

Press Release

Mitech Bus Door Systems Private Limited

April 19, 2023



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.91	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	0.09	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	11.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE Double B plus**) and reaffirmed its short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 11.00 Crore bank facilities of Mitech Bus Door Systems Private Limited (MBDSPL).

The rating is now an indicative rating as the issuer is not cooperating, and it is based on best available information. The rating has been downgraded on account of information risk.

About the Company

Mitech Bus Door Systems Private Limited (MBPL) Incorporated in 2010 and based in Chennai (Tamilnadu). MBPL is currently managed by its Directors, Mr. Raghupathi Suklam, Mr. Vellator Shanmugham, Mrs. Ganeswaran Kalaivani, Mr. Subhadra Prakash Pradeep Kumar and Ms. Jayanthi who have more than two decades of experience in the auto ancillary industry MBPL is engaged in the manufacture of bus doors and systems such as jack & knife door, inswing door, outswing door, driver door, emergency door, and luggage panel doors, among others. MBPL has its manufacturing facility located at Chennai (Tamil Nadu).

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

None

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook: Not applicable

Other factors affecting rating

Not Applicable

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	25.76	10.77
PAT	Rs. Cr.	(3.65)	0.02
PAT Margin	(%)	(14.15)	0.22
Total Debt/Tangible Net Worth	Times	2.70	1.29
PBDIT/Interest	Times	(1.30)	1.37

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Complexity Level Of Financial Instruments: <https://www.acuite.in/view-rating-criteria-55.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Jan 2022	Bank Guarantee	Short Term	0.09	ACUITE A4+ (Downgraded from ACUITE A3)
	Proposed Bank Facility	Long Term	0.78	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	2.87	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	3.26	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	4.00	ACUITE BB+ Stable (Downgraded from ACUITE BBB- Stable)
27 Oct 2020	Term Loan	Long Term	2.87	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Bank Guarantee	Short Term	0.09	ACUITE A3 (Upgraded from ACUITE A4+)
	Term Loan	Long Term	3.26	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Proposed Bank Facility	Long Term	1.28	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	3.50	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
08 Jun 2020	Term Loan	Long Term	3.40	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	4.01	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	0.09	ACUITE A4+ (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indian Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	0.09	ACUITE A4+ Reaffirmed Issuer not co-operating*
Indian Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.00	ACUITE BB Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	0.78	ACUITE BB Downgraded Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	3.26	ACUITE BB Downgraded Issuer not co-operating*
Indian Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.87	ACUITE BB Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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