

## Optec Instrumentations

June 30, 2020

### Rating

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Short term bank facilities	7.00	<b>CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)</b>	Issuer not cooperating; Based on best available information
<b>Total Facilities</b>	<b>7.00 (Rupees Seven crore only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Optec Instrumentations to monitor the rating vide its letter dated June 12, 2020 and numerous e mails communications dated June 10, 2020, June 09, 2020, May 19, 2020, May 05, 2020 and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Optec Instrumentations' bank facilities will now be denoted as **CARE A4; ISSUER NOT COOPERATING**.

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

### Detailed description of the key rating drivers

The ratings has been revised on account of highly competitive and fragmented nature of industry and its proprietorship nature of constitution

### Key Rating Weaknesses

#### Highly competitive & fragmented nature of the industry

The industry is riddled with high competition due to presence of several domestic and international players. Intense competition from both domestic and international players restricts the pricing flexibility and the bargaining power with customers and suppliers.

#### Proprietorship nature of constitution

OTI's constitution as a proprietorship firm has the inherent risk of possibility of withdrawal of the proprietor's capital at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of proprietor. Moreover, proprietorship firms have restricted access to external borrowing as credit worthiness of proprietor would be the key factors affecting credit decision of the lenders.

### Key Rating Strengths

#### Experienced proprietor and long track record of operations

The firm was established in 1994 and has a long track record of operations of more than two decades in manufacturing/trading of scientific laboratory instruments which has aided the firm in establishment of strong relationships with customers and suppliers. The firm is headed by Mr. Puneet Jain, who has gained an overall experience of more than two and a half decades in the industry through PTI only. The proprietor has adequate acumen about various aspects of business which is likely to benefit OTI in the long run. Furthermore, the proprietor is supported by experienced team having varied experience in the field of technical, marketing and finance aspects of business.

**Analytical approach:** Standalone

### Applicable Criteria

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

[Criteria on assigning 'outlook' and 'credit watch' to Credit Ratings](#)

#### [Financial ratios – Non-Financial Sector](#)

[CARE's methodology for manufacturing companies](#)

[CARE's policy on default recognition](#)

#### [Criteria for Short Term Instruments](#)

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**About the firm**

Optec Instrumentations (OTI) was established as a proprietorship firm in 1994 by Mr. Puneet Jain. OTI is engaged in the trading/ manufacturing of scientific laboratory instruments for education sector at its facility located at Ambala Cantt, Haryana. The main products include flasks, measuring cylinder, bottle dropper, electrolysis apparatus, etc. The firm sells the products to various distributors based in Hyderabad, Chennai, Bombay, and Uttarakhand. Furthermore, OTI also exports the products to overseas market mainly to Dubai, Saudi Arab countries, etc.

**Covenants of rated instrument / facility:** Not Applicable

Brief Financials (Rs. crore)	FY18 (A)	FY19 (Prov.)
Total operating income	12.36	1.33
PBILDT	2.04	0.17
PAT	2.02	0.22
Overall gearing (times)	0.00	0.00
Interest coverage (times)	204.42	185.03

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
Fund-based - ST-Packing Credit in Foreign Currency	-	-	-	7.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

\*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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - ST-Packing Credit in Foreign Currency	ST	7.00	CARE A4; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information	-	1)CARE A4 (01-Jul-19)	-	-

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

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

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### 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.

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**