

Press Release

Electronica Tungsten Limited

January 17, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 37.70 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has downgraded the long term rating of Electronica Tungsten Limited (ETL) to '**ACUITE BB+**' (**read as ACUITE double B plus**) from '**ACUITE BBB-**' (**read as ACUITE triple B minus**). The short term rating has been downgraded to '**ACUITE A4+**' (**read as ACUITE A four plus**) from '**ACUITE A3**' (**ACUITE A three**). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Electronica Tungsten Limited (ETL), formerly known as Electronica Tough Carb Limited (Incorporated in 2007), has been amalgamated with SRP Tungsten Private Limited. The appointment date approved by Mumbai High Court for the amalgamation scheme was April 01, 2015 and the effective date was September 26, 2016. ETL was incorporated in 1988 at Nashik as a part of SRP Electronica Group. The group was established in 1972 and have various companies under the group namely Electronica Finance, Electronica Hitech Machine Tools Private Limited, Electronica Hi-tech Engineering Private Limited, Electronica Tough Carb Limited and SRP tungsten Private Limited. ETL is engaged in the manufacturing of tungsten carbide products for metal cutting, metal forming and mining applications and is into processing of tungsten carbide products from the powder stage.

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 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.

Applicable Criteria

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

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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité 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.

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
22-Aug-2019	Cash Credit	Long Term	10.00	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	0.70	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.21	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.91	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.14	ACUITE BBB- (Indicative)
	Term Loan	Long Term	1.89	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.57	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.30	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.71	ACUITE BBB- (Indicative)
	Working Capital Demand Loan	Long Term	0.58	ACUITE BBB- (Indicative)
	Bank Guarantee	Short Term	0.19	ACUITE A3 (Indicative)
	Proposed Long Term Loan	Long Term	3.00	ACUITE BBB- (Indicative)
	Proposed Working Capital Demand Loan	Long Term	2.50	ACUITE BBB- (Indicative)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Indicative)
01-June-2018	Proposed Bank Guarantee	Short Term	5.00	ACUITE A3 (Indicative)
	Proposed Letter of Credit	Short Term	6.00	ACUITE A3 (Indicative)
	Cash Credit	Long Term	10.00	ACUITE BBB- (Indicative)
	Cash Credit	Long Term	0.70	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.21	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.91	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.14	ACUITE BBB- (Indicative)
	Term Loan	Long Term	1.89	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.57	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.30	ACUITE BBB- (Indicative)
	Term Loan	Long Term	0.71	ACUITE BBB- (Indicative)

20-Mar-2017	Proposed Long Term Loan	Long Term	3.00	ACUITE BBB- (Indicative)
	Proposed Working Capital Demand Loan	Long Term	2.50	ACUITE BBB- (Indicative)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Indicative)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A3 (Indicative)
	Proposed Letter of Credit	Short Term	6.00	ACUITE A3 (Indicative)
	Cash Credit	Long Term	10.00	ACUITE BBB-/ Stable (Assigned)
	Cash Credit	Long Term	0.70	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.21	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.91	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.14	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	1.89	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.57	ACUITE BBB-/ Stable (Assigned)
	Working Capital Demand Loan	Long Term	0.58	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.30	ACUITE BBB-/ Stable (Assigned)
	Term Loan	Long Term	0.71	ACUITE BBB-/ Stable (Assigned)
	Bank Guarantee	Short Term	0.19	ACUITE A3 (Assigned)
	Proposed Long Term Loan	Long Term	3.00	ACUITE BBB-/ Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	2.50	ACUITE BBB-/ Stable (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A3 (Assigned)
	Proposed Bank Guarantee	Short Term	5.00	ACUITE A3 (Assigned)
	Proposed Letter of Credit	Short Term	6.00	ACUITE A3 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.70	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.21	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.91	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.14	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.89	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.57	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.71	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	0.58	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	0.19	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Proposed Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE BB+ (Downgraded from ACUITE BBB-) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*
Proposed Letter of Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4+ (Downgraded from ACUITE A3) Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in
Priyal Jain Analyst - Rating Operations Tel: 022-49294043 priyal.jain@acuite.in	

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.