/admin/prfiles/Len-ACE-Kudale-15jul24-.pdf>

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

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at <http://www.infomerics.com>.