

Press Release
Mechatronics Systems Private Limited

November 23, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.50	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	45.50	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) and the short term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.75.00 crore bank facilities of MECHATRONICS SYSTEMS PRIVATE LIMITED (MSPL).

The rating is downgraded is on account of information risk required for review of ratings. The rating continues to be an indicative rating and is based on the best available information. The downgrade is on the basis of publicly available information that the company has reported about the ongoing delays in their repayments

About the Company

MSPL is a Pune based integrated water resource management company engaged in providing automation and real time data solutions in areas such as real time hydro meteorological information systems, flood forecasting and flood management systems with dam automation, smart city water supply management among others. MSPL provides solution for water resources, dams, canals, and water-supply projects and primarily deals with government agencies and urban local bodies. MSPL was formed in 1991 as a partnership concern with the name 'Mechatronics'. The firm was reconstituted as private limited company in 1996 and its name was changed to Mechatronics Systems Private Limited (MSPL). MSPL is promoted by Mr. Ashok Karva.

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. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an 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 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). 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.

Rating Sensitivity

"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

Status of non-cooperation with previous CRA

CARE, vide its press release dated September 30, 2021 had denoted the rating of MECHATRONICS SYSTEMS PRIVATE LIMITED as 'CARE BB/Stable/A4; ISSUER NOT COOPERATING'.

Any other information

Acuité 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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Feb 2022	Proposed Bank Guarantee	Short Term	29.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	13.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	15.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	9.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
22 Jan 2020	Secured Overdraft	Long Term	13.00	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Long Term	9.50	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	7.00	ACUITE BBB- Stable (Reaffirmed)
	Proposed Bank Guarantee	Short Term	29.50	ACUITE A3 (Reaffirmed)
28 May 2019	Proposed Cash Credit	Long Term	10.00	ACUITE BBB- (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	32.50	ACUITE A3 (Issuer not co-operating*)
	Secured Overdraft	Long Term	9.50	ACUITE BBB- (Issuer not co-operating*)
	Letter of Credit	Short Term	15.00	ACUITE A3 (Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BBB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	1.00	ACUITE A3 (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
The Akola Urban Co Operative Bank Ltd	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE D Downgraded Issuer not co-operating*
The Akola Urban Co Operative Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	7.00	ACUITE D Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	ACUITE D Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	29.50	ACUITE D Downgraded Issuer not co-operating*
Punjab National Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	9.50	ACUITE D Downgraded Issuer not co-operating*
The Yavatmal Urban Co-operative Bank Ltd.	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	13.00	ACUITE D Downgraded Issuer not co-operating*

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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.

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