



Press Release

Eswari Electricals Private Limited

July 18, 2024

Ratings

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	8.75	IVR B+/ Negative ISSUER NOT COOPERATING* (IVR Single B plus with Negative Outlook Issuer Not Cooperating)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category	Simple
Short-term Bank Facilities	18.00	IVR A4 ISSUER NOT COOPERATING* (IVR A Four Issuer Not Cooperating)	IVR A4 (IVR A Four)	Reaffirmed and moved to Issuer Not Cooperating category	Simple
Total	26.75 (Rs. Twenty-six crore and Seventy-five lakh only)				

**Issuer did not cooperate based on best available information*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has downgraded the long term rating and reaffirmed the short term rating, and moved the ratings assigned to the bank facilities of Eswari Electricals Private Limited (EEPL) to ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities vide E-mail communications dated April 10, 2024, June 26, 2024, July 5, 2024, July 15, 2024, July 16, 2024 and concurrently over several



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phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term and short-term ratings of the bank loan facilities aggregating to 26.75 crore of EEPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long term rating will be noted as IVR B+/ Negative ISSUER NOT COOPERATING; Based on best available information (IVR Single B Plus with Negative outlook Issuer Not Co-operating; Based on best available information) and short-term rating will be noted as IVR A4 ISSUER NOT COOPERATING; Based on best available information (IVR A Four Issuer Not Co-operating; Based on best available information).

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Infrastructure Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

About the Company

Eswari Electricals Private Limited (EEPL) was established in the year 1983 as a proprietorship firm, namely M/s Eswari Electricals, by one Mr. N. Ganesan of Chennai to initiate a manufacturing business of electrical switch gears. Later in 1992, the promoters incorporated the business into Private Limited Company and rechristened as EEPL. After incorporation, the company also initiated new business profile like EPC and turnkey projects along with high voltage switchgear products manufacturing. Currently The company has four manufacturing units in and around Chennai along with a SEZ in Kancheepuram. The company works as equipment suppliers of various state electricity board and exports to Kenya, Tanzania,



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Southeast Asian Countries and USA. Currently, Mr. Ganesan Anandkumar, director, looks after day-to-day affairs of the company along with other director, Mrs Anand Nirmala and a team of experienced personnel.

Financials (Standalone):

For the year ended* / As On	(Rs. crore)	
	31-03-2021	31-03-2022
	Audited	Audited
Total Income	31.16	32.54
EBITDA	2.54	2.29
PAT	0.32	0.37
Total Debt	10.21	9.50
Tangible Net worth	14.38	14.75
EBITDA Margin (%)	8.14	7.03
PAT Margin (%)	1.03	1.13
Overall Gearing Ratio (x)	0.71	0.64

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (June 05, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Open Cash Credit	Long Term	8.75	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	-	-
2.	Bank Guarantee	Short Term	18.00	IVR A4 ISSUER NOT COOPERATING*	IVR A4	-	-

*Issuer did not cooperate; based on best available information

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About Infomerics:



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Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Open Cash Credit	-	-	-	8.75	IVR B+/ Negative ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	18.00	IVR A4 ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable.

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.