

## ETA Engineers Bangalore Private Limited

February 24, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	8.00	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; Stable; (Double B Minus; Outlook: Stable)
Short Term Bank Facilities	6.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>14.00</b> <b>(Rs. Fourteen Crore</b> <b>Only)</b>		

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated February 05, 2021, placed the rating(s) of ETA Engineers Bangalore Private Limited (EEBPL) under the 'issuer non-cooperating' category as EEBPL 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. EEBPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 22, 2021, January 01, 2022 and January 11, 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 EEBPL have been revised on account of non-availability of requisite information. The rating also factored in decline in scale of operations and profitability during FY20 over FY19.

### Detailed description of the key rating drivers

Please refer to PR dated [February 05, 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

Bangalore based, ETA Engineers Bangalore Private Limited (EEBPL) was established as a partnership firm in 1984 by Mr. HAL Rao, Father of Mr. Ranganath L Rao as M/S ETA Engineers and later reconstituted as a Private Limited Company in 2009. The operations of the company are managed by Mr. Ranganath Rao (Managing Director) and Mrs. Vidya Ranganath (Director). The company is engaged in the work of electrical infrastructure like erection, and installation of sub-stations in Karnataka and nearby areas. The company undertakes contracts to establish 66/11 kv substations and construct 66kv Single Circuit tap lines. The company receives the work order from tenders. The company purchases raw materials (stainless steel, mild steel plates, steel round plates, etc.) from the local suppliers. It procures work orders majorly through government from KPTCL (Karnataka Power Transmission Corporation Limited), which constitutes about 90% of the total revenue.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (Prov.)
Total operating income	15.38	NA	NA
PBILDT	2.12	NA	NA
PAT	0.99	NA	NA
Overall gearing (times)	0.66	NA	NA
Interest coverage (times)	6.23	NA	NA

*NA: Not available; A: Audited; Prov.: Provisional*

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Status of non-cooperation with previous CRA:** Acuite (SMERA) vide its press release dated February 11, 2021 has continued the rating of EEBPL to the 'Issuer Not Cooperating' category on account of its inability to carry out a review in the absence of 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-Bank Overdraft		-	-	-	8.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	6.00	CARE A4; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information

#### Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings		Rating history				
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Bank Overdraft	LT	8.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (05-Feb-21)	1)CARE BB; Stable (24-Feb-20)	-
2	Non-fund-based - ST-Bank Guarantee	ST	6.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (05-Feb-21)	1)CARE A4 (24-Feb-20)	-

\*Issuer did not cooperate; based on best available information

**Annexure-3: Detailed explanation of covenants of the rated instrument / 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-Bank Overdraft	Simple
2	Non-fund-based - ST-Bank Guarantee	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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### About CARE Ratings:

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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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