

Press Release

Paltech Cooling Towers & Equipments Limited (PCTEL)

27 September, 2017



Rating Update

Total Bank Facilities Rated*	Rs.28.00 Cr
Long Term Rating (Indicative)	SMERA BB- Issuer not co-operating*
Short Term Rating (Indicative)	SMERA A4 Issuer not co-operating*

#Refer Annexure for details

*The issuer did not co-operate; based on best available information.

SMERA has reviewed the long-term rating of '**SMERA BB**' (**read as SMERA double B**) and short-term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs.28.00 crore bank facilities of Paltech Cooling Towers & Equipments Limited (PCTEL). This is an indicative rating.

Non-cooperation by the issuer/borrower: SMERA has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit required documents before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and SMERA's policies.

Applicable Criteria

- Default Recognition: <https://www.smera.in/criteria-default.htm>
- Manufacturing entities: <https://www.smera.in/criteria-manufacturing.htm>

Limitation regarding information availability: The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). SMERA endeavoured to gather information about the entity / industry from the public domain. Therefore, SMERA cautions lenders and investors regarding the use of such information on which the indicative credit rating is based.

About the rated entity: This Haryana-based company was incorporated in 1986 by Mr H P Yadav. The company is involved in the production of cooling towers, water treatment systems and chilling plants for government and non-government players in the domestic and overseas markets. It has three manufacturing units in Mewat district, Haryana. Paltech is a member of the Cooling Technology Institute (CTI), USA and is ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certified.

For FY2014–15, the company reported profit after tax (PAT) of Rs.0.85 crore on operating income of Rs.31.31 crore, as compared with profit after tax (PAT) of Rs.1.06 crore on operating income of Rs.36.09 crore in FY2013–14. As per 12 months' provisional financials for FY2015-16, the company booked PAT of Rs.1.21 crore on operating income of Rs.35.54 crore. The net worth stood at Rs.20.91 crore (provisional) in FY2015-16 against Rs.17.81 crore a year earlier.

Rating History for the last three years:

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
July 25, 2016	Cash Credit	Long Term	9.00	SMERA BB- / Stable (Assigned)
	Cash Credit#	Long Term	4.50	SMERA BB- / Stable (Assigned)
	Standby line of Credit	Long Term	2.00	SMERA BB- / Stable (Assigned)
	Long Term Facility (Proposed)	Long Term	0.49	SMERA BB- / Stable (Assigned)
	Letter of Credit	Short Term	1.00	SMERA A4 (Assigned)
	Bank Guarantee	Short Term	6.00	SMERA A4 (Assigned)
	Bank Guarantee\$	Short Term	5.01	SMERA A4 (Assigned)

Cash credit facility is sanctioned for Kanti Bijli Utpadan Nigam Limited (KBUNL) project

\$ Bank Guarantee facility is sanctioned for Kanti Bijli Utpadan Nigam Limited (KBUNL) project

Annexure – Details of instruments rated:

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	NA	NA	NA	9.00	SMERA BB- Issuer not co-operating*
Cash Credit#	NA	NA	NA	4.50	SMERA BB- Issuer not co-operating*
Standby line of Credit	NA	NA	NA	2.00	SMERA BB- Issuer not co-operating*
Long Term Facility	NA	NA	NA	0.49	SMERA BB- Issuer not co-

(Proposed)					operating*
Letter of Credit	NA	NA	NA	1.00	SMERA A4 Issuer not co-operating*
Bank Guarantee	NA	NA	NA	6.00	SMERA A4 Issuer not co-operating*
Bank Guarantee\$	NA	NA	NA	5.01	SMERA A4 Issuer not co-operating*

*The issuer did not co-operate; based on best available information.

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ABOUT SMERA

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