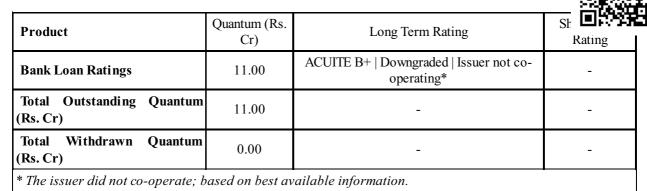


Press Release

CERIUM SYSTEMS PRIVATE LIMITED October 22, 2024

Rating Downgraded and Issuer not co-operating



Rating Rationale

Acuité has downgraded the long-term rating to 'ACUITE B+' (read as ACUITE B plus) from 'ACUITE BB-' (read as ACUITE double B minus) on the Rs. 11.00 crore bank facilities of Cerium Systems Private Limited (CSPL) on account of information risk. The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

The Bangalore based, Cerium Systems Private Limited was incorporated in 2013 by Mr. Bandaru Venkaiah Naidu, Mr. Jaya Kumar Gorla, Mr. Sudhakar Palisetti and Mr. Johnson Henry Geddam. The commercial operations commenced from December, 2013. The company is engaged in designing and verification of semi-conductor chip and software development. It caters to clients in cities like Bangalore, Hyderabad and Kochi, among others.

Unsupported Rating

Not Applicable

quality.

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 the 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

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité'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 ratingis based.

Rating Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	292.60	407.60
PAT	Rs. Cr.	43.90	65.90
PAT Margin	(%)	15.00	16.17
Total Debt/Tangible Net Worth	Times	0.00	0.00
PBDIT/Interest	Times	17.30	21.43

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Service Sector: https://www.acuite.in/view-rating-criteria-50.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		
25 Jul 2023	Cash Credit	Long Term	9.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*		
	Term Loan	Long Term	1.50	ACUITE BB- (Reaffirmed & Issuer not co-operating)		
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BB- (Reaffirmed & Issuer not co-operating*)		
27 Apr 2022	Cash Credit	Long Term	9.00	ACUITE BB- (Downgraded & Issuer not co-operating from ACUITE BB)		
	Term Loan	Long Term	1.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)		
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB)		
25 Jan 2021	Cash Credit	Long Term	9.00	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)		
	Proposed Long Term Bank Facility	Long Term	0.50	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)		
	Term Loan	Long Term	1.50	ACUITE BB (Downgraded & Issuer not co-operating* from ACUITE BB+)		

^{*} The issuer did not co-operate; based on best available information.

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	_		Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Not Applicable		Proposed Long Term Bank Facility	Not avl. / Not appl.		Not avl. / Not appl.	0.50	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	I / NOT	Not avl. / Not appl.	1.50	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

^{*} The issuer did not co-operate; based on best available information.

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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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