



Press Release

NRC Industries Limited

February 27th, 2023

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term bank Facility	28.00	IVR BB/ Negative; Issuer Not Cooperating (IVR Double B/ Negative; Issuer Not Cooperating*)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Downgraded and moved to Issuer Not Cooperating category	Simple
Short Term- Bank Facility	27.00	IVR A4; Issuer Not Cooperating	IVR A4+ (IVR Single A Flour Plus)	Downgraded and moved to Issuer Not Cooperating category	Simple
Total	55.00	Rs Fifty-Five crores Only			

** Issuer not cooperating; Based on best available information*

Details of Facilities are in Annexure 1.

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding **NRC Industries Limited** and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating 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 rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated January 05, 2023, January 20, 2023, and February 09, 2023, and concurrently over several phone



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calls. However, despite repeated requests by Infomerics, the company's management has not submitted all the essential information and documents.

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 for the bank loan facilities of **NRC Industries Limited** aggregating to **Rs. 55.00** crore has been moved to 'ISSUER NOT COOPERATING' category to **“IVR BB/ Negative' ISSUER NOT COOPERATING': & 'IVR A4' 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 Approach

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

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

About the Company

M/S. NRC Industries Limited was incorporated on 28.11.85 under the name of M/s. Eastern Rubbers Private Limited and on 10.07.92, 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 affairs of the company are being mainly looked after by its directors, viz., Mr. Tarunjit Singh, Executive Director, Mr. Jasneet Singh, Executive Director, Mr. Tarunjit Singh, Executive Director, Mr. Arvinder Singh, CEO and Mr. Absar Ahmad Khan, Director (Marketing), who are having long experience in this line of activity. They are being assisted by a team of qualified and experienced staff who look after finance, production, and quality control, marketing, and general administration. The company is only one of two manufacturers of conveyor belting in India, which has got the facility of twisting/doubling of nylon yarn, weaving, and dipping of nylon fabric and thus backwardly integrated, to the extent



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possible. The company has been regd. as MSME. The company has been accredited with ISO 9001 certification.

Financials (Standalone)

(Rs. Crore)

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
Adjusted 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 vide its press release dated July 19, 2022 has continued to classify the case under Issuer Not Cooperating category on account of non-submission of relevant information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Type of Instrument /Facility	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating (27 th February 2023)	Date(s) & Rating(s) assigned in 2021-22 (December 02, 2021)	Date(s) & Rating(s) assigned in 2020-21 (September 03, 2020)	Date(s) & Rating(s) assigned in 2019-20
1.	OCC	Long Term	28.00	IVR BB/ Negative; Issuer Not Cooperating (IVR Double B/ Negative; Issuer Not Cooperating*)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BBB- / Credit watch with developing implications	-



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Sr. No .	Type of Instrument /Facility	Current Rating (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating (27 th February 2023)	Date(s) & Rating(s) assigned in 2021-22 (December 02, 2021)	Date(s) & Rating(s) assigned in 2020-21 (September 03, 2020)	Date(s) & Rating(s) assigned in 2019-20
3.	ILC/ BG	Short Term	27.00	IVR A4; Issuer Not Cooperating	IVR A4+ (IVR Single A Flour Plus)	IVR A3 / Credit watch with developing implications	-

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.

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI). Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating. Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks. Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations. For more information visit www.infomerics.com



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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, 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.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-	-	28.00	IVR BB/ Negative; Issuer Not Cooperating (IVR Double B/ Negative; Issuer Not Cooperating*)
Short Term Non-Fund- LC/ BG	-	-	-	27.00	IVR A4; Issuer Not Cooperating

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

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-nrcindustries-feb23.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.