

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Rating Withdrawn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| Long Term Rating | ACUITE BB- (Withdrawn) |
| Short Term Rating | ACUITE A4 (Withdrawn) |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

Acuité has withdrawn the long term rating of '**ACUITE BB-**' (**read as ACUITE double B minus**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) to the Rs.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 Acuité'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The rating is being withdrawn on account of request received from the company and NOC received from the banker.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

Acuité 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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