



Press Release

Nalanda Engicon Private Limited

July 05, 2024

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	27.81	IVR BBB/ Negative ISSUER NOT COOPERATING* (IVR triple B with Negative Outlook Issuer Not Cooperating)	IVR BBB+/ Stable (IVR triple B plus with Stable outlook)	Downgraded and Moved to Issuer Not Cooperating category	Simple
Short Term Facilities	222.19 (Including proposed limit of Rs. 4.29 crore)	IVR A3+ ISSUER NOT COOPERATING* (IVR A three plus Issuer Not Cooperating)	IVR A2 (IVR A two)	Downgraded and Moved to Issuer Not Cooperating category	Simple
Total	250.00 (INR Two hundred fifty 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

The downgrade in the ratings assigned to the bank facilities of Nalanda Engicon Private Limited reflects non-submission of 'No Default Statement' for three consecutive months ended June 2024, and the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its ratings and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this ratings as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the Monthly No Default Statement for the month of April, May and June 2024 to monitor its assigned rating to the bank facilities, vide mail communications dated July 1,2024, July 2,2024 and July 3, 2024 and



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concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term ratings and short term rating of the bank loan facilities aggregating to INR 250.00 crore of Nalanda Engicon Private Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term ratings will be at 'IVR BBB/ Negative ISSUER NOT COOPERATING' based on best available information (IVR triple B with negative outlook Issuer not cooperating based on best available information) and the short term rating will be at IVR A3+ ISSUER NOT COOPERATING' based on best available information (IVR A three plus Issuer not cooperating based on best available information). Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company

Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Infrastructure Companies](#)

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

[Criteria of Rating Outlook](#)

[Default recognition policy](#)

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

About the Company

Set up in 1965 as a proprietorship firm and reconstituted as private limited company in 2007, NEPL was initially engaged in boring tube wells and manufacturing drilling machines. It



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currently executes civil construction projects related to water supply, roads and bridges. The company is currently promoted by Mr Bibekananda Kumar and Mr Saryoo Prasad Sinha.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2022	31-03-2023
	Audited	Provisional
Total Operating Income	224.71	392.54
EBITDA	22.93	45.84
PAT	5.77	23.05
Total Debt	53.14	48.29
Tangible Net Worth	72.20	94.06
EBITDA Margin (%)	10.20	11.68
PAT Margin (%)	2.54	5.82
Overall Gearing Ratio (x)	0.74	0.51
Interest Coverage (x)	2.32	8.33

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

CARE Rating has moved the rating of NEPL into the Issuer Non-Cooperating category on account of information risk in the rating procedure despite repeated follow ups as per the Press Release dated January 10, 2024

Any other information:

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (July 11, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	WCTL (ECLGS)	Long Term	2.21	IVR BBB/ Negative ISSUER NOT COOPERATING*	IVR BBB+/ Stable	-	-
2.	WCTL (UGECL)	Long Term	3.00	IVR BBB/ Negative ISSUER NOT COOPERATING*	IVR BBB+/ Stable	-	-



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (July 11, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
3.	Cash Credit	Long Term	20.00	IVR BBB/ Negative ISSUER NOT COOPERATING*	IVR BBB+/ Stable	-	-
4.	Overdraft	Long Term	2.60	IVR BBB/ Negative ISSUER NOT COOPERATING*	IVR BBB+/ Stable	-	-
5.	Bank Guarantee	Short Term	217.90	A3+ ISSUER NOT COOPERATING*	IVR A2	-	-
6.	Proposed Bank Guarantee	Short Term	4.29	A3+ ISSUER NOT COOPERATING*	IVR A2	-	-

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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.



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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.

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
WCTL (ECLGS)	-	-	-	FY27	2.21	IVR BBB/ Negative ISSUER NOT COOPERATING*
WCTL (UGECL)	-	-	-	FY27	3.00	IVR BBB/ Negative ISSUER NOT COOPERATING*
Cash Credit – I	-	-	-	-	10.00	IVR BBB/ Negative ISSUER NOT COOPERATING*
Cash Credit – II	-	-	-	-	10.00	IVR BBB/ Negative ISSUER NOT COOPERATING*
Overdraft – I	-	-	-	-	0.10	IVR BBB/ Negative ISSUER



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						NOT COOPERATING*
Overdraft – II	-	-	-	-	2.50	IVR BBB/ Negative ISSUER NOT COOPERATING*
Bank Guarantee – I	-	-	-	-	80.00	IVR A3+ ISSUER NOT COOPERATING*
Bank Guarantee – II	-	-	-	-	56.00	IVR A3+ ISSUER NOT COOPERATING*
Bank Guarantee – III	-	-	-	-	49.90	IVR A3+ ISSUER NOT COOPERATING*
Bank Guarantee – IV	-	-	-	-	32.00	IVR A3+ ISSUER NOT COOPERATING*
Proposed Bank Guarantee	-	-	-	-	4.29	IVR A3+ ISSUER NOT COOPERATING*

Annexure 2: Facility wise lender details -NA

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

Annexure 4: List of companies considered for consolidated/Combined analysis:

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.