

Press Release

Zenith Engineering Corporation

April 15, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.20	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	6.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	11.20	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE B+ (read as ACUITE B Plus)**' from '**ACUITE BB- (read as ACUITE double B minus)**' and the short-term rating to '**ACUITE A4 (read as ACUITE A four)**' from '**ACUITE A4+ (read as ACUITE A four plus)**' on the Rs.11.20 crore bank facilities of Zenith Engineering Corporation (ZEN). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Zenith Engineering Corporation (ZEC) is a closely held partnership firm led by Mr. Manish Gyani, Mr. Rakesh Zaveri and Mr. Vikas Chavda and family. The firm, established in 2005 is engaged in the manufacturing of LT electrical control panels and bus ducts at Vasai Road near Mumbai. Production commenced in 2006.

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.

This rating continues to be 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). 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Rating Sensitivity

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

Material Covenants

Not Applicable

Liquidity Indicators

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

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-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Jan 2021	Cash Credit	Long Term	5.20	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
25 Oct 2019	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	5.20	ACUITE BB (Issuer not co-operating*)
01 Aug 2018	Cash Credit	Long Term	5.20	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Issuer not co-operating*)
14 Jun 2017	Cash Credit	Long Term	5.20	ACUITE BB Stable (Reaffirmed)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Reaffirmed)
12 Feb 2016	Cash Credit	Long Term	5.20	ACUITE BB Stable (Assigned)
	Bank Guarantee	Short Term	6.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4 Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.20	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Shreyansh Singh Management Trainee-Rating Operations Tel: 022-49294065 shreyansh.singh@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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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