

August 16, 2010

**CARE REAFFIRMS RATINGS TO THE BANK FACILITIES OF  
ESSENTIAL POWER TRANSMISSION PVT LTD.**

<b>Facilities/ Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	10.19*	<b>'CARE BBB-' (Triple B Minus)</b>	Reaffirmed
Short-term Bank Facilities	1.80	<b>'PR3' (PR Three)</b>	Reaffirmed
<b>Total Facilities</b>	<b>11.99</b>		

\* including term loans of Rs.6.84 crore outstanding as on December 31, 2009

**Ratings rationale**

The ratings continue to derive strength from experienced promoters & management and end use of products across diversified industries.

The ratings are also strengthened by the benefits from the strategic shift of facilities of EPTPL from Dahisar, Mumbai to Valsad, Gujarat and completion of the expansion plan of the company.

However, the ratings are constrained by the relatively small size of operations, high gearing levels, competition from bigger players and the current economic slowdown.

The ability of EPTPL to enhance its capability and bag larger orders is the key rating sensitivity.

**Company Profile**

Incorporated in 1983, EPTPL is engaged in manufacturing and marketing of small and medium-sized mechanical gears and drives. The company caters to the requirements of machinery manufacturers from diverse industries like textile, chemical, sugar, cement, steel and other asset-intensive sectors.

On a total income of Rs.20.98 crore, EPTPL earned a PAT of Rs.0.08 crore in FY09. During 9MFY10, the company posted net sales of Rs.15.28 crore with a PAT of Rs.0.55 crore.

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

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