

**Press Release**  
**ENPRO INDUSTRIES PRIVATE LIMITED**  
**February 28, 2025**  
**Rating Upgraded**



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	256.50	ACUITE A   Stable   Upgraded	-
Bank Loan Ratings	144.00	-	ACUITE A1   Upgraded
<b>Total Outstanding Quantum (Rs. Cr)</b>	400.50	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

**Rating Rationale**

Acuite has upgraded the long-term rating to '**ACUITE A**' (read as **ACUITE A**) from '**ACUITE A-**' (read as **ACUITE A Minus**) and the short-term rating to '**ACUITE A1**' (read as **ACUITE A one**) from '**ACUITE A2+**' (read as **ACUITE A two Plus**) on the Rs. 400.50 crore bank facilities of Enpro Industries Private Limited (EIPL). The outlook is '**Stable**'.

**Rationale for the rating**

The rating upgrade factors in the better than expected improvement in scale of operations and profitability continued healthy financial risk profile and adequate liquidity profile of the company. The revenue from operations of the company witnessed substantial growth by ~46.32% in FY2024 to Rs 501.06 crore as against Rs. 342.45 crore for FY2023. Operating Profit Margin of company stood at 33.95% in FY2024 as against 24.60% in FY2023 due to decrease in the prices of raw materials and increase in the service division for the company. Acuite further notes that the company has acquired balance 40% stake in a Saudi based company i.e. Enpro Saudi Arabia Limited (earlier 60% stake was being held) in December 2024. Going forward, the benefits are expected to accrue from such acquisition. Acuite believes that the company will grow its scale of operations in volume terms and improve profitability while maintaining a healthy capital structure over the medium term. However, the rating is constrained by the working capital intensive nature of operations.

**About the Company**

Based in Pune, Enpro Industries Private Limited (EIPL) was initially established as a partnership firm by Mr. Shrikrishna Karkare and Mrs. Alka Karkare in 1988 that was engaged in the trading of components for boiler and distillery industry. Subsequently, it was reconstituted as private limited company in 1999 engaged in the designing and manufacturing of mechanical fluid systems such as lube oil systems, chemical injection systems, filtration skids, fuel gas systems, fuel handling skids, water wash systems, piping systems and other customized applications for power, petrochemical, refinery, and process industries. It's manufacturing facilities are in Markal near Alandi spread across 11 acres of land. Further, Enpro Industries Private Limited has its regional offices located in North America and Middle East and representatives in Europe, Japan and Korea. The present directors of the company are Mr. Srikrishna Bhargava Karkare, Ms. Alka Srikrishna Karkare and Mr. Anuj Karkare.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of EIPL to arrive at this rating

**Key Rating Drivers**

**Strengths**

**Experienced Management**

EIPL's business risk profile is benefitted by the experience of Mr. Shrikrishna Karkare and Mrs. Alka Karkare in

the aforementioned line of business for over 3 decades. The extensive experience of promoters in the industry has helped the company in developing long-standing relationships with its customers and suppliers by the way of repetitive orders from them. Furthermore, EIPL caters to a set of reputed clientele such as Mitsubishi Hitachi Power Systems India Private Limited in power sector, GE Oil & Gas India Private Limited in Oil & Gas industry and IFFCO Limited in Chemical & Fertilizers industry. Approx 70 per cent of the revenue is from exports to countries in North America, Japan and Europe. In addition to this, the company recently expanded its customer portfolio to industries such as food processing, pharmaceutical, agriculture and defence. Acuite believes that the company's business risk profile will continue to be benefited by the experienced management's business acumen over the medium term.

### **Improvement in Revenue and Profitability**

EIPL's operation witnessed improvement which is apparent from growth in revenue from operations by ~46.32% in FY2024 to Rs 501.06 crore as against Rs. 342.45 crore for FY2023. Operating Profit Margin of company stood at 33.95% in FY2024 as against 24.60% in FY2023 due to decrease in the prices of raw materials and increase in the service division for the company. Net profit margin of the company stood at 20.44 percent in FY2024 as against 13.15 percent in FY23. ROCE of the company stood at 30.42 percent in FY2024. Company has achieved operating income of Rs ~480.62 crore till January 2025. Company has current unexecuted order book of Rs ~1350 crore to be executed in next 18 months. Acuite believes that going forward, the company will be able to improve scale of operations & profitability in near to medium term backed by strong order book position.

### **Improvement in Financial Risk Profile**

Company has healthy financial risk profile marked by strong net worth, low gearing and strong coverage indicators. The Total Tangible net worth stood at Rs. 379.14 Cr. as on 31st March 2024 as against Rs. 276.43 Cr. as on 31st March 2023, on account of Profit accretion. The total debt outstanding of the company is Rs. 241.71 crore as on 31 March, 2024 which consists of long term bank borrowings of Rs.10.94 crore, long term unsecured loans from promoters and directors of Rs 0.52 crore, short term working capital limit of Rs. 218.27 crore, current maturities of long term Debt Rs 11.98 crore. Debt to Equity ratio stood at 0.64 times in FY24 as against 0.53 times in FY23. Interest coverage ratio stood strong at 8.51 times for FY24 as against 5.59 times in FY23. Likewise, Debt Service coverage ratio stood comfortable at 4.13 times for FY24 as against 2.40 times in FY23. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.20 times as on March 31, 2024 as against 0.95 times as on March 31, 2023. The Net Cash Accruals/Total Debt (NCA/TD) stood at 0.49 times as on March 31, 2024 as against 0.41 times as on March 31, 2023. Acuite believes that going forward the financial risk profile will remain healthy even after the debt funded capex of Rs. ~250 Cr. in near to medium term.

### **Weaknesses**

#### **Intensive Working Capital Operations**

Company has intensive working capital requirements as evident from gross current assets (GCA) of 468 days in FY24 as compared to 430 days in FY23. Intensiveness of Working capital is on account of Inventory Days and debtor days. Company has to maintain its inventory based on orders in hand. Inventory days stood at 279 days in FY24 against 273 days in FY23. Inventory days are high since manufacturing period ranges between 6 to 12 months and higher orders in hand will result in higher inventory. Debtor days stood at 175 days in FY24 as against 149 days in FY23. Debtor days are high as the company booked majority of the revenue in last quarter of financial year. Company booked ~55 percent of the operating income in last quarter of FY24 and company provides normal credit period to its customers from 30 days to 120 days depending upon the customers. Further majority of the operating income is from export. Exports contributes ~70 percent of the total operating income. Shipping time along with credit period resulted in higher receivable days. Acuite believes that the operations of the company will continue to remain working capital intensive over the medium term due to nature of operations.

### **Rating Sensitivities**

- Movement in scale of operations and profitability
- Movement in financial risk profile
- Movement in working capital operations

### **Liquidity Position**

#### **Adequate**

Company has adequate liquidity marked by net cash accruals to its maturing debt obligations, current ratio and cushion available in working capital limits. Company generated cash accruals of Rs. 119.29 crore for FY2024 as against obligations of Rs. 13.26 crore for the same period. Current Ratio stood at 1.49 times as on 31 March 2024 as against 1.71 times as on 31 March 2023. Fund based working capital limits are utilized at ~80.67 per cent during the last nine months ended December 2024 leaving additional cushion in working capital limits to meet contingencies. Cash and Bank Balances of company stood at Rs 0.13 crore. Acuite believes that the liquidity position of the company will remain adequate on account of healthy net cash accruals against matured debt obligations over the medium term.

**Outlook: Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	501.06	342.45
PAT	Rs. Cr.	102.43	45.04
PAT Margin	(%)	20.44	13.15
Total Debt/Tangible Net Worth	Times	0.64	0.53
PBDIT/Interest	Times	8.51	5.59

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

Not Applicable

## Any other information

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Dec 2023	Cash Credit	Long Term	56.00	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	41.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	0.25	ACUITE A-   Stable (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	2.64	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	1.78	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	9.85	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	9.41	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	8.31	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	1.52	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	1.69	ACUITE A-   Stable (Reaffirmed)
	Term Loan	Long Term	11.75	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	16.30	ACUITE A-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	115.00	ACUITE A-   Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	69.00	ACUITE A2+ (Reaffirmed)
13 Nov 2023	Term Loan	Long Term	0.25	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	23.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	2.64	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	1.78	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	9.85	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	9.41	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	8.31	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	1.52	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	1.69	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Term Loan	Long Term	11.75	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)

	Proposed Long Term Bank Facility	Long Term	16.30	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	56.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Cash Credit	Long Term	41.00	ACUITE A-   Stable (Upgraded from ACUITE BBB+   Stable)
	Bank Guarantee (BLR)	Short Term	69.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	13.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Letter of Credit	Short Term	4.00	ACUITE A2+ (Upgraded from ACUITE A2)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2+ (Upgraded from ACUITE A2)
16 Aug 2022	Bank Guarantee/Letter of Guarantee	Short Term	69.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	13.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	4.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	56.00	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	41.00	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	0.25	ACUITE BBB+   Stable (Reaffirmed)
	Cash Credit	Long Term	23.00	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	2.64	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	1.78	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	9.85	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	9.41	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	8.31	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	1.52	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	1.69	ACUITE BBB+   Stable (Reaffirmed)
	Term Loan	Long Term	11.75	ACUITE BBB+   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	16.30	ACUITE BBB+   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	121.00	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
Saraswat Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	13.00	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	84.00	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	41.00	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
Saraswat Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A1   Upgraded ( from ACUITE A2+ )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	86.94	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2025	0.25	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Mar 2025	1.78	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	9.85	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2025	9.41	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2025	8.31	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2025	1.52	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	1.69	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )
Saraswat Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2026	11.75	Simple	ACUITE A   Stable   Upgraded ( from ACUITE A- )



## Contacts

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