



## Press Release

### NRC Industries Limited

21<sup>st</sup> March 2024

#### Ratings:

Instrument / Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Bank Facilities	28.00	IVR BB-/Negative; ISSUER NOT COOPERATING*  (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB/Negative; ISSUER NOT COOPERATING  (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING)	Downgraded under ISSUER NOT COOPERATING	Simple
Short Term Bank Facilities	27.00	IVR A4; ISSUER NOT COOPERATING  (IVR A Four; ISSUER NOT COOPERATING)	IVR A4; ISSUER NOT COOPERATING  (IVR A Four; ISSUER NOT COOPERATING)	Reaffirmed under ISSUER NOT COOPERATING	Simple
<b>Total</b>	<b>55.00</b>	<b>Rupees Fifty-Five Crore only</b>			

\* Issuer did not cooperate; based on best available information

\*\* Details of facilities is given in Annexure-I

#### Ratings

The rating has been downgraded/reaffirmed under 'ISSUER NOT COOPERATING' category due to non-submission of information and lack of management co-operation.

#### Detailed Rationale

The rating revision is because of lack of adequate information regarding NRC Industries Limited (NIL) performance and hence the uncertainty around its credit risk. Infomerics Valuation and Rating Private Limited (IVR) assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy. IVR had rated the bank loan facilities of NRC Industries Limited in February 2023. Despite close follow up through telephone calls and mails dated February 28th, 2024, March 6th, 2024, and March 18th, 2024, and concurrently over several phone calls for submission required information for



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review and failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, IVR is unable to assess the society's financial performance and its ability to service its debt and maintain a valid rating. 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 society. Based upon the same, Infomerics Ratings (IVR) has downgraded/reaffirmed the rating to IVR BB-/Negative/A4 under ISSUER NOT COOPERATING.

### **Non-cooperation by Issuer**

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 rating and short-term rating for the bank loan facilities of NRC Industries Limited aggregating to Rs. 55.00 crore have been downgraded/reaffirmed under 'ISSUER NOT COOPERATING' category by Infomerics and the rating for long term and short-term rating be noted as IVR BB-/Negative/A4; ISSUER NOT CO-OPERATING; based on best available information.

**Analytical Approach:** For arriving at the ratings, IVR has analysed NIL's credit profile by considering the standalone financial statements of the company.

### **Applicable Criteria:**

[Rating Methodology for Manufacturing companies](#)  
[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)  
[Guidelines on what constitutes Non-Cooperation by clients](#)  
[Criteria for assigning rating outlook.](#)

### **About the Company**

M/S. NRC Industries Limited was incorporated on 28.11.1985 under the name of M/s. Eastern Rubbers Private Limited and on 10.07.1992, its name was changed to its present one. The unit is a registered SSI unit and is engaged in the manufacturing of transmission belting, conveyor belts and industrial fabric. The company has been registered as MSME. The company has been accredited with ISO 9001 certification.

### **Financials (Standalone):**

(Rs. Crore)



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For the year ended*	31-03-2020	31-03-2021
	Audited	Provisional
Total Operating Income	137.51	89.41
EBITDA	8.77	4.70
PAT	2.61	1.28
Total Debt	22.95	24.41
Tangible Net Worth	27.85	29.24
EBITDA Margin (%)	6.38	5.25
PAT Margin (%)	1.89	1.40
Overall Gearing Ratio (x)	0.82	0.83

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA** – Brickwork Ratings via press release dated 17th July 2023 has put the rating under ISSUER NOT COOPERATING category due to not submission of required information.

**Any other information:** Not Applicable

**Rating History for last three years:**

Sr. No.	Type of Instrument/Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating (March 21, 2024)	Date(s) & Rating(s) assigned in 2022-23 (February 27 <sup>th</sup> , 2023)	Date(s) & Rating(s) assigned in 2021-22 (December 2 <sup>nd</sup> , 2021)	Date(s) & Rating(s) assigned in 2020-21 (September 3 <sup>rd</sup> , 2020)
1.	Fund Based	Long Term	28.00	IVR BB-/Negative; INC  (IVR Double B Minus with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB/Negative INC  (IVR Double B with Negative Outlook; ISSUER NOT COOPERATING)	IVR BB+/Stable	IVR BBB-/Credit Watch with developing implications
2.	Non Fund Based	Short Term	27.00	IVR A4; INC  (IVR A Four; ISSUER NOT COOPERATING)	IVR A4; INC  (IVR A Four; ISSUER NOT COOPERATING)	IVR A4+	IVR A3/Credit Watch with Developing implications



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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.

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 visit [www.infomerics.com](http://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: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
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Cash Credit	-	-	-	28.00	IVR BB-/Negative; INC
LC/BG	-	-	-	27.00	IVR A4; INC

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:**

<https://www.infomerics.com/admin/prfiles/len-NRC-mar24.pdf>

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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](http://www.infomerics.com).