

January 16, 2025

Zeco Aircon Ltd: Continues to remain under issuer non-cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term- Non-Fund Based- Others	15.00	15.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term /Short Term-Unallocated	7.25	7.25	[ICRA]B+(Stable); ISSUER NOT COOPERATING*/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term- Fund Based-Term Loan	22.75	22.75	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Long Term- Fund Based-Cash Credit	55.00	55.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	100.00	100.00	

*Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Long-Term and Short-Term ratings of Zeco Aircon Ltd in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING*.

As part of its process and in accordance with its rating agreement with Zeco Aircon Ltd, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Zeco Aircon Limited (Zeco) manufactures air-handling units (AHUs), hollow ducts, fan coil units, and insulated pipes, which are the constituents of air management systems used in the HVAC (heating, ventilation, and air conditioning) industry. Zeco typically transacts with engineering companies that take up turnkey construction projects and further sub-contracts part of the HVAC requirements. Set up by a first-generation entrepreneur, Mr. Ravinder Singhal, Zeco started operations in 1995, from its New Delhi-based plant. Later in 2005 and 2007, the company set up bigger manufacturing facilities at Bahadurgarh, Haryana, Thane, Mumbai, and at Kolar, Karnataka.

Key financial indicators

Standalone	FY2022	FY2023
Operating Income (Rs. crore)	298.5	413.5
PAT (Rs. crore)	11.00	36.7
OPBDIT/OI (%)	9.3%	15.9%
PAT/OI (%)	3.7%	8.9%
Total Outside Liabilities/Tangible Net Worth (times)	1.7	1.9
Total Debt/OPBDIT (times)	2.5	2.3
Interest Coverage (times)	3.9	7.7

Status of non-cooperation with previous CRA:

CRA	Rating Action	Date of Release
CRISIL	CRISIL BB+/Stable/ A4+; ISSUER NOT COOPERATING	August 14, 2024

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
				16-January-2025	24-November-2023	19-September-2022	07-July-2021
1	Non-Fund Based- Others	Short Term	15.00	[ICRA] A4; ISSUER NOT COOPERATING	[ICRA] A4; ISSUER NOT COOPERATING	[ICRA] A4; ISSUER NOT COOPERATING	[ICRA] A4; ISSUER NOT COOPERATING
2	Unallocated	Long Term /Short Term	7.25	[ICRA] B+(Stable); ISSUER NOT COOPERATING/ [ICRA] A4; ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING/ [ICRA] A4; ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING/ [ICRA] A4; ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING/ [ICRA] A4; ISSUER NOT COOPERATING
3	Fund Based-Term Loan	Long Term	22.75	[ICRA] B+(Stable); ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING
4	Fund Based-Cash Credit	Long Term	55.00	[ICRA] B+(Stable); ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING	[ICRA] B+(Stable); ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-Fund Based- Others	Very Simple
Unallocated	Not Applicable
Fund Based-Term Loan	Simple
Fund Based-Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Non-Fund Based- Others	NA	NA	NA	15.00	[ICRA] A4; ISSUER NOT COOPERATING
NA	Unallocated	NA	NA	NA	7.25	[ICRA] B+(Stable); ISSUER NOT COOPERATING/[ICRA] A4; ISSUER NOT COOPERATING
NA	Fund Based-Term Loan	NA	NA	NA	22.75	[ICRA] B+(Stable); ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	NA	NA	NA	55.00	[ICRA] B+(Stable); ISSUER NOT COOPERATING

Source: Zeco Aircon Ltd

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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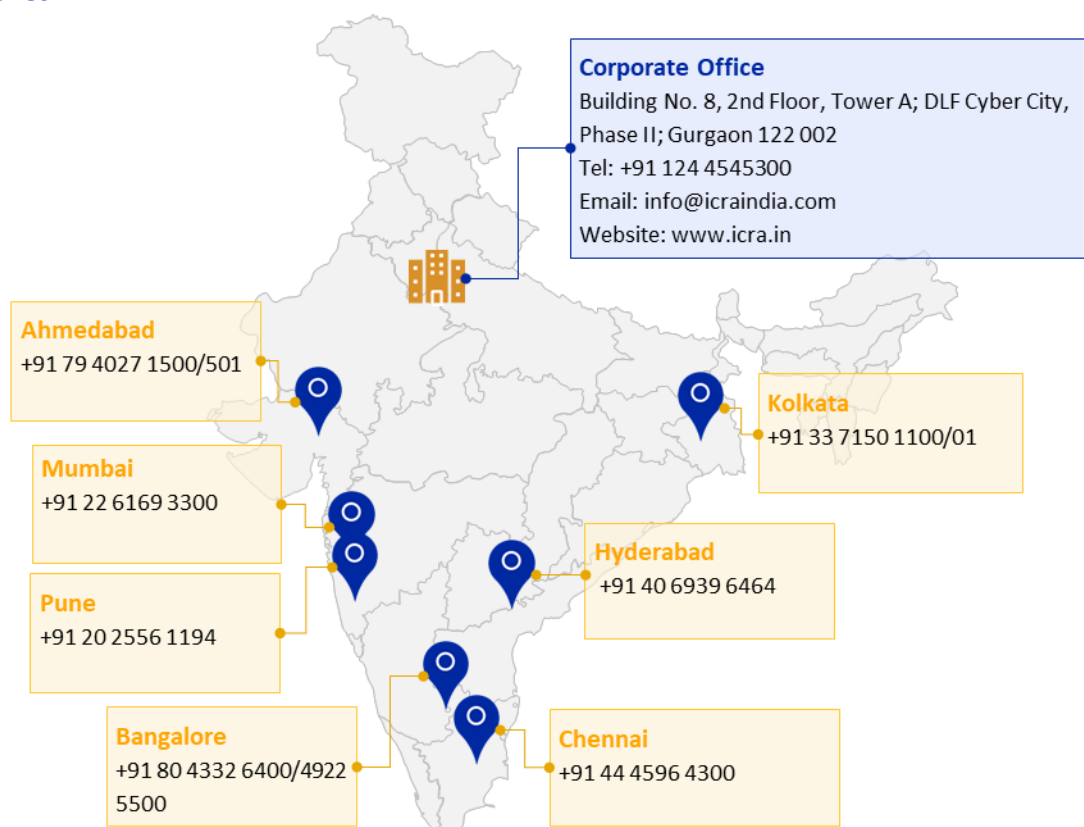


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