

## C. Doctor India Private Limited

March 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	21.50	CARE BB; Stable	Assigned
Long Term / Short Term Bank Facilities	24.00	CARE BB; Stable / CARE A4	Assigned
Short Term Bank Facilities	21.00	CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The ratings assigned to the bank facilities of C. Doctor India Private Limited (CDIPL) remained constrained on account of moderate profitability, moderate capital structure and debt coverage indicators along with stretched liquidity during FY24 (Audited, FY refers to period April 01 to March 31). The ratings further remained constrained due to susceptibility of operating margins to volatility in raw material prices and foreign exchange rates along with concentrated albeit reputed customer base of entity. Assigned ratings also take note of on-going debt funded capex.

Above weaknesses are however, partially offset from growing albeit moderate scale of operations and profitability in FY24. Rating further derive strength from CDIPL's experienced promoters having established track record of operations and growing prospectus of heat exchangers and air-cooled condenser market.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Sustaining current scale of operations as marked by Total operating income (TOI) while improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 5%.
- Improvement in capital structure with overall gearing below 1.5x.

#### Negative factors

- Degrowth in scale of operations marked by total operating income by 20% or more.
- Any further debt-funded capex leading to deterioration in overall gearing above 2.5x.

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings believes that entity will sustain its overall financial risk profile, benefitting from the experience of its promoters in industry.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Moderate capital structure and debt coverage indicators

The capital structure of CDIPL as marked by overall gearing ratio witnessed moderation to 1.89x as on March 31, 2024 as against 0.76x as on March 31, 2023 due to increased working capital needs driven by the company's expanding scale. The debt coverage indicators remained moderate marked by an interest coverage ratio of 4.15x in FY24 as against 2.26x in FY23; the improvement in interest coverage ratio is due to increase in operating profits with growing scale of operations. The total debt to gross cash accruals (TD/GCA) remained at 6.39x in FY24 (3.62x in FY23) mainly due to increase in the amount of total debt led by higher working capital utilization to meet up growing scale of operation.

##### Susceptibility of operating margins to volatility in raw material prices and foreign exchange rates

The key raw materials for manufacturing industrial heaters and air-cooled condenser are BOQ plates- (Boiler Quality Plates), steel sheets, plates and tubes. The price of steel is fluctuating in nature and in the absence of price variation clause in the contract, profit margins of CDIPL remains vulnerable to volatility in the raw material price. Thus, any adverse change in the prices of the

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

raw material may affect the profitability of the company. Also, CDIPL largely imports BOQ plates from China which make its margins susceptible to fluctuation in foreign exchange rates.

## Key strengths

### Growing albeit moderate scale of operations and profitability

CDIPL's scale of operations as marked by TOI demonstrated substantial growth since FY21 at a reported Compounded Annual Growth Rate (CAGR) of 64% over the period from FY21-FY24 and stood at Rs.121.48 crore in FY24 (P.Y: Rs.16.70 crore). The growth in TOI is due to improved customer demand driven by the government emphasis on to have own captive power plants with the industry. With growing scale of operations, profitability of CDIPL also improved as marked by operating profit of Rs.4.71 crore in FY24 vis-à-vis Rs.2.64 crore in FY23. The PBILDT margin although remained moderate at 3.87% in FY24 against 4.11% in FY23. Consequently, PAT margin remained at 3.03% in FY24 as against 2.95% in FY23. Till 9MFY25, CDIPL reported TOI of Rs.120 crore.

### Reputed clientele albeit concentrated customer base

CDIPL serves to reputable players in the steel, power, cement, paper, sugar, and fertilizer industries, with the steel and sugar segment being the largest contributor. Over the years of its operation, the promoters of CDIPL have developed long-standing & established relationship with various customers. The customer portfolio of CDIPL includes reputed companies like Triveni Turbines Limited, Siemens Limited, Chaman Metellics Limited etc. Presently, top five customers contribute around 77% in FY24 (88% in FY23).

### Experienced promoters backed by well-established operational track record

CDIPL promoted and managed by three directors namely Sisir Chakraborty, Saurabh Mehta and Suhas Mehta. The promoters of CDIPL hold experience of more than 2 decades in the same line of business. Being present in industrial heat exchangers and air-cooled condensers industry since 2001, the company has long-standing relationship with its customers.

### Liquidity: Stretched

The company's liquidity position remained stretched, characterized by a negative cash flow from operations (CFO) and high working capital utilization. Cash flow from operations remained at negative of Rs.7.14 crore in FY24 against positive CFO of Rs.2.74 crore in FY23 mainly due to advance of Rs.12.38 crore paid to the suppliers as on March 31, 2024. Despite negative CFO, the company had an unencumbered cash and bank balance of around Rs.5.87 crore as of March 31, 2024. The average utilization of working capital limits remained at around 80-90% during past twelve months ended January 31, 2025. Current ratio stood at 1.14x and a quick ratio of 0.83x as of March 31, 2024. Operating cycle remained moderate at 48 days in FY24 which is albeit improving y-o-y with better realizations from customers. GCA level remained sufficient at Rs.4-5 crore in FY24 as against debt repayment obligations of Rs.1-2 crore arising in FY25.

## Applicable criteria

### [Definition of Default](#)

### [Liquidity Analysis of Non-financial sector entities](#)

### [Rating Outlook and Rating Watch](#)

### [Manufacturing Companies](#)

### [Financial Ratios – Non financial Sector](#)

### [Short Term Instruments](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Other Industrial Products

Ahmedabad-based (Gujarat), C. Doctor India Private Limited (CDIPL) was originally incorporated as Industrial Machinery Manufacturers Private Limited in 1958, was later renamed as CDIPL in 2001. It is engaged in the business of manufacturing industrial heat exchangers, air-cooled condensers, and industrial vacuum cleaning systems, serving a wide range of industries including power, cement, paper, sugar, and fertilizer. CDIPL operates from its manufacturing facilities in Ahmedabad and Vadodara. CDIPL is being managed by its founder promoters - Mr. Suhas Mehta, Mr. Saurabh Mehta and Mr. Sisir Chakraborty. The promoters are also involved into various other businesses through its group companies- C Doctor and Company Private Limited (CDCPL) engaged into supply and erection of heating, ventilation and air conditioning system on turnkey basis, CB Doctor

Ventilators Private Limited (CBVPL) engaged into manufacturing of industrial fans & industrial blowers; and Mehta Machinery Private Limited (MMPL) which is engaged in the business of manufacturing of humidification ventilation plant.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (Prov.)
Total operating income	64.36	121.48	120.00
PBILDT	2.64	4.71	NA
PAT	1.90	3.68	NA
Overall gearing (times)	0.76	1.89	NA
Interest coverage (times)	2.26	4.15	NA

A: Audited Prov.: Provisional NA: Not Available; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	16.00	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	June 2030	5.50	CARE BB; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	24.00	CARE BB; Stable / CARE A4
Non-fund-based - ST-Letter of credit		-	-	-	21.00	CARE A4

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	-	-	-	-	-	1)CARE B+; Stable (14-Dec-21) 2)Withdrawn (14-Dec-21)
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	-	-	-	-	-	1)Withdrawn (14-Dec-21) 2)CARE B+; Stable / CARE A4 (14-Dec-21)
3	Non-fund-based - ST-Letter of credit	ST	-	-	-	-	-	1)CARE A4 (14-Dec-21) 2)Withdrawn (14-Dec-21)
4	Fund-based - LT-Cash Credit	LT	16.00	CARE BB; Stable				
5	Fund-based - LT-Term Loan	LT	5.50	CARE BB; Stable				
6	Non-fund-based - ST-Letter of credit	ST	21.00	CARE A4				
7	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	24.00	CARE BB; Stable / CARE A4				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities-** Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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