



## Press Release

**Shreem Electric Limited**

**February 23, 2024**

### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	199.67	IVR BB/Negative; ISSUER NOT COOPERATING* (IVR Double B with Negative Outlook; Issuer Not Cooperating) *	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	240.73	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating) *	Downgraded and migrated to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>440.40</b> <b>(Rupees Four hundred forty crore and forty lakhs only)</b>			

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

### Details of Facilities are in Annexure 1

### Detailed Rationale

Infomerics has downgraded the ratings assigned to the bank facilities of Shreem Electric Limited due to lack of adequate information available and 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 this rating may not adequately reflect the credit risk profile of the entity.

### 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 email communications dated October 30, 2023, December 7, 2023, December 22, 2023, January 25, 2024, and February 19, 2024, and



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concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of Shreem Electric Limited aggregating Rs. 440.40 crore has been migrated to 'ISSUER NOT COOPERATING' category by Infomerics.

**Analytical Approach:** Standalone

**Applicable Criteria:**

Guidelines on what constitutes Non-Cooperation by Clients

Policy of default recognition

Criteria of assigning Rating Outlook

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

**About the company**

Shreem Electric Limited (SEL) was incorporated on January 2, 1976, in the name of Shreem Capacitors Private Limited. In December 2009, the company was renamed Shreem Electric Private Limited. On February 26, 2010, the company was converted into a Public Limited Company - Shreem Electric Limited. The company has its registered office at Sangli. The factory and in-house Research and Development (R&D) centre is located at Jaysingpur, Dist. Kolhapur. SEL is involved in the business of manufacturing of wide range of medium and high/low voltage capacitors, capacitor banks, circuit breakers, control, and relay panels, lightening arrestors, switchgear, water cooled capacitors, substation structures and executing turnkey projects for electricity transmission and distribution sector.



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### Financials (Standalone):

(Rs. crore)		
For the year ended / As on*	31-03-21	31-03-22
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	279.31	287.45
EBITDA	47.22	39.97
PAT	8.95	3.13
Total Debt	297.39	293.76
Tangible Net worth	228.89	232.02
<b>Ratios</b>		
EBITDA Margin (%)	16.91	13.91
PAT Margin (%)	3.15	1.07
Overall Gearing Ratio (x)	1.30	1.27

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** The rating continues to remain under ISSUER NOT COOPERATING category from Care Ratings as per press release dated March 20, 2023, due to unavailability of information for monitoring of rating.

**Any other information:** Nil

### Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Cash Credit	Long Term	199.67	IVR BB/Negative; ISSUER NOT COOPERATING*	(January 20, 2023) IVR BB+/ Stable	-	-
2.	Letter of Credit	Short Term	96.75	IVR A4; ISSUER NOT COOPERATING*	(January 20, 2023) IVR A4+	-	-
3.	Bank Guarantee	Short Term	143.98	IVR A4; ISSUER NOT COOPERATING*	(January 20, 2023) IVR A4+	-	-

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



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### About Infomerics:

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](http://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: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	199.67	IVR BB/Negative; ISSUER NOT COOPERATING*
Letter of Credit	-	-	-	96.75	IVR A4; ISSUER NOT COOPERATING*
Bank Guarantee	-	-	-	143.98	IVR A4; ISSUER NOT COOPERATING*

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

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:** Not available

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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](http://www.infomerics.com).