

EMT Megatherm Private Limited

August 22, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.00	CARE C; Stable; ISSUER NOT COOPERATING* (Single C; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Long Term / Short Term Bank Facilities	25.00	CARE C; Stable / CARE A4; ISSUER NOT COOPERATING* (Single C; Outlook: Stable/ A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable / CARE A4; (Single B Plus; Outlook: Stable / A Four)
Short Term Bank Facilities	27.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	66.00 (Rs. Sixty-Six Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated June 29, 2021, placed the rating(s) of EMT Megatherm Private Limited (EMPL) under the 'issuer non-cooperating' category as EMPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. EMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 15, 2022, May 25, 2022, June 04, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of EMPL have been revised on account of non-availability of requisite information. The ratings further consider significant decline in operating income, accumulated operating and net losses, and highly leveraged capital structure and debt coverage indicators during FY21 over FY20.

Detailed description of the key rating drivers

Please refer to PR dated [June 29, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

EMT Megatherm Pvt. Ltd (EMPL) was originally incorporated in July 1998 by the Government of West Bengal (GoWB) as Engel India Machines & Tools for manufacturing of injection moulding machines for the plastic industry. In October 2005, the Megatherm Electronics Pvt Ltd (MEPL) along with its various group companies took over around 90.1% stake in the company thereby reducing the stake of GoWB to balance 9.9%. Prior to acquisition, MEPL was engaged in manufacturing of induction equipment's and executing EPC contracts in the same field. Post-acquisition, MEPL gradually transferred its entire operation into EMT and currently it is also executing certain EPC contracts on its own, wherein MEPL procures its requirement of induction equipment from EMPL. EMPL is currently engaged in the manufacturing of induction equipment(like induction melting furnace, induction heating furnace, electric arc melting furnace, ladle refining furnace and continuous steel casting machines) and execution of EPC contracts for steel, foundry & forging and transformer sector.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23(Prov.)
Total operating income	66.96	27.72	NA	NA
PBILDT	-12.26	-13.19	NA	NA
PAT	-17.44	-15.27	NA	NA
Overall gearing (times)	2.48	NM	NA	NA
Interest coverage (times)	NM	NM	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available; NM: Not Meaningful

Status of non-cooperation with previous CRA: Acuite has continued the rating assigned to the bank facilities of EMPL into Issuer Not Cooperating category vide press release dated June 01, 2021 on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure- 3

Complexity level of various instruments rated for this company: Annexure -4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE C; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	21.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	5.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	25.00	CARE C; Stable / CARE A4; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	December 2019	4.00	CARE C; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	1.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

S r. N o .	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	10.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (29-Jun-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (02-Apr-20)	-
2	Non-fund-based - ST-Letter of credit	ST	21.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (29-Jun-21)	1)CARE A4; ISSUER NOT COOPERATING* (02-Apr-20)	-
3	Non-fund-based - ST-Bank Guarantee	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (29-Jun-21)	1)CARE A4; ISSUER NOT COOPERATING* (02-Apr-20)	-

4	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST*	25.00	CARE C; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (29-Jun-21)	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (02-Apr-20)	-
5	Term Loan-Long Term	LT	4.00	CARE C; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (29-Jun-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (02-Apr-20)	-
6	Non-fund-based - ST-Forward Contract	ST	1.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (29-Jun-21)	1)CARE A4; ISSUER NOT COOPERATING* (02-Apr-20)	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple
5	Non-fund-based - ST-Letter of credit	Simple
6	Term Loan-Long Term	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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