



Press Release
The Indian Electric Company
December 23, 2024

Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.50	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	2.50	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	23.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded the long-term rating to ‘ACUITE B+’ (read as ACUITE B plus) from ‘ACUITE BB-’ (read as ACUITE double B minus) and reaffirmed the short-term rating of ‘ACUITE A4’ (read as ACUITE A four) on the Rs 23.00 crore bank facilities of The Indian Electric Company 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

Constituted in 1976, The Indian Electric Company is a Pune based partnership firm primarily engaged in trading of three phase 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.

Unsupported Rating

Not Applicable

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 non-cooperation 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). 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.

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 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

None

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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, 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
26 Sep 2023	Bills Discounting	Short Term	1.50	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Letter of Credit	Short Term	0.10	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Bank Guarantee (BLR)	Short Term	0.90	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	15.50	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Working Capital Term Loan	Long Term	2.75	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
	Proposed Term Loan	Long Term	2.25	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB Stable)
01 Jul 2022	Bills Discounting	Short Term	1.50	ACUITE A4+ (Reaffirmed)
	Letter of Credit	Short Term	0.10	ACUITE A4+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	0.90	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	15.50	ACUITE BB Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	2.75	ACUITE BB Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	2.25	ACUITE BB Stable (Reaffirmed)
09 Apr 2021	Bank Guarantee (BLR)	Short Term	0.90	ACUITE A4+ (Assigned)
	Bills Discounting	Short Term	1.50	ACUITE A4+ (Assigned)
	Letter of Credit	Short Term	0.10	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	15.50	ACUITE BB Stable (Assigned)
	Stand By Line of Credit	Long Term	1.50	ACUITE BB Stable (Assigned)
	Working Capital Term Loan	Long Term	2.75	ACUITE BB Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.75	ACUITE BB Stable (Assigned)

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

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Maharashtra	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.90	Simple	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank of Maharashtra	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE A4 Reaffirmed Issuer not co-operating*
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.50	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Bank of Maharashtra	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.10	Simple	ACUITE A4 Reaffirmed Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.25	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Bank of Maharashtra	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	7.50	30 Jun 2024	2.75	Simple	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Sahil Sawant Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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