

Press Release

EMT Megatherm Private Limited

May 04, 2023



Rating Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	35.76	Not Applicable Withdrawn	-
Bank Loan Ratings	26.00	-	Not Applicable Withdrawn
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	61.76	-	-

Rating Rationale

Acuite has withdrawn the rating on the Rs.61.76 Cr bank facilities of EMT MEGATHERM PRIVATE LIMITED (EMTMPL).

The rating has been withdrawn on Acuite's policy of withdrawal of ratings.

The rating has been withdrawn on account of the request received from the company, and the NDC received from the banker.

Since the loan availed by the company has been repaid, the rating has been withdrawn.

About the Company

EMT Megatherm Private Limited was incorporated in 1998 as Engel Machine Tools Private Limited by the Government of West Bengal (GoWB) and later in 2005 taken over by the Kolkata based Chanda family through Megatherm Electronics Private Limited (MEPL). Since takeover, the operations from MEPL gradually shifted to EMT. Currently, EMT is engaged in manufacturing of ladle refining furnace and continuous steel casting machines, transformer for steel and metal/ power industry and execution of EPC contracts for steel, foundry & forging and transformer sector. The operations are managed by Mr Shesadri Bhusan Chanda and Mr. Satadri Chanda.

Analytical Approach

Not Applicable

Key Rating Drivers

Strengths

Not Applicable

Weaknesses

Not Applicable

Rating Sensitivities

Not Applicable

Material covenants

Not Applicable

Liquidity Position:

Not Applicable

Outlook:

Not Applicable

Other Factors affecting Rating

Not Applicable

About the Rated Entity - Key Financials

Acuite has displayed the consolidated financials of EMT Megatherm Private Limited and Megatherm Induction Limited.

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	191.92	138.78
PAT	Rs. Cr.	(3.31)	(13.13)
PAT Margin	(%)	(1.73)	(9.46)
Total Debt/Tangible Net Worth	Times	1.86	1.71
PBDIT/Interest	Times	0.99	0.15

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

Care Ratings vide its press release dated 22.08.2022 had downgraded the company to CARE C/A4 (Stable) ; Issuer Not Cooperating.

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
25 Aug 2022	Letter of Credit	Short Term	21.00	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.76	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	35.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
01 Jun 2021	Letter of Credit	Short Term	21.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.76	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	35.00	ACUITE BB (Downgraded and Issuer not co-operating*)
02 Mar 2020	Cash Credit	Long Term	35.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.76	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	21.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	5.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	Not Applicable Withdrawn
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	35.00	Not Applicable Withdrawn
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	21.00	Not Applicable Withdrawn
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.76	Not Applicable Withdrawn

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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