

RATING RATIONALE

23 February 2021

Auto Tech Engineers

Brickwork Ratings Downgrades the ratings for the long term Bank Loan Facilities aggregating Rs. 6.48 Crs. of Auto Tech Engineers (“ATE” or the “firm”) based on best available information, as the issuer did not cooperate. Accordingly the ratings for the said instrument are as under

Facilities*	Amount (Rs.Crs)		Tenure	Rating#	
	Previous	Present		Previous^ 10 Feb 2020	Present
Fund Based: Cash Credit Term Loan	3.00 3.48	3.00 3.48	Long Term	BWR B+ Stable Assigned	BWR B- Stable Downgraded Issuer Not Cooperating**
Total	6.48	6.48	INR Six Crores and Forty-Eight Lakhs Only		

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

* Details of Bank facilities are provided in Annexure-I

^ Ratings migrated to RNR category on 11 Feb 2021.

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

RATING ACTION: Downgrade

Brickwork Ratings has **downgraded** the rating of the long term bank loan facilities of Auto Tech Engineers aggregating Rs. 6.48 crores to **BWR B-, Stable**, along with simultaneous **migration** of the ratings to “**Issuer not Cooperating**” category, based on best available information as the issuer did not cooperate.

NATURE OF NON-COOPERATION

The rating of the bank loan facilities of the firm was due for review in February 2021. BWR took up with the firm and its banker over emails and through telephone calls, to provide the required information. Despite the best efforts of BWR, the firm did not provide the documents required for review of the ratings, nor did they furnish a formal request for withholding the ratings although the same was telephonically conveyed to BWR. The firm is also not regular in submitting the monthly “Non Default Statements”(NDS).The bankers too have not provided any feedback on the issuer.

Due to lack of cooperation from the firm’s management either to provide adequate information about its current performance, or to confirm their request to keep the rating exercise on hold, BWR is neither able to assess the firm’s financial performance and review the rating, nor is it able to issue any press release about the delay in the rating exercise. Accordingly, the rating is placed under “Issuer Not Cooperating” category. The rating Downgrade is based on the lack of up to date feedback on their operations - either from the firm itself, or from its lenders.

LIMITATIONS OF THE RATING

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

KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR as on February 2020]:

Key Financial Indicators	Units	FY 2019	FY 2018
Result Type		Audited	Audited
Net Sales/Revenues	₹ Cr	19.75	16.01
EBITDA	₹ Cr	1.47	1.25
PAT	₹ Cr	0.27	0.24
Tangible Net Worth	₹ Cr	1.51	1.34
Total Debt/Tangible Net Worth	Times	3.41	2.99
Current Ratio	Times	1.21	1.17

FIRM'S PROFILE (Information as available in February 2020)

Auto Tech Engineers(ATE) formed in 1985 as a proprietorship firm by Mr. Jagpal Singh in Faridabad, Haryana. ATE is engaged in manufacturing components of automobile, agriculture and earth moving equipment such as piston, fabrication parts, magnetic clutch parts, stator housing, rotor and idler pulley, two-wheeler clutch components, etc. ATE has 2 manufacturing hubs, unit 1 at NIT, Faridabad with a built-up area of 800 sq. ft. and operational since 1988, unit 2 at Industrial Area, NIT, Faridabad with a built-up area of 4400 sq. ft, operational since 2013. The proprietor of the firm is Mr. Jagpal Singh.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

S.No	Name of Instrument	Current Rating- February 2021			Chronology of Rating History for the past 3 years along with outlook/watch, if applicable								
		Type(Long term / Short Term)	Amount Outstanding (Rs. in Crs.)	Rating	Date(s) & rating(s) assigned in year 2020^	Date(s) & rating(s) assigned in year 2019	Date(s) & rating(s) assigned in year 2018						
1	Bank Loan Facility	Long Term	6.48	BWR B-Stable, Downgraded Issuer Not Cooperating*	10 Feb 2020 <table border="1" data-bbox="863 680 1175 863"> <tr> <td>FB</td> <td>6.48</td> <td>BWR B+ Stable, Assigned</td> </tr> <tr> <td>Total</td> <td>6.48</td> <td></td> </tr> </table>	FB	6.48	BWR B+ Stable, Assigned	Total	6.48		----	-----
FB	6.48	BWR B+ Stable, Assigned											
Total	6.48												
Total			6.48	INR Six Crores and Forty-Eight Lakhs Only									

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

^Migrated to Rating not Reviewed on 10 February 2021.

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](#)

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ANNEXURE I

**Auto Tech Engineers
Details of Bank Loan Facilities rated by BWR**

Sl.No.	Type of Facilities	Long Term [Rs. Crs]	Short Term [Rs. Crs]	Total [Rs. Crs]
1	Cash Credit	3.00	-	3.00
2	Term Loan	3.48	-	3.48
TOTAL INR Six Crores and Forty-Eight Lakhs Only				6.48

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