

November 24, 2023

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 |
|------------------------------------|-----------------------------------|----------------------------------|--|
| 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 |
| 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 / Short Term-Unallocated | 7.25 | 7.25 | [ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category |
| Short Term-Non-Fund Based-Others | 15.00 | 15.00 | [ICRA]A4; 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 rating 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 the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [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 | Not Applicable |
| Consolidation/Standalone | Standalone |

About the company

Zeco Aircon Ltd (Zeco) manufactures AHUs, hollow ducts, fan coil units, and insulated pipes, which are the constituents of air management systems used in the HVAC 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. In 2005 and 2007, the company set up bigger manufacturing facilities at Bahadurgarh, Haryana, Thane, Maharashtra, and Kolar, Karnataka.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

| | Instrument | Current Rating (FY2024) | | | | Chronology of Rating History for the past 3 years | | |
|---|------------------------|--------------------------|--------------------------|--------------------------------|---|---|---|---|
| | | Type | Amount Rated (Rs. crore) | Amount Outstanding (Rs. Crore) | Date & Rating in | Date & Rating in FY2023 | Date & Rating in FY2022 | Date & Rating in FY2021 |
| | | | | | 24-November-2023 | | | |
| 1 | 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] BB+(Stable); ISSUER NOT COOPERATING |
| 2 | 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] BB+(Stable); ISSUER NOT COOPERATING |
| 3 | Unallocated | Long Term/ Short Term | 7.25 | - | [ICRA] B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING | [ICRA] B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING | [ICRA] B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING | [ICRA] BB+(Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING |
| 4 | 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 |

Complexity level of the rated instrument

| Instrument | Complexity Indicator |
|------------------------|----------------------|
| Fund Based-Cash Credit | Simple |
| Fund Based-Term Loan | Simple |
| Unallocated | Not Applicable |
| Non-Fund Based-Others | Very 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 | Fund Based-Cash Credit | - | - | - | 55.00 | [ICRA] B+(Stable); ISSUER NOT COOPERATING |
| NA | Fund Based-Term Loan | - | - | - | 22.75 | [ICRA] B+(Stable); ISSUER NOT COOPERATING |
| NA | Unallocated | - | - | - | 7.25 | [ICRA] B+(Stable)/ [ICRA]A4; ISSUER NOT COOPERATING |
| NA | Non-Fund Based- Others | - | - | - | 15.00 | [ICRA]A4; 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.

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Branches



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