

Press Release

Cimechel Electric Private Limited (Erstwhile Cimechel Electric Com)
June 07, 2024



Rating Downgraded and Issuer not co-operative

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	33.10	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	61.90	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	95.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) & short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 95.00 crore bank facilities of Cimechel Electric Private Limited (Erstwhile Cimechel Electric Company). This rating is now an indicative rating and is based on best available information. The rating has been downgraded on account of information risk and the company has not provided latest NDS for last 3 months consecutively.

About the Company

Mumbai-based, Cimechel Electric Private Limited (Erstwhile Cimechel Electric Company) was established as a partnership firm in 1992 and its constitution was changed to private limited company in 2021. The company, which started its commercial operations in 1998, is engaged in EPC contracting-overhead electrification for PSUs. The directors of the company are Mr. Viren Shah and Mrs. Jyoti Shah, along with Mr. Saumil Shah. Cimechel Electric Private Limited primarily caters to Indian railways including- Central Railways, Western Railways, and Central Organization for Railway Electrification (CORE). Company is also involved in rural electrification projects for Madhya Pradesh government electrification services for Discoms. The company offers services in Maharashtra, Madhya Pradesh, Gujarat, Rajasthan, Punjab, Haryana, Orissa, Jharkhand, etc. to name a few.

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. 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). Acuité endeavoured 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 Sensitivities

"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 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	130.93	98.87
PAT	Rs. Cr.	5.47	3.94
PAT Margin	(%)	4.18	3.98
Total Debt/Tangible Net Worth	Times	1.23	1.02
PBDIT/Interest	Times	2.95	2.72

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>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.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
19 Aug 2023	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.90	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	0.10	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	7.60	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	5.40	ACUITE BBB- Stable (Reaffirmed)
09 Jan 2023	Bank Guarantee (BLR)	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.90	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	0.10	ACUITE BBB- Negative (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	7.60	ACUITE BBB- Negative (Reaffirmed)
	Term Loan	Long Term	5.40	ACUITE BBB- Negative (Reaffirmed)
11 Oct 2021	Bank Guarantee (BLR)	Short Term	21.50	ACUITE A3 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	35.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB- Stable (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	3.50	ACUITE A3 (Reaffirmed)

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 avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	35.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Yes Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.90	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Yes Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.10	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Yes Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3)
Not Applicable	Not avl. / Not	Proposed Long Term Bank	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	7.60	ACUITE BB+ Downgraded Issuer not co-

	appl.	Facility						operating* (from ACUITE BBB-)
Bank of Baroda	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.40	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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