



Press Release

NDT Technologies Private Limited

June 11, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	11.55	IVR BB/ Stable (IVR Double B with Stable Outlook)	-	Rating Assigned	Simple
Short Term Bank Facilities	12.45	IVR A4 (IVR A Four)	-	Rating Assigned	Simple
Total	24.00 (Rupees Twenty Four crore 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 assigned rating to the bank facilities of NDT Technologies Private Limited (NDT) which derive strength from comfortable capital structure and debt protection metrics, reputed clientele and extensive experience of promoters in the inspection and non-destructive testing services. However, these rating strengths are partially offset by small scale of operations, elongated working capital cycle and high competition.

The ratings have been assigned a stable outlook as the NDT's business and financial risk profile is expected to be maintained over the medium term.

Key Rating Sensitivities:

Upward Factors

- Substantial growth in scale of operations with improvement in profitability on a sustained basis
- Improvement in the overall financial risk profile and the liquidity position.



Press Release

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis
- Any deterioration in its liquidity profile with elongation in operating cycle.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Comfortable capital structure and debt protection metrics**

The capital structure marked by overall gearing on adjusted TNW and TOL/ATNW has improved and remained comfortable at 0.31x and 0.58x respectively in FY24 (period refers to March 31, 2023 to March 31, 2024) (P.Y. 0.69x and 1.16x respectively) due to repayment of term debts and lower utilization of working capital limits. However, debt protection metrics marked by interest coverage has deteriorated though stood comfortable levels at 4.37x in FY24 (P.Y.: 5.31x) due to decrease in profitability.

- **Reputed clientele**

The company has reputed clients like SAIL, Bharat Forge Limited, JSW Steel Limited Reliance Industries Limited, Indian Railway etc. The company provides specialized services to other companies, which helps in problem solving. The company provides customized and user friendly softwares which helps business carry their work more smoothly and efficiently. The company does integration of technologies with robotics to automate work.

- **Extensive experience of promoters**

NDT is promoted by Mr. Anil Ravindran Nair, Mr. Sanjeev Pillai, Mrs. Rajashree Nair and Mr. K. Somasekaran Nair. The promoters are having more than two decades in the inspection and non destructive testing services. The promoters are actively engaged in day-to-day affairs of the company, ably supported by a well experienced second line of executives.

Key Rating Weaknesses



Press Release

- **Small scale of operations**

Total operating income of NDT has decreased by ~29% and the scale of operations is relatively small, marked by a revenue of Rs.44.98 crore in FY24 against Rs.62.95 crore in FY23. The decline in total operating income is mainly due to reduction in orders for EPC projects as major part of EPC projects were closed in FY23 and hence, there was lower EPC orders to execute in FY24, resulted decrease in total operating income. Further, EBITDA margin and PAT margin have declined to 21.89% and 10.44% respectively in FY24 as against 24.53% and 13.88% respectively in FY23, mainly on account of higher trading equipment which has lower margin.

- **Elongated working capital cycle**

NDT's operations are working capital intensive in nature. The operating cycle of the company have deteriorated and remained high at 258 days as on March 31, 2024 (March 31, 2023: 96 days) due to receivable of debtors for more than 1 year due to litigations.

- **High competition**

The competition in the industry remains high due to the presence of unorganized smaller players.

Analytical Approach: Standalone Approach

Applicable Criteria:

[Rating Methodology for Trading Companies](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition](#)

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

Liquidity – Adequate



Press Release

The liquidity position of the company remains adequate as cash accruals are expected to remain sufficient to meet the repayment obligations. The free cash and cash equivalents balance stood at Rs.0.71 crore as on March 31, 2024, while average working capital utilisation for the 12 months ended January 2025 remained moderate at ~75%. Current ratio stood at comfortable levels at 2.46x as on March 31, 2024 (P.Y.: 1.34x), due to increase in debtors as it majorly consist debtors outstanding for more than a year i.e. one debtor which is under litigation.

About the Company

NDT was formed on August 05, 2002 as partnership firm, it got converted into privately held company as on April 01, 2005. The company operates in 3 segments namely sales and trading of engineering equipment, non destructive testing and inspection services and engineering, procurement and construction for rehabilitation for sewer lines.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	62.95	44.98
EBITDA	15.44	9.84
PAT	8.96	4.82
Total Debt	27.93	14.95
Tangible Net Worth	40.30	48.17
EBITDA Margin (%)	24.53	21.89
PAT Margin (%)	13.88	10.44
Overall Gearing Ratio (x)	0.69	0.31
Interest Coverage (x)	5.31	4.37

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No.	Name of Security / Facilities	Current Ratings (2025-26)			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
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1.	Cash Credit	Long Term	11.55	IVR BB/ Stable	--	--	--
2.	Bank Guarantee	Short Term	12.45	IVR A4	--	--	--

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. 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.

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Press Release

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.

Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	11.55	IVR BB/ Stable
Bank Guarantee	-	-	-	-	12.45	IVR A4

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-NDT-Technologies-11june25.pdf>

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

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.