

Press Release

P M Electro Auto Private Limited

March 08, 2023



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.06	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	81.80	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	111.86	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB+ (read as ACUITE double B plus)**' from **ACUITE BBB (Read as ACUITE Triple B)** and the short term rating to **ACUITE A4+ (Read as ACUITE A four plus)** from **ACUITE A3+ (Read as ACUITE A Three plus)** on the Rs.111.86 crore bank facilities of **P M ELECTRO AUTO PRIVATE LIMITED (PMPL)**. This rating is now flagged as issuer not cooperating and is based on best available information. The rating has been downgraded on account of information risk

About the Company

Mumbai Based, P M Electro Auto Private Limited (PMEAPL) was incorporated in 1991 by Mr. Sameer Sanghavi, Mr. Kapil Sanghavi, Mr. Vishal Sanghavi, and Mr. Sandeep Sanghavi. The company is engaged in the manufacturing of steel-based products. These products are steel furniture, lighting systems, solar mountings, telecommunication equipments, and assemblies for automobiles, among others. The company has 10 manufacturing facilities, located at Nashik, Palghar, Thane, and Pune.

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). 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.

Rating Sensitivities

"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

Other Factors affecting Rating

None

Key Financials:

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

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
10 Dec	Term Loan	Long Term	8.10	ACUITE BBB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	21.96	ACUITE BBB Stable (Reaffirmed)

2021	Letter of Credit	Short Term	75.80	ACUITE A3+ (Reaffirmed)
	Bank Guarantee	Short Term	6.00	ACUITE A3+ (Reaffirmed)
17 Sep 2020	Proposed Bank Facility	Short Term	6.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Cash Credit	Long Term	34.00	ACUITE BBB (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	12.70	ACUITE BBB (Upgraded from ACUITE BBB- Stable)
	Proposed Bank Facility	Long Term	6.86	ACUITE BBB (Upgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	41.80	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee	Short Term	10.00	ACUITE A3+ (Upgraded from ACUITE A3)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	6.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Bank of Baroda	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	75.80	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	21.96	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Bank of Baroda	Not Applicable	Term Loan	01 Jul 2019	9.40	30 Jun 2024	Simple	8.10	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)

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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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