

ESAB India Limited

April 1, 2020

Ratings

Type of Rating	Rating ¹	Rating Action
Issuer Rating	CARE AA-(Is); Stable (Double A minus (Issuer Rating); Outlook:Stable)	Rating placed on Notice of Withdrawal for 3 months

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has placed the outstanding Issuer Rating assigned to ESAB India Limited on 'Notice of Withdrawal' with immediate effect. The aforesaid rating would continue to remain on 'Notice of Withdrawal' for a period of three months, after which it would stand withdrawn. The above action has been taken at the request of ESAB India Limited.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

ESAB India started its operations in 1987 by acquiring the welding business of Peico Electronics & Electricals Limited (now Philips India Limited). The Company continued its expansion in the Indian market with the purchase of Indian Oxygen Limited's welding business in 1991 and Flotech Welding & Cutting Systems Limited in 1992, followed by the merger of Maharashtra Weldaids Limited in 1994. ESAB India is part of the ESAB Group (holding 73.72% stake). The ultimate holding company of ESAB is Colfax Corporation USA listed in New York Stock Exchange. ESAB India is one of the leading suppliers of welding and cutting products in the country. With a comprehensive sales and distribution network of ~200 distributors spread across India, ESAB India is one of the major players in the organized sector in the welding/ electrode manufacturing segment.

Brief Financials (Rs. crore) – Standalone	FY18 (A)	FY19 (A)
Total Operating Income	535.83	674.39
PBILDT	53.25	82.11
PAT	37.15	57.59
Overall Gearing (times)	0.00	0.00
Interest coverage (times)	242.05	293.25

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
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²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Issuer Rating-Issuer Ratings	-	-	-	0.00	CARE AA- (Is); Stable

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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Issuer Rating-Issuer Ratings	Issuer rating	0.00	CARE AA- (Is); Stable	1)CARE AA- (Is); Stable (04-Apr-19)	1)CARE AA- (Is); Stable (17-Apr-18)	-	-

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Contact us

Media Contact

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – mradul.mishra@careratings.com

Analyst Contact

Name: Ishan Marda

Tel: 033-4018 1600

Email: ishan.marda@careratings.com

Relationship Contact

Name: Lalit Sikaria

Contact no.: 033-4018 1607

Email: lalit.sikaria@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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