

Eon Electric Limited

January 15, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities	40	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)	Revised from CARE C; Stable; ISSUER NOT COOPERATING (Single C; Stable; ISSUER NOT COOPERATING) on the basis of best available information
Long/Short Term Bank Facilities	55	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING)	Revised from CARE C; Stable; ISSUER NOT COOPERATING/CARE A4; ISSUER NOT COOPERATING (Single C; Stable; ISSUER NOT COOPERATING /A Four; ISSUER NOT COOPERATING) on the basis of best available information
Total facilities	95 (Rupees Ninety Five Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information (NDS) from Eon Electric Limited (EEL) to monitor the ratings vide e-mails communications/letters dated December 31 2019, January 02, 2020, January 06, 2020, January 08, 2020 and numerous phone calls.

However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

The ratings on Eon Electric Ltd's bank facilities will now be denoted as **CARE D; ISSUER NOT COOPERATING/ CARE D; ISSUER NOT COOPERATING**.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.

Due to delay in timely repayment of debt, CARE has downgraded its ratings on the bank facilities of EEL to 'CARE D/CARE D Issuer Not Cooperating' from 'CARE C/CARE A4 Issuer Not Cooperating'.

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

About the Company

EEL manufactures and markets energy-efficient lighting and other electrical and electronic products, such as LED lights, fans, water heaters, lithium ion batteries, mobile phone accessories, wires and cables, and allied products. The company has two plants at Haridwar, and a registered office at Sonapat, Haryana. It has been listed on the Bombay Stock Exchange (BSE) since 2005, and on National Stock Exchange (NSE) since 2012. The company has been promoted by Mr VP Mahendru, and operations are managed by his sons, Mr Vivek Mahendru and Mr Vinay Mahendru.

Status of non-cooperation with previous CRA: CRISIL D/ CRISIL D; ISSUER NOT COOPERATING vide PR Dated 09-01-2020

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	40.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - LT/ST-Bank Guarantees	-	-	-	35.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable / CARE A4; ISSUER NOT COOPERATING* on the basis of best available information
Non-fund-based - LT/ST-Letter of credit	-	-	-	20.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable / CARE A4; ISSUER NOT COOPERATING* on the basis of best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	40.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable; ISSUER NOT COOPERATING* on the basis of best available information	1)CARE C; Stable; ISSUER NOT COOPERATING* (21-Nov-19)	1)CARE B; ISSUER NOT COOPERATING* (16-Nov-18) 2)CARE BB; ISSUER NOT COOPERATING* (05-Jul-18)	1)CARE BB+; ISSUER NOT COOPERATING* (19-Feb-18)	1)CAR E BB+ (08-Aug-16)
2.	Non-fund-based - LT/ST-Bank Guarantees	LT/ST	35.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Revised from CARE C; Stable / CARE A4; ISSUER NOT COOPERATING* on the basis of best available information	1)CARE C; Stable / CARE A4; ISSUER NOT COOPERATING* (21-Nov-19)	1)CARE B / CARE A4; ISSUER NOT COOPERATING* (16-Nov-18) 2)CARE BB / CARE A4; ISSUER NOT COOPERATING* (05-Jul-18)	1)CARE BB+ / CARE A4+; ISSUER NOT COOPERATING* (19-Feb-18)	1)CAR E BB+ / CARE A4+ (08-Aug-16)
3.	Non-fund-based - LT/ST	LT/ST	20.00	CARE D; ISSUER NOT	1)CARE C; Stable / CARE	1)CARE B / CARE A4;	1)CARE BB+ / CARE A4+;	1)CAR E BB+

	ST-Letter of credit			COOPERATING * Issuer not cooperating; Revised from CARE C; Stable / CARE A4; ISSUER NOT COOPERATING * on the basis of best available information	A4; ISSUER NOT COOPERATING * (21-Nov-19)	ISSUER NOT COOPERATING * (16-Nov-18) 2)CARE BB / CARE A4; ISSUER NOT COOPERATING * (05-Jul-18)	ISSUER NOT COOPERATING * (19-Feb-18)	/ CARE A4+ (08-Aug-16)
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Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades

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