

Electronic Enterprises (India) Private Limited: Assigned

Facilities	Amount (Rs Crore)	Ratings/Outlook
Cash Credit	3.50	SMERA B+/Stable (Assigned)
Term Loan	0.54	SMERA B+/Stable (Assigned)
Vehicle Term Loan	0.11	SMERA B+/Stable (Assigned)
Proposed	0.85	SMERA B+/Stable (Assigned)
Bank Guarantee	5.00	SMERA A4 (Assigned)

SMERA has assigned the long term rating of '**SMERA B+**' (read as **SMERA B plus**) and short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs.10.00 crore bank facilities of Electronic Enterprises (India) Private Limited (EEIPL). The outlook is '**Stable**'.

The ratings derive comfort from the company's long track record of operations, experienced management and diversified product profile. The ratings also draw support from its reputed clientele. However, the ratings are constrained by the average financial risk profile and uneven profit margins.

EEIPL, established in 1952 is engaged in the manufacturing of industrial instruments for defence, pharmaceutical, packaging, rubber and automobile industries. The products include, broken bag indicator for fluidized air bed dyer, air flow management, particle aerodynamic separators to name a few. The management of the company possesses more than five decades of experience in the abovementioned industry. The company has reputed clientele including Indian Space Research Organisation (ISRO), Bhabha Atomic Research Centre (BARC), Raja Ramanna Centre for Advanced Technology (RRCAT) among others.

However the ratings are constrained by the average financial risk profile marked by low net worth of Rs.3.41 crore as on March 31, 2015. The ICR stood at 1.92 times with DSCR at 1.84 times as on March 31, 2015. The profit margins of the company have been uneven during the period under study. Further, the company operates on a moderate scale with revenue of Rs.12.19 crore for FY2014-15.

Rating Sensitivity Factors

- Scaling up operations while maintaining profitability
- Efficient working capital management

Outlook-Stable

SMERA believes that EEIPL will maintain a stable outlook over the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company registers sustained growth in revenue while improving margins. Conversely, the outlook may be revised to 'Negative' in case of lower-than-expected growth in revenue and profitability or deterioration in the financial risk profile.

Criteria applied to arrive at the ratings:

- Trading Entities

About the Company

EEIPL, established in 1952 as a proprietorship firm was converted into a partnership firm in 1974 and subsequently incorporated as a private limited company in 1995. Promoted by Mr. Arun Prabhakar Wagle, Mr. Ashok Anant Patankar and Mr. Ravindra Bajirao Thosar, Directors, the company is engaged in the assembling, servicing and manufacturing of industrial and nuclear instruments. The products include broken bag indicator for fluidized air bed dryer, air flow management, particle aerodynamic separators among others.

In FY2014-15, EEIPL reported profit after tax (PAT) of Rs.0.20 crore on operating income of Rs.12.19 crore, as compared to PAT of Rs.0.09 crore on operating income of Rs.13.65 crore in the previous year.

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ABOUT SMERA

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