

Press Release

Paltech Cooling Towers & Equipments Limited

January 29, 2019

Rating Update



Total Bank Facilities Rated*	Rs.28.00 Cr.#
Long Term Rating	ACUITE C Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuite has reviewed the long-term rating of '**ACUITE C**' (read as **ACUITE C**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.28.00 crore bank facilities of Paltech Cooling Towers & Equipments Limited (PCTEL). This rating is now an indicative rating and is based on best available information.

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 nongovernment entities 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 OHSAS18001:2007 certified.

Non-cooperation by the issuer/borrower: Acuite 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 such information before due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	25.35	35.54	31.31
EBITDA	Rs. Cr.	5.76	6.38	5.69
PAT	Rs. Cr.	1.14	1.21	0.85
EBITDA Margin	(%)	22.73	17.95	18.17
PAT Margin	(%)	4.51	3.40	2.70
ROCE	(%)	11.80	13.48	12.55
Total Debt/Tangible Net Worth	Times	1.24	1.10	1.31
PBDIT/Interest	Times	1.39	1.56	1.48
Total Debt/PBDIT	Times	4.37	3.62	4.10
Gross Current Assets (Days)	Days	700	507	523

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
16-Feb-18	Cash Credit I	Long Term	9.00	ACUITE C (Downgraded)
	Cash Credit II	Long Term	4.50	ACUITE C (Downgraded)
	Standby line of Credit	Long Term	1.35	ACUITE C (Downgraded)
	Proposed Long Term Loan	Long Term	0.30	ACUITE C (Downgraded)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee I	Short Term	6.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee II	Short Term	5.01	ACUITE A4 (Reaffirmed)
	Bank Guarantee III	Short Term	0.84	ACUITE A4 (Reaffirmed)
27-Sep-17	Cash Credit I	Long Term	9.00	ACUITE BB- (Indicative)
	Cash Credit II	Long Term	4.50	ACUITE BB- (Indicative)
	Standby line of Credit	Long Term	2.00	ACUITE BB- (Indicative)
	Proposed Working capital demand Loan	Long Term	0.49	ACUITE BB- (Indicative)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Indicative)
	Bank Guarantee I	Short Term	6.00	ACUITE A4 (Indicative)
	Bank Guarantee II	Short Term	5.01	ACUITE A4 (Indicative)
25-Jul-16	Cash Credit I	Long Term	9.00	ACUITE BB-/Stable (Assigned)
	Cash Credit II	Long Term	4.50	ACUITE BB-/Stable (Assigned)
	Standby line of Credit	Long Term	2.00	ACUITE BB-/Stable (Assigned)
	Proposed Working capital demand Loan	Long Term	0.49	ACUITE BB-/Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Assigned)
	Bank Guarantee I	Short Term	6.00	ACUITE A4 (Assigned)
	Bank Guarantee II	Short Term	5.01	ACUITE A4 (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit I	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE C Issuer not co-operating*
Cash Credit II	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE C Issuer not co-operating*
Standby line of Credit	Not Applicable	Not Applicable	Not Applicable	1.35	ACUITE C Issuer not co-operating*
Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.30	ACUITE C Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Issuer not co-operating*
Bank Guarantee I	Not Applicable	Not Applicable	Not Applicable	6.00	ACUITE A4 Issuer not co-operating*
Bank Guarantee II	Not Applicable	Not Applicable	Not Applicable	5.01	ACUITE A4 Issuer not co-operating*
Bank Guarantee III	Not Applicable	Not Applicable	Not Applicable	0.84	ACUITE A4 Issuer not co-operating*

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

Contacts

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About Acuité Ratings & Research:

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