

Press Release

Srinar Electronics Private Limited

October 08, 2018



Rating Update

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|-------------------------------------|--|
| Total Bank Facilities Rated* | Rs. 7.81 Cr.# |
| Long Term Rating | ACUITE BB+ Issuer not co-operating* |
| Short Term Rating | ACUITE A4+ Issuer not co-operating* |

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE BB+**' (**read as ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (**read as ACUITE A four plus**) to the Rs. 7.81 crore bank facilities of Srinar Electronics Private Limited (SEPL). This rating is now an indicative rating and is based on best available information.

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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition -<https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities -<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>

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.

About the Rated Entity:

SEPL is an ISO 9001:2008 certified company promoted by Mr. V. N. Vijayaraghavan, Mr. V. N. Parthasarathy, Mr. V. N. Srinivasan and Mr. Prasanth to manufacture radio frequency (RF) connectors. The company was established as a partnership firm (Electro Links) in 1985 and converted into private limited in 1990. The overall operations are managed by Mr. V.N. Parthasarathy and his son, Mr. Prasanth.

For FY2014-15, SEPL reported profit after tax (PAT) of Rs.1.48 crore on operating income of Rs.19.38 crore, as compared with PAT of Rs.3.38 crore on operating income of Rs.24.37 crore in FY2013-14.

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

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.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|-----------|---------------------------------|------------|-----------------|--|
| 08-Mar-17 | Cash Credit | Long term | 3.75 | ACUITE BB+ Issuer not co-operating* |
| | Term Loan | Long term | 3.26 | ACUITE BB+ Issuer not co-operating* |
| | Proposed Term Loan | Long term | 0.05 | ACUITE BB+ Issuer not co-operating* |
| | Letter of Credit | Short Term | 0.60 | ACUITE A4+ Issuer not co-operating* |
| | Bank Guarantee | Short Term | 0.15 | ACUITE A4+ Issuer not co-operating* |
| 30-Dec-15 | Cash Credit | Long term | 3.75 | ACUITE BB+/Stable (Downgraded) |
| | Term Loan | Long term | 3.26 | ACUITE BB+/Stable (Downgraded) |
| | Proposed Term Loan | Long term | 0.05 | ACUITE BB+/Stable (Downgraded) |
| | Letter of Credit | Short Term | 0.60 | ACUITE A4+ (Downgraded) |
| | Bank Guarantee | Short Term | 0.15 | ACUITE A4+ (Downgraded) |
| 12-Nov-14 | Cash Credit | Long term | 2.50 | ACUITE BBB-/Stable (Upgraded) |
| | Proposed Cash Credit | Long term | 1.25 | ACUITE BBB-/Stable (Upgraded) |
| | Term Loan | Long term | 1.56 | ACUITE BBB-/Stable (Upgraded) |
| | Proposed Term Loan | Long term | 1.75 | ACUITE BBB-/Stable (Upgraded) |
| | Letter of Credit | Short Term | 0.45 | ACUITE A3 (Upgraded) |
| | Proposed Letter of Credit | Short Term | 0.15 | ACUITE A3 (Upgraded) |
| | Bank Guarantee | Short Term | 0.15 | ACUITE A3 (Upgraded) |
| 28-Jan-14 | Cash Credit | Long term | 2.50 | ACUITE BB+/Stable (Assigned) |
| | Proposed Cash Credit | Long term | 1.25 | ACUITE BB+/Stable (Assigned) |
| | Term Loan | Long term | 1.56 | ACUITE BB+/Stable (Assigned) |
| | Proposed Term Loan | Long term | 1.75 | ACUITE BB+/Stable (Assigned) |
| | Letter of Credit | Short Term | 0.45 | ACUITE A4+ (Assigned) |
| | Proposed Letter of Credit | Short Term | 0.15 | ACUITE A4+ (Assigned) |
| | Bank Guarantee | Short Term | 0.15 | ACUITE A4+ (Assigned) |

***Annexure – Details of instruments rated**

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------------------|------------------|----------------|----------------|-------------------------------|--|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 3.75 | ACUITE BB+ Issuer not co-operating* |
| Term Loans | Not Applicable | Not Applicable | Not Applicable | 3.26 | ACUITE BB+ Issuer not co-operating* |
| Proposed Term Loan | Not Applicable | Not Applicable | Not Applicable | 0.05 | ACUITE BB+ Issuer not co-operating* |
| Letter of Credit | Not Applicable | Not Applicable | 31-Mar-2021 | 0.60 | ACUITE A4+ Issuer not co-operating* |
| Bank Guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 0.15 | ACUITE A4+ Issuer not co-operating* |

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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