

Press Release

EMCO Tech Equipments Private Limited

December 19, 2018

Rating Withdrawn



Total Instruments Rated*	Rs. 14.00 Cr.
Long Term Rating	ACUITE BB- (Withdrawn)
Short Term Rating	ACUITE A4 (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) to the Rs. 14.00 crore bank facilities of EMCO Tech Equipments Private Limited (ETEPL). The rating withdrawal is in accordance with the Acuite's policy on withdrawal of rating.

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

Emco Tech Equipments Private Limited (ETEPL) is a Delhi based company incorporated in 2005 to take over all operations of EMCO Tech Marketing, a proprietorship firm established by Mr. Pradeep Kumar Sharma in September 1994. ETEPL is promoted by Mr. Pradeep Kumar Sharma and his wife, Ms. Alka Sharma and is an authorised distributor of products of Alcon Laboratories (USA), and Carl Zeiss. The company is engaged in trading and installation of ophthalmic medical equipments including the ones used for eye surgery which are sold mainly to government and army hospitals in India.

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of ETEP to arrive at the rating.

About the Rated Entity Financials

	Unit	FY18 (Provisional)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	36.61	43.49	34.26
EBITDA	Rs. Cr.	1.14	1.52	1.05
PAT	Rs. Cr.	0.16	0.29	0.26
EBITDA Margin	(%)	3.10	3.50	3.06
PAT Margin	(%)	0.45	0.67	0.76
ROCE	(%)	13.79	22.29	16.01
Total Debt/Tangible Net Worth	Times	0.83	0.80	0.75
PBDIT/Interest	Times	2.07	2.04	3.22
Total Debt/PBDIT	Times	2.34	1.55	1.94
Gross Current Assets (Days)	Days	117	107	208

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

None

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. Crore)	Ratings/Outlook
28-Dec-2017	Cash Credit	Long Term	1.75	ACUITE BB- /Stable (assigned)
	Bank Guarantee	Short Term	9.75	ACUITE A4 (Assigned)
	Proposed Bank Facility	Long Term	0.75	ACUITE BB- /Stable (assigned)
	Proposed Bank Guarantee	Short Term	1.75	ACUITE A4 (Assigned)

*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	1.75	ACUITE BB- (Withdrawn)
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	9.75	ACUITE A4 (Withdrawn)
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE BB- (Withdrawn)
Proposed Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	1.75	ACUITE A4 (Withdrawn)

Contacts

Analytical	Rating Desk
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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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