



**Press Release**  
**Tiea Connectors Private Limited**  
**September 13, 2024**  
**Rating Reaffirmed & Withdrawn**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Issuer Rating (IR)	0.00	ACUITE B+   Reaffirmed & Withdrawn	-
Issuer Rating (IR)	0.00	-	ACUITE A4   Reaffirmed & Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed and withdrawn the long term issuer rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term issuer rating of '**ACUITE A4**' (read as **ACUITE A four**) of TIEA Connectors Private Limited (TCPL).

The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument. The rating is being withdrawn on account of request received from the company.

**About the Company**

Bangalore Based, TIEA Connectors Private Limited was incorporated in 2020. The company engaged in the business of manufacturing and sales of wireless connectors, harsh environment connectors, electronic connectors and terminals and it is promoted by Mr. Punit Shridhar Joshi and Mr. Ajith Punnanikkattu Sasidharan. TIEA Connectors Private Limited is a B2B hardware start-up company, incubated start-up at Indian Institute of Science (Society for Innovation & Development-SID-IISc). Indian Scientific Innovation Company Limited (ISICL) owns equity in TIEA Connectors Private Limited and has facilitated the company for receiving various grant support from state government and central government. Currently the company is engaged in the research and development of aerospace and defence connectors. It has obtained four design patents and filed an application for a patent in the field of material science.

**Unsupported Rating**

Not Applicable

### **Analytical Approach**

Acuite has considered the standalone business and financial risk profile of TCPL to arrive at the rating.

### **Key Rating Drivers**

#### **Strengths**

##### **Benefits expected from healthy business prospects for the domestic segment**

Indian connector market is expected to grow owing to increasing demand for consumer electronics, aerospace, defence applications, vehicle electrification, growing demand for light weight vehicles and safety features in the vehicles. Furthermore, as over 50 per cent of

the connector market depends on imports, the company is primarily intended to penetrate the market to cater to the growing niche market of electric vehicles and drones, as well as automotive and consumer electronics through its economic product options. Though domestic connector market is still in a nascent stage, there is huge scope for growth given the low product penetration and import dependability. Considering strong demand and increasing penetration in the domestic market, the company is poised for strong double-digit growth over next two-three years.

### **Economic products to provide competitive edge**

US based TE Connectivity, Molex INC and Japanese JST are the main competitors of TIEA along with Chinese equivalents. TIEA's unique designs of connectors and contact solutions offer performance improvement in harsh environment conditions at economical prices as compared to the imported items. This will help the Company to tide over its competitors over production quality and timely supply of finished goods.

### **Revenue and Profitability**

The revenue from the operations of the company improved to Rs. 5.95 Cr. in FY24(Prov.) as compared to Rs. 3.46 Cr. in FY23. The Increase in revenue is owing to increasing demand from consumer. Further, EBDITA margin stood at 17.76 percentage in FY24 (Prov.) as against negative 2.10 Percentage in FY23. PAT margin stood at Negative 4.61 Percentage in FY24(Prov.) as against negative 17.38 in FY23. Acuité expects the technological tie-up with Indian Institute of Science (Society for Innovation & Development-SID-IISc), will augment the R&D and product prototyping process, thereby helping the company to cater to increasing demand of connectors in the domestic market going forward.

### **Weaknesses**

#### **Working capital intensive operations**

The company's operations are working capital intensive, as evident from a gross current asset (GCA) of 680 days as on March 31, 2024 (prov.) as against 532 days as of March 31, 2023. The inventory days as on March 31, 2024 (prov.) stood at 175 days as against 124 days as on March 31, 2023. Further The debtor days stood at 115 days as of March 31, 2024 (prov.) as against 119 days in March 31, 2023. The creditor days of the company stood at 76 days as on March 31, 2024 (prov.) as against 178 days for FY23. Acuité believes that the working capital cycle will continue to remain at similar levels over the medium term.

### **Exposure to intense competition and cyclicity in demand**

The electronic interconnect product business is marked by the presence of many players and the competitive bidding nature of business. This has resulted in pressure on the margin of the company and can impact growth in revenue and earnings. Acuite believes that the company would be susceptible to intensive competition over the medium term.

### **Rating Sensitivities**

Not Applicable

### **Liquidity Position**

#### **Stretched**

Liquidity profile of the company is stretched marked by low but comfortable net cash accruals against its maturing debt obligations. The Company generated cash accruals of Rs. 0.50 Cr. as on 31<sup>st</sup> March 2024(Prov.) against Rs. 0.15 Cr. of debt obligation for the same period. The current ratio stood comfortable at 3.19 times as on 31<sup>st</sup> March 2024(Prov.) as compared to 3.23 times as on 31<sup>st</sup> March 2023. Further, the fund-based limits remained moderately utilized at ~85.42 per cent for six months ended June 2024. Moreover ,company the cash and bank balances of the company stood at Rs. 3.48 Cr. in FY2024(Prov.).

### **Outlook**

Not Applicable

### **Other Factors affecting Rating**

None



## Key Financials

Particulars	Unit	FY 24 (Provisional)	FY 23 (Actual)
Operating Income	Rs. Cr.	5.95	3.46
PAT	Rs. Cr.	(0.27)	(0.60)
PAT Margin	(%)	(4.61)	(17.38)
Total Debt/Tangible Net Worth	Times	0.99	0.24
PBDIT/Interest	Times	1.88	(0.33)

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Aug 2024	Term Loan	Long Term	0.82	ACUITE B+ (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.24	ACUITE B+ (Reaffirmed & Withdrawn)
	Working Capital Term Loan	Long Term	1.18	ACUITE B+ (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.00	ACUITE B+ (Reaffirmed & Withdrawn)
	Proposed Long Term Bank Facility	Long Term	0.38	ACUITE Not Applicable (Withdrawn)
27 Oct 2023	Term Loan	Long Term	0.82	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	1.24	ACUITE B+   Stable (Assigned)
	Working Capital Term Loan	Long Term	1.18	ACUITE B+   Stable (Assigned)
	Term Loan	Long Term	1.00	ACUITE B+   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.38	ACUITE B+   Stable (Assigned)
04 Oct 2023	Issuer Rating	Short Term	0.00	ACUITE A4 (Assigned)
	Issuer Rating	Long Term	0.00	ACUITE B+   Stable (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Complexity Level</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
Not Applicable	Not avl. / Not appl.	Issuer Rating	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.00	ACUITE B+   Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Issuer Rating	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.00	ACUITE A4   Reaffirmed & Withdrawn

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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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