

June 20, 2024

Elmot Alternators Private Limited: Moved to Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term - Fund based - Cash credit	5.0	5.0	[ICRA] B+ (Stable); ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Long term – Fund based- Term loan	2.5	2.5	[ICRA] B+ (Stable); ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Short term - Fund based - Bill discounting	8.0	8.0	[ICRA] A4; ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Short term - Non-fund based limits (BG)	4.0	4.0	[ICRA] A4; ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Short term - Non-fund based limits (LC)	4.0	4.0	[ICRA] A4; ISSUER NOT COOPERATING*; Moved to the 'Issuer Not Cooperating' category
Total	23.5	23.5	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of Elmot Alternators Private Limited to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+ (Stable)/[ICRA] A4; ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with Elmot Alternators Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy In Respect of Non-Cooperation by a Rated Entity
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on EAPL's standalone financial statements

About the company

Elmot Alternators Private Limited (EAPL) was set up in 1973 by Mr. C. V. K. Rao to establish a manufacturing base for rotating electrical machinery for power generation and other specialty applications for India's defense sector. The company is

headquartered in Hyderabad (Telangana). EAPL has a manufacturing unit at Nacharam, Hyderabad, covering 10 acres. EAPL's major clients are the Indian Navy and leading transnationals and PSUs. Its product profile includes alternators, rotary frequency converters, AC & DC motors and diesel generators. The company has given two acres of land on lease to Voith Turbo for which the company receives a rental income of Rs.1.3 crore per annum.

Key financial indicators

Audited	FY2021	FY2022	FY2023
Operating Income (OI)	17.18	20.48	27.95
Profit After Tax (PAT)	0.01	0.04	0.22
OPBDITA/OI (%)	6.64%	8.87%	7.48%
PAT/OI (%)	0.05%	0.21%	0.78%
Total outside liabilities/Tangible net worth (times)	1.75	2.10	2.36
Total Debt/OPBDITA (times)	15.16	11.79	10.25
Interest coverage (times)	0.81	0.91	0.87

Source: Company, ICRA Research; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Amount Rated (Rs. crore)	Amount Outstanding as of June 20, 2024 (Rs. crore)	Date & Rating in June 20, 2024	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
1 Fund-based - Cash credit	Long Term	5.0	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	-	[ICRA]B+ (Stable)	-
2 Fund-based - Term loan*	Long Term	2.5	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	-	[ICRA]B+ (Stable)	-
3 Fund-based (Bill discounting)	Short Term	8.0	-	[ICRA] A4 ISSUER NOT COOPERATING	-	[ICRA] A4	-
4 Non-fund based (BG)	Short Term	4.0	-	[ICRA] A4 ISSUER NOT COOPERATING	-	[ICRA] A4	-
5 Non-fund based (LC)	Short Term	4.0	-	[ICRA] A4 ISSUER NOT COOPERATING	-	[ICRA] A4	-

*Not yet availed.

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash credit	Simple
Term loan	Simple
Bill discounting	Simple
Bank guarantee	Very Simple
Letter of credit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Fund-based - Cash credit	NA	NA	NA	5.0	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
-	Fund-based - Term loan	August 2022	NA	November 2029	2.5	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
-	Fund based (bill discounting)	NA	NA	NA	8.0	[ICRA]A4 ISSUER NOT COOPERATING
-	Non-fund based (BG)	NA	NA	NA	4.0	[ICRA]A4 ISSUER NOT COOPERATING
-	Non-fund based (LC)	NA	NA	NA	4.0	[ICRA]A4 ISSUER NOT COOPERATING

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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