



Press Release

Nilkanth Concast Private Limited (NCPL)

Nov 28, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Fund based Facility – Term Loan	4.47	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised & Moved to ISSUER NOT COOPERATING Category	Simple
Long Term Fund based Facility – Cash Credit	43.00	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised & Moved to ISSUER NOT COOPERATING Category	Simple
Long Term Fund based Facility – Working Capital Limit	18.59	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised & Moved to ISSUER NOT COOPERATING Category	Simple
Long Term Fund Based Facility - GECL	2.69	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook;	Revised & Moved to ISSUER NOT COOPERATING Category	Simple



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		ISSUER NOT COOPERATING*)		
Long Term Fund Based Facility – CC (Proposed)	4.04	IVR BB+/ Negative, ISSUER NOT COOPERATING*/ (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised & Moved to ISSUER NOT COOPERATING Category	Simple
Short Term Non-Fund Based Facility – BG	7.21	IVR A4+/ ISSUER NOT COOPERATING (IVR A Four Plus ISSUER NOT COOPERATING)	Revised & Moved to ISSUER NOT COOPERATING Category	Simple
	80.00 (Rupees Eighty Crore only)			

Detailed Rationale

The change in the ratings assigned to the bank facilities of Nilkanth Concast Private Limited reflects lack of adequate information available about the performance of the company. 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 rating revision.

Note on non-cooperation

Infomerics has repeatedly followed up with the company to provide information to monitor the ratings vide emails last being dated Nov 08, 2023, along with telephonic conversations. However, despite repeated requests by Infomerics, though we have partially received information we have not received the surveillance mandate for surveillance exercise.



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Availability of information is very critical in rating exercise. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the ratings assigned to the bank loan facilities of Nilkanth Concast Private Limited aggregating to INR 80.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as IVR BB+/Negative; ISSUER NOT COOPERATING for the long-term bank facilities and IVR A4+; ISSUER NOT COOPERATING for the short-term bank facilities.

Analytical Approach: Standalone

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

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

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

[Criteria of assigning Rating Outlook](#)

About the company

Nilkanth Concast Private Limited (NCPL) incorporated in 2003 is a Kutch, Gujarat based company. NCPL is engaged in the manufacturing of TMT Bars and sells it under brand name of "Nilkanth TMT" in and around Gujarat region. NCPL has a backward-integrated plant with capabilities to manufacture Sponge Iron with installed capacity of 90,000 MTPA as well as MS billets with installed capacity of 1,80,000 MTPA. These are key raw material for manufacturing of TMT bars. The company has 1,50,000 MTPA of installed capacity to manufacture TMT Bars.

Financials (Standalone)*:

(INR crore)

For the year ended*	31-03-2022	31-03-2023
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	Audited	Audited
Total Operating Income	518.39	642.71
EBITDA	23.93	25.96
PAT	5.01	6.24
Total Debt	78.30	67.86
Tangible Net worth	55.70	61.94
EBIDTA Margin (%)	4.62	4.04
PAT Margin (%)	0.97	0.97
Overall Gearing ratio (X)	2.19	1.91

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years			
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (October 03, 2022)	Date(s) & Rating(s) assigned in 2021-22 (September 03, 2021)	Date(s) & Rating(s) assigned in 2021-22 (August 25, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Fund Based Facility – Term Loan	Long Term	4.47	IVR BB+/ Negative, ISSUER NOT COOPERATING*/	IVR BBB/ Stable	IVR BBB-/ Stable	IVR BBB-/ Stable	-
2.	Fund Based Facility – Cash Credit	Long Term	43.00	IVR BB+/ Negative, ISSUER NOT COOPERATING*/	IVR BBB/ Stable	IVR BBB-/ Stable	IVR BBB-/ Stable	-



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3.	Fund Based Facility – Working Capital Limit	Long Term	18.59	IVR BB+/ Negative, ISSUER NOT COOPERATING*/	IVR BBB/ Stable	IVR BBB-/ Stable	-	-
4.	Fund Based Facility - GECL	Long Term	2.69	IVR BB+/ Negative, ISSUER NOT COOPERATING*/	IVR BBB/ Stable	-	-	-
5.	Fund Based Facility – CC (Proposed)	Long Term	4.04	IVR BB+/ Negative, ISSUER NOT COOPERATING*/	IVR BBB/ Stable	IVR BBB-/ Stable	-	-
6.	Non-Fund Based Facility – BG	Short Term	7.21	IVR A4+/ ISSUER NOT COOPERATING	IVR A3+	IVR A3	IVR A3	-

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

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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).



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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.

Annexure 1: Details of Facilities: Not Applicable

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

Annexure 3: Facility wise lender details: Not Available

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.