

Rating Rationale

AMM Engineering Works

26 Sept 2019

Brickwork Ratings Revises the ratings for the Bank Loan Facilities of ₹9.97 Crores of AMM Engineering Works based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#		
	Previous	Present		Initial (Feb 2016)	Previous (June 2017)	Present
Fund based	7.97	7.97	Long Term	BWR BB- Stable	RNR	BWR B+ (BWR B Plus) Stable [Downgraded] Issuer Not Cooperating*
Non Fund Based	2.00	2.00	Short Term	BWR A4		BWR A4 Reaffirmed Issuer Not Cooperating*
Total	9.97	9.97	INR Nine Crores Ninety Seven Lakhs Only			

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

The rating of the Bank Loan Facilities of the firm have been downgraded to BWR B+ Stable/ reaffirmed to BWR A4 under ‘Issuer Not Cooperating’ category from BWR BB- Stable/ BWR A4.

BWR had initially rated Bank Loan facilities amounting Rs.9.97 Crs (Fund based & Non Fund based) on Feb, 2016 assigning rating of BWR BB- Stable/BWR A4. The rating was moved to RNR in June 2017. BWR took up with the issuer consistently to provide required information



over emails and telephonic communication. Further, as BWR is unable to reach its bankers, banker's feedback regarding the conduct of account is not available. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non- transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Particulars	Units	2014	2015
		Audited	Audited
Net Sales/Revenues	₹ Cr	22.82	26.14
EBITDA	₹ Cr	2.28	2.83
PAT	₹ Cr	0.08	0.04
Tangible Net Worth	₹ Cr	4.13	4.27
Total Debt : TNW	Times	2.36	2.34
Current Ratio	Times	1.21	1.19

COMPANY PROFILE [Based on the information available in December,2015]

AMM Engineering Works is a Partnership firm established in 2008 and its unit is located at Village Moginand, Kala Amb. In Himachal Pradesh. The firm is having two separate units at separate premises. The Unit-I is located at Nahan Road and the Unit-II is located at Trilokpur



Road. Unit I manufactures plastic moulded components ,motor and assembly of mixer grinder for Blue Star, Whirlpool, Voltas, Maharaja Industries and Usha International. Unit II manufactures tanks for water coolers and supplies them to Blue Star and V-Guard Industries. Both the units are mainly OEMs to M/s Blue Star Ltd besides supply to some other customers for plastic moulded components. Mixer Grinder are assembled as OEM to M/s Usha International Limited. There are assured orders for the products manufactured by AMM Engineering works and as the firm deals with Blue chip companies, we do not face any issue in realisation of payments.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Not available

Rating History

Instrument / Facilities	Current Rating			Rating History	
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Current Rating	2017	2016
Fund Based	Long Term	7.97	BWR B (BWR B) Stable [Downgraded] Issuer Not Cooperating*	RNR	BWR BB- Stable
Non Fund Based	Short Term	2.00	BWR A4 Reaffirmed Issuer Not Cooperating		BWR A4
Total		9.97	INR Nine Crores Ninety Seven Lakhs Only		

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

Analytical Contacts	Investor and Media Relations
<p>Chaitanya Tambe Primary Analyst +91 22 2831 1426/6745 6666 Ext:616 chaitanya.t@brickworkratings.com</p> <p>V K Kukreja Associate Director - Ratings B :+91 11 2341 2232 kukreja.vk@brickworkratings.com</p>	<p>M : +91 7738875550 B : +91 22 6745 6666 investordesk@brickworkratings.com</p>

ANNEXURE I AMM Engineering Works Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	State Bank of India, Kala Amb, HP	CC TL LC	6.75 1.22	- - 2.00	6.75 1.22 2.00
TOTAL					9.97

INR Nine Crores Ninety Seven Lakhs Only



For print and digital media

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