



Press Release

Narsimha Iron and Steel Private Limited (NISPL)

August 22, 2024

Ratings

Facilities	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicators
Long Term Bank Facilities	14.91	IVR BB+/Negative ISSUER NOT COOPERATING (IVR Double B Plus with Negative Outlook ISSUER NOT COOPERATING*)	IVR BBB-/Negative ISSUER NOT COOPERATING (IVR Triple B Minus with Negative Outlook ISSUER NOT COOPERATING*)	Downgraded and continue under ISSUER NOT COOPERATING Category	Simple
Total	14.91 (Rupees Fourteen crores and ninety-one lakh only)				

*ISSUER NOT COOPERATING 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.



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Detailed Rationale

Infomerics Ratings has downgraded the ratings assigned to the bank facilities of Narsimha Iron and Steel Private Limited (NISPL) reflects lack of adequate information available, non-payment of annual surveillance fees and 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 lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this 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 & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated June 18, 2024, July 12, 2024, and July 28, 2024, 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 rating of the bank loan facilities aggregating to Rs.14.91 crore of Narsimha Iron and Steel Private Limited shall be continue to remain under the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BB+ with Negative outlook 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.



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Analytical Approach: Consolidated

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Policy on Issuer Not Cooperating](#)

[Criteria for assigning outlook](#)

[Complexity Level Rated Instrument](#)

[Policy on default recognition policy](#)

[Criteria on consolidation of companies](#)





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About the Group:

Chintpurni Steel Private Limited and Narsimha Iron and Steel Private Limited belongs to Chintpurni Group. Chintpurni Group is involved in manufacturing of sponge iron and billets in Jharkhand. Group is promoted and managed by experienced promoters.

About the Company:

NISPL was incorporated in 2008 and is engaged in manufacturing of sponge iron with an installed capacity of 54,000 MTPA. The manufacturing facility of the company is located at Ramgarh, Jharkhand.

Financials (Consolidated)

	(Rs. crore)	
For the year ended / As On*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	391.12	540.83
EBITDA	22.95	29.03
PAT	5.02	8.83
Total Debt	74.06	90.22
Adj. Tangible Net Worth	93.29	103.45
Ratios		
EBITDA Margin (%)	5.87	5.37
PAT Margin (%)	1.27	1.62
Adj. Overall Gearing Ratio (x)	0.79	0.87
Interest Coverage Ratio (x)	2.36	3.35

*As per Infomerics' standards

Financials (Standalone):

For the year ended / As On*	31-03-2021 (Audited)	31-03-2022 (Audited)
Total Operating Income	101.24	148.28
EBITDA	5.69	7.62
PAT	1.40	2.97
Total Debt	15.32	16.00
Adj. Tangible Net Worth	23.86	27.92
Ratios		
EBITDA Margin (%)	5.62	5.14
PAT Margin (%)	1.37	1.99
Adj. Overall Gearing Ratio (x)	0.64	0.57
Interest Coverage Ratio (x)	2.72	3.97



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Status of non-cooperation with previous CRA: India Ratings and Research Pvt Ltd continue to classify it as non-cooperative vide release dated, September 12, 2023, due to non-availability of information.

Any other information: Nil

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 (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					February 27, 2024	December 21, 2022	September 22, 2021
1.	Long Term Bank Facilities - Cash Credit	Long Term	7.50	IVR BB+/Negative ISSUER NOT COOPERATING	IVR BBB-/Negative ISSUER NOT COOPERATING	IVR BBB/Stable	IVR BBB/Stable
2.	Long Term Bank Facilities – Term Loan	Long Term	7.41	IVR BB+/Negative ISSUER NOT COOPERATING	IVR BBB-/Negative ISSUER NOT COOPERATING	IVR BBB/Stable	IVR BBB/Stable



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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.

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 in addition to the financial performance and other relevant factors.



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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
Term Loans	-	-	-	FY24	7.41	IVR BB+/Negative ISSUER NOT COOPERATING
Cash Credit	-	-	-	-	7.50	IVR BB+/Negative ISSUER NOT COOPERATING

Annexure 2: Facility wise lender details: Not Applicable

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

Annexure 4: List of companies considered for consolidated analysis:

The extent of consolidation in Chintpurni Group is 100%

Name of the Company	Ownership	Consolidated Approach
Chintpurni Steel Private Limited	100%	Full Consolidation
Narsimha Iron & Steel Private Limited	100%	Full Consolidation

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.