

RATING RATIONALE

UM Autocomp Private Limited

Brickwork Ratings has reviewed the ratings for the Non-Convertible Debentures of Rs 334.34 Crs. of UM Autocomp Private Limited based on best available information, as the issuer did not cooperate.

Particulars :

Instrument**	Previous Amount (Rs in Crs)	Present Amount (Rs in Crs)	Tenure	Previous Rating (27 July 2020)	Present Rating#
NCD/Bonds	334.34	334.34	Long Term	BWR D ISSUER NOT COOPERATING*	BWR D ISSUER NOT COOPERATING* (Reaffirmation)
Total	334.34	334.34	Rupees Three Hundred Thirty Four Crores and Thirty Four 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 NCD is provided in Annexure-I

RATING ACTION NATURE OF NON-COOPERATION

The rating is due for review on 27th July 2021 and BWR took up with the issuer to provide required information vide emails dated 19 July 2021 , 21 July 2021 . Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Company, BWR is unable to assess the company's performance, its ability to service its debt and maintain a valid rating. In view of Issuer Non Cooperation, BWR has reaffirmed the rating to BWR D , ISSUER NOT COOPERATING.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk and non-cooperation by the issuer 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 (as available with BWR in July 2019)

Key Parameters	Units	2018	2019
Result Type		Audited	Provisional
Operating Revenue	Rs Crs	493.92	550.71
EBITDA	Rs Crs	70.65	71.98
PAT	Rs Crs	-56.44	-9.47
Tangible Net worth	Rs Crs	-338.88	-333.84
Total Debt/Tangible Net worth	Times	-1.29	-1.22
Current Ratio	Times	0.73	0.77

About the Company (as available with BWR in July 2019)

UM Autocomp Private Ltd is engaged in the business of manufacturing and sale of automobile accessories i.e Headlamps, Tail lamps , Plastic Moulded Components, Air Cleaner, Sheet Metal Components, besides other components at three locations: Bhagwanpur in Uttarakhand and Saharanpur in U.P. and Manesar in Haryana. The Company was promoted with an objective of taking over the auto component business division of Unitech Machines Limited which has Industrial experience of more than 30 years and serving customers like Hero MotoCorp Limited, Maruti Suzuki, etc.

Unitech Machines Ltd had two divisions auto and Engineering division . Both the Businesses had different business cycles, risks, and opportunities. The Engineering Business was consistently under financial stress due to the Macro Economic conditions prevailing in last 4-5 years. This resulted in the Auto Business also coming under a lot of pressure. As no new investor was willing to invest into a Company which undertook radically different businesses, the company bifurcated the businesses so as to command better values for each business. Hence w.e.f. 1st March 2017 UM Autocomp Private Ltd (which was incorporated on 22 nd Aug 2016) acquired the auto business of Unitech Machines Ltd . This transaction was concluded through the process of slump sale .

Terms of the NCD Issue:

UM Autocomp Private Limited has raised NCD amounting to Rs. 411.80 Crores with a tenor of 78 months.

Coupon- 10 % p.a payable monthly on 30th or last day of month whichever is earlier for the first one year and six months , 12 % p.a thereafter

Purpose - The NCD shall be used for repayment of existing outstanding liabilities towards banks /Financial institutions.

Repayment Details :-

Repayment structure	Percentage
Moratorium Period of 18 months from the date of allotment i.e 30/08.2017	0 %
Last Day of Every month starting from 19th to 30th month	10 %
Last Day of Every month starting from 31st to 42nd month	15 %
Last Day of Every month starting from 43rd to 54th month	20 %
Last Day of Every month starting from 55th to 66th month	25 %
Last Day of Every month starting from 67th to 78th month	30 %

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - Not Applicable

Rating History for the last three years (including withdrawn/suspended ratings)

No	Instrument	Current Rating (Year-2021)					
		Type	Amount (Rs Crs)	Rating	27 July 2020	30 July 2019	2018
1.	NCD	Long Term	334.34	BWR D (ISSUER NOT COOPERATING) (Reaffirmation)	BWR D (ISSUER NOT COOPERATING) (Reaffirmation)	BWR D	-
Total			334.34	Rupees Three Hundred Thirty four Crores and Thirty Lakhs Only			

COMPLEXITY LEVELS OF THE INSTRUMENTS- Simple

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](#)
- [Default recognition and curing period](#)



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UM Autocomp Private Limited

ANNEXURE I

INSTRUMENT (NCD)

Instrument	Issue Date	Amount in Rs Crs	Coupon Rate	Maturity Date	ISIN Particulars
NCD	20/08//2017	334.34	10 % for one year and six months , 12 % thereafter	29/02/2024	INE117Y07011
Total		334.34	Rupees Three Hundred Thirty Four Crores and Thirty Four lakhs Only		



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