



Press Release

NRVS Steels Limited

April 04, 2022

Ratings Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	47.91 (enhanced from Rs.40.00 crore)	IVR BB+; Issuer Not Cooperating (IVR Double B Plus; Issuer Not Cooperating)	Downgraded and moved to ISSUER NOT COOPERATING category	Simple
Total	47.91 (Rupee Forty seven crore and ninety one lakh Only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The ratings revision is because of lack of adequate information regarding NRVS Steels Limited's (NRVS) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company 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 company.

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 March 8, 2022, March 11, 2022 and March 14, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details.



Press Release

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 for the bank loan facilities of NRVS Steels Limited aggregating to Rs.47.91 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating revised to IVR BB+; Issuer Not Cooperating; based on best available information.

Analytical Approach: Consolidated

For arriving at the ratings, Infomerics has considered the combined financials of three companies constituting the NR Group considering the same management and strong operational and financial linkages. The list of companies is given in Annexure 2.

Applicable Criteria:

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

[Rating Methodology for manufacturing companies](#)

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

About the Company

NRVS was acquired by NR group in FY18. The company is presently engaged in manufacturing of Sponge Iron and MS Billets with installed capacity of 180000 MTPA and 51600 MTPA respectively. In addition, it has also set up 15 MW WHRB-based power plant for captive consumption. Its manufacturing facility is located at Raigarh (Chhattisgarh).

About the Group

The promoters of NR Group have been in the iron and steel business for more than 20 years. The NR group is engaged in manufacturing of steel products through various companies under its folds. The companies operating under NR Group are N.R. Ispat & Power Private Limited (NRIPPL), NRTMT (India) Private Limited (NRTMT) and NRVS Steels Limited (NRVS), which are all controlled by the similar management and have common control.

Financials (Combined)



Press Release

(Rs. crore)		
For the year ended* / As On	FY19	FY20
	Combined	Combined
Total Operating Income	681.95	602.21
EBITDA	53.87	69.72
PAT	19.03	24.88
Tangible Net Worth	122.42	147.01
Total Debt	98.48	128.06
EBITDA margin (%)	7.90	11.58
PAT margin (%)	2.78	4.13
Overall gearing (x)	0.80	0.87

*Classification as per Infomerics' standards.

Financials (Standalone)

(Rs. crore)		
For the year ended* / As On	FY19	FY20
	Audited	Audited
Total Operating Income	170.98	257.15
EBITDA	19.42	29.83
PAT	5.42	10.59
Tangible Net Worth	51.26	61.55
Total Debt	35.60	71.04
EBITDA margin (%)	11.36	11.60
PAT margin (%)	3.17	4.11
Overall gearing (x)	0.69	1.15

*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 Instrument/Facilities	Current Rating (Year 2022-23)			Rating History for the past 3 years			
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21		Date(s) & Rating(s) assigned in 2019-20
1	Term Loan	Long Term	22.91	IVR BB+; ISSUER NOT COOPERATING*	-	IVR BBB+/Positive (Mar 30, 2021)	IVR BBB+/Positive (Jan 27, 2021)	-
2	Cash Credit	Long Term	25.00	IVR BB+; ISSUER NOT COOPERATING*	-	IVR BBB+/Positive (Mar 30, 2021)	IVR BBB+/Positive (Jan 27, 2021)	-

* Issuer did not cooperate; based on best available information

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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.



Press Release

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

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, suspend 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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	June 2026	22.91	IVR BB+; ISSUER NOT COOPERATING*
Cash Credit	-	-	-	25.00	IVR BB+; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Consolidation Approach
N.R. Ispat & Power Private Limited (NRIPPL)	Full consolidation
NRTMT (India) Private Limited (NRTMT)	Full consolidation
NRVS Steels Limited (NRVS)	Full consolidation



Press Release

Annexure 3: Facility wise lender details: Not Applicable

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.

