Press Release

General Auto Electric Corporation

April 26, 2022

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	4.00	-	ACUITE A4+ | Downgraded | Issuer not co-operating*
Bank Loan Ratings	5.00	ACUITE BB+ | Downgraded | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	9.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long term rating to **'ACUITE BB+' (read as ACUITE double B plus)** from **'ACUITE BBB+' (read as ACUITE triple B plus)** and short term rating to **ACUITE A4+ (read as ACUITE A Four plus)** from **'ACUITE A2' (read as ACUITE A two)** on the Rs.9.0 crore bank facilities of General Auto Electric Corporation. The rating is now indicative and is based on the best available information. The rating downgrade is on account of information risk.

About the Company

Mumbai based, General Auto Electric Corporation (GAEC) was established in 1959 as a partnership firm by Mr. Ramesh Gandhi and Mr. Gopal Gandhi and now the operations are managed by Hetal R. Gandhi (Partner) and Nehal G. Gandhi (Partner) having over three decades of experience in the electronic components industry. The firm is engaged in the manufacturing of Railway Products and Industrial Products for the Indian Railways and also providing after sales services for the products of Siemens, being its channel partner.

Non-cooperation by the issuer/borrower

Acuité 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.
Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with 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 Acuité'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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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
None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	80.54	82.54
PAT	Rs. Cr.	6.94	8.96
PAT Margin	(%)	8.62	10.86
Total Debt/Tangible Net Worth	Times	0.63	0.28
PBDIT/Interest	Times	7.35	10.05

Status of non-cooperation with previous CRA
Not Applicable

Any other information
Not Applicable

Applicable Criteria
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm
• Default Recognition: https://www.acuite.in/view-rating-criteria-52.htm

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Feb 2021	Cash Credit	Long Term	5.00	ACUITE BBB+ | Stable (Upgraded from ACUITE BB+)
	Bank Guarantee	Short Term	4.00	ACUITE A2 (Upgraded from ACUITE A4+)
16 Oct 2020	Cash Credit	Long Term	5.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	4.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
24 Jul 2019	Cash Credit	Long Term	5.00	ACUITE BBB | Stable (Upgraded from ACUITE BB+ | Stable)
	Bank Guarantee	Short Term	4.00	ACUITE A3+ (Upgraded from ACUITE A4+)
15 May 2018	Cash Credit	Long Term	5.00	ACUITE BB+ | Stable (Assigned)
	Bank Guarantee	Short term	4.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4+ | Downgraded | Issuer not co-operating*
Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	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.