



Press Release

Naolin Infrastructure Private Limited

September 06, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	80.00	IVR D; ISSUER NOT COOPERATING* (IVR Single D; Issuer Not Cooperating*)	IVR BB+ (Negative); ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating*)	Downgraded and continued to be in ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	170.00	IVR D; ISSUER NOT COOPERATING* (IVR Single D; Issuer Not Cooperating*)	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating*)	Downgraded and continued to be in ISSUER NOT COOPERATING category	Simple
Total	250.00	(Rupees Two Hundred Fifty Crore Only)			

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

**Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.
Detailed explanation of covenants is at Annexure 3.**

Ratings

Infomerics Ratings has downgraded the long-term rating to IVR D and short-term rating to IVR D and continued under 'ISSUER NOT COOPERATING' category for the bank facilities of the Naolin Infrastructure Private Limited (NIPL). The downgrade of ratings is on account of the commencement of CIRP Proceedings against the company.

Detailed Rationale

The aforesaid rating downgrade of the bank facilities of Naolin Infrastructure Private Limited reflects lack of adequate information available about the performance of the company and hence the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

IVR has rated the bank loan facilities of NIPL in July 2023. Despite close follow up through telephone calls and mails dated July 17, 2024, July 18, 2024, July 19, 2024, July 22, 2024, July 24, 2024, July 25, 2024, and concurrently over multiple phone calls for submission of



Press Release

required information for 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 company'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 company. Based upon the same IVR has downgraded the ratings to IVR D 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, IVR has to assign the rating based on the best available information. Accordingly, the bank loan facilities of NIPL, aggregating to Rs 250.00 crore have been continued under 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR D; ISSUER NOT COOPERATING.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Infrastructure companies](#)

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

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

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

[Criteria for assigning Rating Outlook](#)

[Instrument/Facility wise Default Recognition & Post-Default Curing Period](#)

Liquidity: Unable to comment due to lack of adequate information

About the Company

Naolin Infrastructure Pvt. Ltd. (NIPL) is an ISO 9001:2015 certified company. Mr. N. Prabhakar Reddy is the founder director of the company. NIPL over the past decade has been in EPC of Renewable Energy, Power Transmission & Distribution, Telecom, Irrigation, Water & Wastewater Infrastructure Projects etc. The company is executing projects in Telangana, Andhra Pradesh, Maharashtra, Rajasthan, Haryana, Assam and Arunachal Pradesh.



Press Release

Financials (Standalone): Latest financials are not available.

(Rs. Crore)		
For the year ended* / Rs. Crore	31-03-2021	31-03-2022
	Audited	Audited
Total Operating Income	169.65	201.16
EBITDA	17.00	23.94
PAT	5.00	6.86
Total Debt	33.91	36.75
Tangible Net Worth	53.15	60.01
EBITDA Margin (%)	10.02	11.90
PAT Margin (%)	2.93	3.40
Overall Gearing Ratio (Including Quasi Equity) (x)	0.64	0.61
Interest Coverage(x)	4.79	5.60

*Classification as per Infomerics` Standard

Status of non-cooperation with previous CRA: Brickwork Rating India Pvt Ltd vide its press release dated June 20, 2024, has classified the rating under ISSUER NOT COOPERATING category due to non-submission of relevant information.

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-2022
					July 11 th , 2023	Dec 14 th , 2022	-
1.	Fund Based	Long Term	80.00	IVR D (INC)*	IVR BB+ (Negative) (INC*)	IVR BBB (Stable)	-
2.	Non - Fund Based	Short Term	170.00	IVR D (INC)*	IVR A4+ (Negative)	IVR A3+	-

* Issuer did not cooperate; based on best available information



Press Release

Analytical Contacts:

Name: Vipin Jindal
Tel: (011) 45579024
Email: vipin.jindal@infomerics.com

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.

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.



Press Release

Annexure 1: Details of Facilities

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs Crore)	Rating Assigned/ Outlook
Cash Credit	--	--	--	--	80.00	IVR D/ISSUER NOT COOPERATING*
LCs/BGs	--	--	--	--	170.00	IVR D/ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-naolin-sep24.pdf>

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

Annexure 4: List of companies considered for consolidated 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.