



Press Release

PTC Industries Limited (PIL)

September 16, 2024

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term fund-based Bank Facilities - Term Loans	71.54	IVR BBB/Stable and Withdrawn (IVR Triple B with Stable Outlook and Withdrawn)	IVR BBB+/Negative (IVR Triple B Plus with Negative Outlook)	Rating Downgraded and Outlook revised to Stable and Withdrawn	Simple
Long Term fund-based Bank Facilities - Cash Credit	40.00	IVR BBB/Stable and Withdrawn (IVR Triple B with Stable Outlook and Withdrawn)	IVR BBB+/Negative (IVR Triple B Plus with Negative Outlook)	Rating Downgraded and Outlook revised to Stable and withdrawn	Simple
Short Term fund-based Bank Facilities - EPC/PCFC/FBP/FBD/SLC	45.40	IVR A3+ and Withdrawn (IVR A Three Plus and Withdrawn)	IVR A2 (IVR A Two)	Downgraded and Withdrawn	Simple
Short Term Non-fund-based Bank Facilities - LCs	25.00	IVR A3+ and Withdrawn (IVR A Three Plus and Withdrawn)	IVR A2 (IVR A Two)	Downgraded and Withdrawn	Simple
Total		181.94 (Rupees One Hundred and Eighty-One Crore and Ninety-Four Lakhs only)			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded its ratings assigned to the long term and short term bank facilities of PTC Industries Limited (PIL), revised outlook to stable and simultaneously withdrawn all the ratings with immediate effect. The above action has been taken at the request of PIL and 'No Objection Certificate' received from the lenders. The rating is withdrawn in accordance with Infomerics Ratings' 'Policy on Withdrawal of Ratings'.



Press Release

The revision in ratings the company's non-achievement of envisaged projections in FY24 and subdued performance in Q1FY25. The ratings however continue to factor in the extensive experience of the promoters and established track record of operations, average financial risk profile and diversified product profile. These ratings strengths are offset by moderate working capital intensive operations, exposure to foreign exchange fluctuations and cyclical and price volatility in steel industry, susceptible to regulatory changes and global phenomenon. The outlook is revised to stable in view of extensive experience of the management.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Significant experience of the promoters & established track record of operations**

PTC Industries Limited (PTC) incorporated in 1963 has a long track record of manufacturing of stainless steel casting that find applications in various industries. PTC was founded by late Satish Chandra Agarwal. Currently the directors of the company Mr. Sachin Agarwal, Mr. Priya Ranjan Agarwal, Mr. Alok Agarwal, Mr. Ashok Kumar Shukla & Ms. Smita Agarwal are having decades of experience in casting Industry. The company has five independent directors in order to maintain independence of the Board and segregate the functions of governance and management. Longstanding presence of the promoters and directors in the industry has helped the company to establish strong relationships with customers and suppliers, withstand industry cycles, diversify the product profile, and expand capacity.

- **Average financial risk profile**

PTC's financial risk profile stood comfortable marked by average overall gearing at 0.25 times in FY24 (refers to period April 2023 to March 2024) as against 0.50 times in FY23 (refers to period April 2022 to March 2023) and 1.16 times in FY22. Interest coverage stood healthy at 3.30 times in FY24 and 3.12 times in FY23.



Press Release

The EBITDA margins witnessed contraction of 243 basis points to stand at 19.78% in FY24 while PAT margins improved marginally by 26 basis points to stand at 9.13% during the year.

- **Diversified Product Profile**

PTC is engaged in the business of manufacturing Stainless Steel, Duplex, Super Duplex, Nickel, Cobalt alloys, non-alloy steel castings solutions, machined components and fabricated parts for application in sectors such as Aerospace, Oil & Gas, Marine, Energy & Petrochemical. The company has expanded its existing product portfolio by introduction of new trademarked indigenously developed technologies like RapidCast™, PrintCast™, forgeCast™, Powderforge™ and TiCast™. The company produces Pumps, Valves, Propulsion, flow control etc. products with the help of these technologies.

Key Rating Weaknesses

- **Moderate working capital intensive nature of operations**

The company's operations are moderately working capital intensive in nature as reflected by its Operating cycle (days) of around 205 days in FY24 and 203 days in FY23. PTC maintains an average inventory of around 3-4 months of various varieties and grades for smooth running of operations and no stock out position to lose business. The average collection period (days) also remains high at 120 days in FY24 as against 105 days in FY23.

- **Exposure to foreign exchange fluctuations**

The company derives a major portion of its income i.e., around 80% of total revenue from exports, due to that company will remain exposed to currency fluctuation to the extent of unhedged exposure. However, company has a hedging mechanism in place to reduce exposure to foreign exchange fluctuations.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)



Press Release

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Ratings](#)

Liquidity – Adequate

The company generated cash accruals to the tune of Rs. 41.74 crore as on March 31, 2024 as against a repayment obligation of Rs 16.40 crore during the aforesaid period indicating an adequate liquidity position.

About the Company

PTC Industries Limited (PIL) incorporated in 1963 as Precision Tools & Castings Private Limited and was later converted into public limited company listed at National Stock Exchange of India (NSE). It has Stainless Steel & Titanium Casting manufacturing facilities located at Lucknow, Uttar Pradesh and Mehsana, Gujarat while it has its captive power generation plant in Kutch, Gujarat . The company is engaged in the business of manufacturing Stainless Steel, Duplex, Super Duplex, Nickel, Cobalt alloys, non-alloy steel castings solutions, machined components and fabricated parts. The company uses various indigenously developed technologies like Centrifugal Castings, Replicast®, RapidCast™, forgeCAST™ & Titanium Powder for casting. The company caters to Oil & Gas, Aerospace, Marine, Pulp & Paper, Petrochemical & Energy industries.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Income	226.66	260.99
EBITDA	47.97	48.78
PAT	20.10	23.83
Total Debt	148.47	151.64
Tangible Net Worth	296.81	617.44
EBITDA Margin (%)	22.21	19.78
PAT Margin (%)	8.87	9.13



Press Release

Overall Gearing Ratio (x)	0.50	0.25
Interest Coverage (x)	3.12	3.30

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (August 09, 2024)	Date (July 03, 2023)	Date (April 04, 2022)
1.	Term fund-based Bank Facilities - Term Loans	Long Term	71.54	IVR BBB/Stable and Withdrawn (IVR Triple B with Stable Outlook and Withdrawn)	IVR BBB+/Negative (IVR Triple B Plus with Negative Outlook)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
	Term fund-based Bank Facilities - Cash Credit	Long Term	40.00	IVR BBB/Stable and Withdrawn (IVR Triple B with Stable Outlook and Withdrawn)	IVR BBB+/Negative (IVR Triple B Plus with Negative Outlook)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)	IVR BBB+/Stable (IVR Triple B Plus with Stable Outlook)
	Fund-based Bank Facilities - EPC/PCFC/FBP/FBD/SLC	Short Term	45.40	IVR A3+ and Withdrawn (IVR A Three Plus and Withdrawn)	IVR A2 (IVR A Two)	IVR A2 (IVR A Two)	IVR A2 (IVR A Two)
	Non-fund-based Bank Facilities – LCs	Short Term	25.00	IVR A3+ and Withdrawn (IVR A Three Plus and Withdrawn)	IVR A2 (IVR A Two)	IVR A2 (IVR A Two)	IVR A2 (IVR A Two)



Press Release

Analytical Contacts:

Name: Darshini Kansara	Name: Jyotsna Gadgil
Tel: (022) 62396023	Tel: (020) 29913006
Email: darshini.kansara@infomerics.com	Email: jyotsna.gadgil@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



Press Release

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term fund-based Bank Facilities - Term Loans	-	-	-	Up to December 2027	71.54	IVR BBB/Stable and Withdrawn (IVR Triple B Stable Outlook and Withdrawn)
Long Term fund-based Bank Facilities - Cash Credit	-	-	-	-	40.00	IVR BBB/Stable and Withdrawn (IVR Triple B with Stable Outlook and Withdrawn)
Short Term fund-based Bank Facilities - EPC/PCFC/FBP/FB D/SLC	-	-	-	-	45.40	IVR A3+ and Withdrawn (IVR A Three Plus and Withdrawn)
Short Term Non-fund-based Bank Facilities – LCs	-	-	-	-	25.00	IVR A3+ and Withdrawn (IVR A Three Plus and Withdrawn)

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-PTC-Inds-16Sept24.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Name of the Security	Detailed Explanation
Financial Covenant	
i.	
ii.	
Non-financial Covenant	
i.	
ii.	

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.