Acuite
RATINGS & RESEARCH

Press Release

Malhotra Electronics Private Limited

September 08, 2022

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	19.00	-	ACUITE D | Reaffirmed | Issuer not co-operating*
Bank Loan Ratings	6.00	ACUITE D | Reaffirmed | Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of **'ACUITE D' (read as ACUITE D)** and the short-term rating of **'ACUITE D' (read as ACUITE D)** on the Rs.25.00 crore bank facilities of Malhotra Electronics Private Limited (MEPL).

About the Company

Malhotra Electronics Private Limited (MEPL), incorporated in 1986, is a Noida based company promoted by Mr. Ravinder Singh Malhotra. The company is engaged in the manufacturing of electronic goods such as LED televisions apart from cabinets and CTV chassis and has an installed capacity of 650000 metric tons per annum. Recently, the company has started manufacturing of air conditioners also.

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 noncooperation by the issuer along with an 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 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 has 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.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

Material Covenants
Not Applicable.

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

Outlook
Not Applicable.

Other Factors affecting Rating
None.

Status of non-cooperation with previous CRA
None.

Any other information
Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.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
https://www.acuite.in/view-rating-criteria-55.htm

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Jun 2021	Letter of Credit	Short Term	19.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE D (Downgraded and Issuer not co-operating*)
04 May 2020	Cash Credit	Long Term	6.00	ACUITE BB- (Issuer not co-operating*)
	Letter of Credit	Short Term	19.00	ACUITE A4+ (Issuer not co-operating*)
08 Mar 2019	Letter of Credit	Short Term	19.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	6.00	ACUITE BB- (Issuer not co-operating*)
30 Jan 2018	Cash Credit	Long Term	6.00	ACUITE BB- (Issuer not co-operating*)
	Letter of Credit	Short Term	19.00	ACUITE A4+ (Issuer not co-operating*)
04 Nov 2016	Cash Credit	Long Term	6.00	ACUITE BB- | Stable (Reaffirmed)
	Letter of Credit	Short Term	19.00	ACUITE A4+ (Reaffirmed)
23 Oct 2015	Cash Credit	Long Term	5.00	ACUITE BB- | Stable (Assigned)
	Letter of Credit	Short Term	8.00	ACUITE A4+ (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Axis Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE D | Reaffirmed | Issuer not co-operating*
Axis Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	19.00	ACUITE D | Reaffirmed | Issuer not co-operating*

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.