



**Press Release**  
**The Indian Electric Company**  
**September 26, 2023**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.50	ACUITE BB-   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	2.50	-	ACUITE A4   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	23.00	-	-

**Rating Rationale**

Acuite has downgraded its long term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**)' From **Acuite BB (Read as Acuite Double B)** & short term rating to **ACUITE A4** '(read as **ACUITE A four**)' from **Acuite A4+ (Read as Acuite A Four Plus)** on the Rs 23.00 crore bank facilities of The Indian Electric Company. This rating is now an indicative rating and is based on best available information and downgraded on account of information risk .

**About the Company**

Constituted in 1976, IEC is a Pune based partnership firm primarily engaged in trading of threephase electric motors. Mr. Jagannath Ghodke, Mr. Uday Ghodke, Mrs. Suvarna Ghodke, Mr. Gaurav Ghodke and Mr. Mayur Ghodke are partners of the Firm. IEC is an authorized dealer for electric motors of Siemens India Limited, Bharat Bijlee, Crompton Greaves and for geared motors of Nord Drive Systems Private Limited. It also has authorized dealership of the industrial product segment of Havells India Limited. IEC has a spare parts division and service division providing rewinding services and other maintenance services for electric motors and alternators.

**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 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 endeavoured 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."

**All Covenants**

Not Applicable

**Liquidity Position**

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

**Outlook**

Not Applicable

**Other Factors affecting Rating**

Not Applicable

## Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	76.68	42.67
PAT	Rs. Cr.	0.61	0.21
PAT Margin	(%)	0.79	0.49
Total Debt/Tangible Net Worth	Times	1.39	1.41
PBDIT/Interest	Times	1.50	1.29

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

Not Applicable

### 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>
- Trading Entitie: <https://www.acuite.in/view-rating-criteria-61.htm>

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite 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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Jul 2022	Working Capital Term Loan	Long Term	2.75	ACUITE BB   Stable (Reaffirmed)
	Proposed Term Loan	Long Term	2.25	ACUITE BB   Stable (Reaffirmed)
	Bank Guarantee	Short Term	0.90	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	15.50	ACUITE BB   Stable (Reaffirmed)
	Bills Discounting	Short Term	1.50	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	0.10	ACUITE A4+ (Reaffirmed)
09 Apr 2021	Working Capital Term Loan	Long Term	2.75	ACUITE BB   Stable (Assigned)
	Cash Credit	Long Term	15.50	ACUITE BB   Stable (Assigned)
	Letter of Credit	Short Term	0.10	ACUITE A4+ (Assigned)
	Standby Line of Credit	Long Term	1.50	ACUITE BB   Stable (Assigned)
	Bills Discounting	Short Term	1.50	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	0.90	ACUITE A4+ (Assigned)
	Proposed Term Loan	Long Term	0.75	ACUITE BB   Stable (Assigned)

## 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 Maharashtra	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	0.90	ACUITE A4   Downgraded   Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE A4   Downgraded   Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	15.50	ACUITE BB-   Downgraded   Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.10	ACUITE A4   Downgraded   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	2.25	ACUITE BB-   Downgraded   Issuer not co-operating*
Bank of Maharashtra	Not Applicable	Working Capital Term Loan	Not available	7.50	30 Jun 2024	Simple	2.75	ACUITE BB-   Downgraded   Issuer not co-operating*

## Contacts

Analytical	Rating Desk
Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 <a href="mailto:mohit.jain@acuite.in">mohit.jain@acuite.in</a>  Suman Paul Analyst-Rating Operations Tel: 022-49294065 <a href="mailto:suman.paul@acuite.in">suman.paul@acuite.in</a>	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

### 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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