

February 15, 2024

Ace Manufacturing Systems Ltd.: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Overdraft	23.75	23.75	[ICRA]AA-; rating watch with developing implications; withdrawn
Short term – PCFC	10.00	10.00	[ICRA]A1+; rating watch with developing implications; withdrawn
Short term – Non-fund based	53.00	53.00	[ICRA]A1+; rating watch with developing implications; withdrawn
Total	86.75	86.75	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Ace Manufacturing Systems Limited (AMSL; an associate company of Ace Designers Limited) following the completion of the amalgamation process with Ace Designers Limited, in accordance with ICRA's policy on withdrawal of ratings.

The key rating drivers, liquidity position, key financial indicators and rating sensitivities have not been captured as the rated instruments are being withdrawn.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	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of AMSL

About the company

AMSL was incorporated on March 7, 1994 by Mr. P. Ramadas along with the promoters of Ace Designers Limited – Mr. A.V Sathe, Mr. B. Machado & Mr. S. G Shirgurkar - to manufacture machining centres. The company is a part of the Ace Micromatic Group, which is the largest machine tools group in India. The Group manufactures CNC lathes, milling & grinding machines and other key components used in the machine tools industry. AMSL's manufacturing plant is in the Peenya industrial area of Bengaluru with an installed capacity to manufacture ~3,500 machines annually.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years					
		Amount rated (Rs. crore)	Amount Outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
				Feb 15, 2024	Jul 07, 2023	Feb 14, 2023	May 06, 2022	-	Mar 19, 2021
1 Overdraft	Long term	23.75	-	[ICRA]AA-; rating watch with developing implications; withdrawn	[ICRA]AA-; rating watch with developing implications	[ICRA]AA-; rating watch with developing implications	[ICRA]AA- (Stable)	-	[ICRA]AA- (Stable)
2 Fund-based limits	Short term	10.00	-	[ICRA]A1+; rating watch with developing implications; withdrawn	[ICRA]A1+; rating watch with developing implications	[ICRA]A1+; rating watch with developing implications	[ICRA]A1+	-	-
3 Term loan	Long term	0.00	-	-	-	-	-	-	[ICRA]AA- (Stable)
4 Non-fund based limits	Short term	53.00	-	[ICRA]A1+; rating watch with developing implications; withdrawn	[ICRA]A1+; rating watch with developing implications	[ICRA]A1+; rating watch with developing implications	[ICRA]A1+	-	[ICRA]A1+
5 Unallocated limits	Long term/ Short term	0.00	-	-	-	-	-	-	[ICRA]AA- (Stable)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Overdraft	Simple
Short term – PCFC	Simple
Short term – Non-fund based	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, are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long term – Overdraft	NA	NA	NA	23.75	[ICRA]AA-; rating watch with developing implications; withdrawn
NA	Short term – PCFC	NA	NA	NA	10.00	[ICRA]A1+; rating watch with developing implications; withdrawn
NA	Short term – Non-fund based	NA	NA	NA	53.00	[ICRA]A1+; rating watch with developing implications; withdrawn

Source: Company

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

ANALYST CONTACTS

Girishkumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Vikram V

+91 40 6939 6410

vikram.v@icraindia.com

Sanket Thakkar

+91 79 4027 1528

sanket.thakkar@icraindia.com

Rishi S Tekchandani

+91 79 4027 1519

rishi.tekchandani@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



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