

Press Release

Eurotek Environmental Private Limited

AUGUST 08, 2018



Rating Update

Total Bank Facilities Rated#	Rs. 30.00 Cr.
Long Term Rating	ACUITE BB+ Issuer not co-operating*
Long Term Rating	ACUITE A4+ Issuer not co-operating*

Refer Annexure for details

*The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuité has reviewed the long term rating of '**ACUITE BB+** (read as Acuité double B plus) and short term rating of '**ACUITE A4+** (read as Acuité A four plus) on the Rs.30.00 crore bank facilities of Eurotek Environmental Private Limited (EEPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower: Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Manufacturing Entity: <http://www.acuite.in/view-rating-criteria-4.htm>
- Default Recognition: <http://www.acuite.in/view-rating-criteria-17.htm>
- Financial Ratios and Adjustments: <http://www.acuite.in/view-rating-criteria-20.htm>
- Consolidation of Companies: <https://www.acuite.in/view-rating-criteria-22.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity:

Eurotek Environmental Private Limited (EEPL), incorporated in 2008, is engaged in the business of water treatment solutions. The company undertakes projects related to sewage treatment, drinking water treatment, lake and river restoration among others and caters to several industries including chemical, steel, pharmaceutical, paper to name a few. EEPL has a wholly owned subsidiary - Water Matrix Technologies FZE established in 2010 at Sharjah (U.A.E.); together they are referred to as 'Eurotek Group'. Promoted by Mr. Rajkumar Khurra, the subsidiary is also engaged in the aforementioned business.

In FY2015-16, Eurotek group reported net profit after tax (PAT) of Rs.1.43 crore on operating income of Rs.33.87 crore as against PAT of Rs.1.50 crore on operating income of Rs.33.85 crore in the previous year. The tangible net worth stood at Rs.6.62 crore as on 31 March, 2016 as against Rs.4.56 crore in the previous year.

Any other information: Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

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

CRISIL, vide its press release dated September 29, 2017 had denoted the rating of Eurotek Environmental Private Limited as 'CRISIL BB/Stable/CARE A4+; ISSUER NOT COOPERATING' on account of lack of adequate information required for monitoring of ratings.

Any other information

None

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument/ Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
20-Jun-2017	Cash Credit	Long term	7.00	ACUITE BB+/Stable (Assigned)
	Proposed Cash Credit	Long term	2.00	ACUITE BB+/Stable (Assigned)
	Bank Guarantee	Short term	10.00@	ACUITE A4+ (Assigned)
	Proposed Bank Guarantee	Short term	11.000@	ACUITE A4+ (Assigned)

@Includes sublimit of Letter of credit to the extent of Rs. 2.00 crore.

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE BB+ Issuer not co-operating*
Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE BB+ Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	10.00^	ACUITE A4+ Issuer not co-operating*
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	11.00^	ACUITE A4+ Issuer not co-operating*

^Includes sublimit of Letter of credit to the extent of Rs. 2.00 crore.

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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