

December 26, 2022

## Allweld Engineers Pvt Ltd: Ratings Withdrawn

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term - Fund-Based- Cash Credit	7.50	7.50	[ICRA]B (Stable); Withdrawn
Long-Term - Fund-Based- Term Loan	0.50	0.50	[ICRA]B (Stable); Withdrawn
Non-fund Based – Bank Guarantee	2.00	2.00	[ICRA]A4; Withdrawn
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Allweld Engineers Pvt Ltd** based on the No Objection Certificate from the Banker and in accordance with ICRA's policy on withdrawal. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, and the related instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click Here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">ICRA Policy on Withdrawal of Credit Ratings</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

### About the company

AEPL, incorporated as private limited company from partnership concern in 1995, manufactures precision components such as hydraulic shock absorber, advanced feed coupling, castor wheel, hydro pneumatic suspension unit, etc, for the defence segment. The company gets the product designs and specifications from its customers and primarily does the machining and assembly work. The ancillary work such as casting, forging, heat treatment, etc, are outsourced to third parties. Its customers include defence entities such as Ordnance Factory Medak (OFMK), Machine Tool Prototype Factory (MTPF) and Bharat Electronics Ltd (BEL), etc. The facility is at Peenya, Bengaluru, with a team of around 70 employees. The Make in India programme has enabled it to indigenize 15 products and more products are in the process.

## Key Financial Indicator

AEPL – Standalone	FY2020	FY2021	FY2022 (Provisional)
Operating income (Rs. crore)	7.7	7.8	8.3
PAT (Rs. crore)	0.3	0.3	0.4
OPBDIT/OI (%)	20.1%	19.4%	17.0%
PAT/OI (%)	3.6%	4.4%	4.4%
Total outside liabilities/Tangible net worth (times)	3.4	3.1	3.5
Total debt/OPBDIT (times)	5.2	5.6	7.2
Interest coverage (times)	1.6	1.6	1.8

*PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortization*

**Status of non-cooperation with previous CRA: NA**

**Any other information: None**

**Rating history for past three years**

S.NO	Instrument	Current Rating (FY2023)					Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding	Date & Rating in		Date & Rating in 2022	Date & Rating in 2021	Date & Rating in 2020
					Dec 26 2022	Aug 16 2022			
1	Cash Credit	Long -term	7.5	-	[ICRA]B (Stable); Withdrawn	[ICRA]B (Stable);	[ICRA]B (Stable)	-	[ICRA]B (Stable)
2	Term Loan	Long -term	0.5	-	[ICRA]B (Stable); Withdrawn	[ICRA]B (Stable);	[ICRA]B (Stable)	-	[ICRA]B (Stable)
3	Bank Guarantee	Short-term	2.0	-	[ICRA]A4; Withdrawn	[ICRA]A4;	[ICRA]A4	-	[ICRA]A4

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	7.50	[ICRA]B (Stable); Withdrawn
NA	Term Loan	June 2020	7.50%	June 2024	0.50	[ICRA]B (Stable); Withdrawn
NA	Bank Guarantee	NA	NA	NA	2.00	[ICRA]A4; Withdrawn

Source: Company

### Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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