



Press Release
Ensol Multiclean Equipments Private Limited
May 21, 2025
Rating Assigned and Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.50	ACUITÉ BB Stable Assigned	-
Bank Loan Ratings	4.62	ACUITÉ BB Stable Upgraded	-
Bank Loan Ratings	15.59	-	ACUITÉ A4+ Assigned
Bank Loan Ratings	4.41	-	ACUITÉ A4+ Upgraded
Total Outstanding Quantum (Rs. Cr)	54.12	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded the long-term rating to ‘**ACUITÉ BB**’ (read as **ACUITÉ Double Bf**) from ‘**ACUITÉ B-**’ (read as **ACUITÉ B Minus**) on the Rs. 4.62 Cr. bank facilities of Ensol Multiclean Equipments Private Limited (EMEPL) and upgraded the short-term rating to ‘**ACUITÉ A4+**’ (read as **ACUITÉ A Four Plusf**) from ‘**ACUITÉ A4**’ (read as **ACUITÉ A Four**) on the Rs. 4.41 Cr. bank facilities of Ensol Multiclean Equipments Private Limited (EMEPL). The outlook is ‘**Stable**’.

Acuite has assigned the long-term rating of ‘**ACUITÉ BB**’ (read as **ACUITÉ Double B**) on the Rs. 29.50 Cr. bank facilities of Ensol Multiclean Equipments Private Limited (EMEPL) and has also assigned the short-term rating of ‘**ACUITÉ A4+**’ (read as **ACUITÉ A Four Plusf**) on the Rs. 15.59 Cr. bank facilities of Ensol Multiclean Equipments Private Limited (EMEPL). The outlook is ‘**Stable**’.

Rationale for Rating

The company has provided information, leading to transition from Issuer Not Co-operating (INC since 2018) to a regular issuer. The rating factors the improved business and financial risk profile of the company. In FY25(Provisional), topline has improved to Rs. 93.44 Cr. in FY25(Provisional) against Rs. 76.01 Cr. in FY24 and Rs. 88.75 Cr. in FY23. The company’s operating margin improved to 13.09% in FY25 (Provisional) as compared to 12.78% in FY24 and 9.88% in FY23. The financial risk profile is healthy marked by a net worth of Rs. 30.29 Cr. in FY25 (Provisional) and comfortable debt protection metrics. The liquidity of the company is adequate with sufficient net cash accruals to fulfil the debt repayment obligations and absence of debt funded capex plans in the medium term albeit high utilization of bank limits.

About the Company

Ensol Multiclean Equipments Private Limited, was incorporated in 2002 and is a Jaipur based private limited company promoted and managed by Mr. Arun Sharma. The company manufactures and assembles customized waste handling equipment such as garbage compactors and tippers mainly for the state government.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered a standalone approach to the business and the financial profile of Ensol Multiclean Equipments Private Limited (EMEPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and long track record of operations

The promoter, Mr. Arun Kumar has extensive experience of more than two decades in the engineering equipment industry which has helped develop long term relations with customers. The company deals with various state municipal corporations and private players like L&T. As a result, the management has an order book of Rs. 27.27 Cr. as of April 2025 which provides its revenue visibility over the medium term. Acuite believes that the business will be benefitting from experienced management and long track record of operations over the medium term.

Improved Business Risk Profile

The company have achieved a revenue of Rs. 93.44 Cr. in FY25(Provisional) against Rs. 76.01 Cr. in FY24 and Rs. 88.75 Cr. in FY23. The EBITDA margins of the company stood at 13.09% in FY25 (Provisional) as compared to 12.78% in FY24 and 9.88% in FY23. The PAT margins of the company stood at 7.41% in FY25(Provisional) as compared to 6.97% in FY24 and 5.69% in FY23. Due to the nature of the company's heavy vehicle customization business, the company occasionally purchases trucks and spare parts directly, which are subsequently transferred to customers at cost without profit or loss. Going forward, Acuite believes that the company is likely to improve the topline in the medium term on account of the healthy order book.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by comfortable coverage indicators and net-worth of Rs. 30.29 Cr. as on 31st March 2025 (Provisional) against Rs. 23.36 Cr. as on 31st March 2024 and Rs. 18.06 Cr. as on 31st March 2023. The improvement has been noticed on account of ploughing back of profits to reserves. The total debt of the company is Rs. 36.60 Cr. as on 31st March 2025 (Provisional) against Rs. 31.37 Cr. as on 31st March 2023. The increase in debt is because of the new LAP loan availed by the company of Rs. 6.91 Cr. The gearing improved to 1.21 times in FY25(Provisional) against 1.34 times in FY24 and 1.53 times in FY23. Further, the interest coverage ratio of the company stood at 4.46 times in FY25(Provisional) against 4.26 times in FY24 and 3.92 times in FY23. The debt service coverage ratio stood at 3.46 times in FY25(Provisional) against 3.31 times in FY24 and 3.31 times in FY23. The TOL/TNW stood at 1.68 times in FY25(Provisional) against 1.78 times in FY24 and 2.29 times in FY23. Acuite believes that the financial risk profile of EMEPL is likely to remain healthy over the medium term due to absence of any debt funded capex plans in near future.

Weaknesses

Intensive Working Capital Operations

The working capital operations of the company improved yet remained intensive marked by GCA days standing at 265 days as on as on 31st March 2025(Provisional) against 304 days as on 31st March 2024. The improvement has been noticed on account of decrease in other current assets. The inventory and debtor days of the company stood at 34 days and 223 days respectively as on 31st March 2025(provisional) against 41 days and 219 days respectively as on 31st March 2024. Though the debtor days of the company stands high as the majority clientele comprises of government entities. On the other hand, the creditor days of the company stood at 64 days as on 31st March 2025(Provisional) against 56 days as on 31st March 2024. The credit cycle extended to the company generally ranges from 60 to 90 days. Acuite believes that the working capital operations of the Company are expected to remain at similar levels over the medium term,

Rating Sensitivities

Movement in the scale of operations and profitability margins
Movement in working capital cycle

Liquidity Position Adequate

The company generated a net cash accrual of Rs. 7.43 Cr. as on as on 31st March 2025 (Provisional) against the debt repayment obligations of Rs. 0.14 Cr. in the same period. The current ratio of the company stood at 1.63 times as on 31st March 2025(Provisional) against 1.69 times as on 31st March 2024. The NCA/TD stood at 0.20 times in FY25(Provisional) as against 0.18 times in FY24. Further, the average bank limit utilization at the month end balance stood high at 92% for 6 months ending April 2025. Acuite believes that the liquidity of EMEPL is likely to remain adequate over the medium term.

Outlook : Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	93.44	76.01
PAT	Rs. Cr.	6.93	5.29
PAT Margin	(%)	7.41	6.97
Total Debt/Tangible Net Worth	Times	1.21	1.34
PBDIT/Interest	Times	4.46	4.26

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Aug 2024	Bank Guarantee (BLR)	Short Term	4.41	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B- (Downgraded & Issuer not co-operating* from ACUITE B)
	Stand By Line of Credit	Long Term	0.53	ACUITE B- (Downgraded & Issuer not co-operating* from ACUITE B)
	Term Loan	Long Term	0.59	ACUITE B- (Downgraded & Issuer not co-operating* from ACUITE B)
09 May 2023	Bank Guarantee (BLR)	Short Term	4.41	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	0.53	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.59	ACUITE B (Reaffirmed & Issuer not co-operating*)
11 Feb 2022	Bank Guarantee (BLR)	Short Term	4.41	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Stand By Line of Credit	Long Term	0.53	ACUITE B (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	0.59	ACUITE B (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.41	Simple	ACUITE A4+ Upgraded (from ACUITE A4)
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.59	Simple	ACUITE A4+ Assigned
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE BB Stable Upgraded (from ACUITE B-)
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.50	Simple	ACUITE BB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.12	Simple	ACUITE BB Stable Upgraded (from ACUITE B-)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.57	Simple	ACUITE BB Stable Assigned
Bank of Baroda	Not avl. / Not appl.	Term Loan	11 Jan 2024	Not avl. / Not appl.	31 Oct 2026	0.52	Simple	ACUITE BB Stable Assigned
Bank of Baroda	Not avl. / Not appl.	Term Loan	27 Sep 2024	Not avl. / Not appl.	31 May 2031	6.91	Simple	ACUITE BB Stable Assigned

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About Acuité Ratings & Research

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