

Press Release

Sanauto Engineers India Private Limited

January 09, 2019

Rating Withdrawn



Total Instruments Rated*	Rs. 12.25 Cr.
Long Term Rating	ACUITE BB+/Stable (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs. 12.25 crore bank facilities of Sanauto Engineers India Private Limited (SEIPL). The rating withdrawal is in accordance with the Acuite's 'policy on withdrawal of rating'.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Established in 1988, SEIPL is into manufacturing and exporting of Engineering parts such as gears and spline parts. SEIPL is also engaged in machining and gear cutting of aerospace gears. The company had three manufacturing facilities in Faridabad (Haryana) with total installed capacity of 7,00,000 parts per annum. The company majorly serves Aerospace and Oil and Gas Industries. The company is undertaking capacity expansion by 3, 00,000 parts per annum, taking the total installed capacity to 10, 00,000 parts per annum.

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of SEIPL to arrive at the rating.

About the Rated Entity Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	24.39	25.25	33.80
EBITDA	Rs. Cr.	4.71	4.44	5.45
PAT	Rs. Cr.	0.72	0.62	1.22
EBITDA Margin	(%)	19.32	17.58	16.11
PAT Margin	(%)	2.96	2.47	3.62
ROCE	(%)	8.73	9.45	32.19
Total Debt/Tangible Net Worth	Times	1.43	1.08	1.94
PBDIT/Interest	Times	3.88	4.38	3.68
Total Debt/PBDIT	Times	3.60	2.56	2.37
Gross Current Assets (Days)	Days	215	149	140

Status of non-cooperation with previous CRA (if applicable):

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Manufacturing entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition:<https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument /Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
24-Nov-2017	Packing Credit	Long Term	1.80	ACUITE BB+ /Stable (Assigned)
	Cash Credit	Long Term	0.70	ACUITE BB+ /Stable (Assigned)
	Term Loan I	Long Term	3.00	ACUITE BB+ /Stable (Assigned)
	Term Loan II	Long Term	3.50^	ACUITE BB+ /Stable (Assigned)
	Proposed Short Term Loan	Short Term	3.25	ACUITE A4+ (Assigned)

^Includes sublimit of Rs.2.50 crore of Letter of Credit

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Packing Credit	Not Applicable	Not Applicable	Not Applicable	1.80	ACUITE BB+ /Stable (Withdrawn)
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.70	ACUITE BB+ /Stable (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB+ /Stable (Withdrawn)
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE BB+ /Stable (Withdrawn)
Proposed Short Term Loan	Not Applicable	Not Applicable	Not Applicable	3.25	ACUITE A4+ (Withdrawn)

Contacts

Analytical	Rating Desk
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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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