



## Press Release

### Neccon Power And Infra Limited

February 07, 2019

### Rating Update

|                                     |   |
|-------------------------------------|---|
| <b>Total Bank Facilities Rated*</b> | Rs. 411.83 Cr.#                         |
| <b>Long Term Rating</b>             | ACUITE BBB-<br>Issuer not co-operating* |
| <b>Short Term Rating</b>            | ACUITE A3<br>Issuer not co-operating*   |

#Refer Annexure for details

\*The issuer did not co-operate; based on best available information.

Acuité has reviewed the long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) to the Rs. 411.83 crore bank facilities of NECCON POWER AND INFRA LIMITED (NPIL). This rating is now an indicative rating and is based on best available information.

NPIL, erstwhile North Eastern Cables & Conductors Pvt. Ltd., was incorporated in 1984. The company manufactures aluminum conductors used for overhead transmission and distribution of electricity. The company also executes EPC contracts for state electricity boards (SEBs) and power distribution companies (PDCs). NPIL caters to state power utilities of Assam, Gujarat, Uttar Pradesh, and Haryana, among others.

#### Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

#### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

#### Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

#### About the Rated Entity - Key Financials

|                               | Unit    | FY16 (Provisional) | FY15 (Actual) | FY14 (Actual) |
|-------------------------------|---------|--------------------|---------------|---------------|
| Operating Income              | Rs. Cr. | 366.73             | 313.46        | 334.92        |
| EBITDA                        | Rs. Cr. | 27.60              | 23.63         | 26.52         |
| PAT                           | Rs. Cr. | 9.92               | 7.39          | 10.45         |
| EBITDA Margin                 | (%)     | 7.53               | 7.54          | 7.92          |
| PAT Margin                    | (%)     | 2.70               | 2.36          | 3.12          |
| ROCE (%)                      | (%)     | 13.55              | 12.91         | 17.48         |
| Total Debt/Tangible Net Worth | Times   | 0.59               | 0.59          | 0.46          |
| PBDIT/Interest                | Times   | 2.36               | 2.39          | 2.76          |
| Total Debt/PBDIT              | Times   | 2.68               | 2.93          | 1.74          |
| Gross Current Assets (Days)   | Days    | 248                | 223           | 138           |

**Status of non-cooperation with previous CRA (if applicable)**

None

**Any other information**

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

**Rating History (Up to last three years)**

| Date         | Name of Instrument / Facilities | Term       | Amount (Rs. Cr) | Ratings/Outlook                     |
|--------------|---------------------------------|------------|-----------------|-------------------------------------|
| 13-Dec-2017  | Cash Credit                     | Long Term  | 65.00           | ACUITE BBB-Issuer not co-operating* |
|              | Term Loan                       | Long Term  | 5.83            | ACUITE BBB-Issuer not co-operating* |
|              | Bank Guarantee                  | Short Term | 313.52          | ACUITE A3 Issuer not co-operating*  |
|              | Letter of Credit                | Short Term | 27.48           | ACUITE A3 Issuer not co-operating*  |
| 19-Sept-2016 | Cash Credit                     | Long Term  | 65.00           | ACUITE BBB-/Negative                |
|              | Term Loan                       | Long Term  | 5.83            | ACUITE BBB-/Negative                |
|              | Bank Guarantee                  | Short Term | 313.52          | ACUITE A3/Stable                    |
|              | Letter of Credit                | Short Term | 27.48           | ACUITE A3/Stable                    |
| 24-Mar-2015  | Cash Credit                     | Long Term  | 65.00           | ACUITE BBB-/Stable (Assigned)       |
|              | Term Loan                       | Long Term  | 5.83            | ACUITE BBB-/Stable (Assigned)       |
|              | Bank Guarantee                  | Short Term | 313.52          | ACUITE A3/Stable (Assigned)         |
|              | Letter of Credit                | Short Term | 27.48           | ACUITE A3/Stable (Assigned)         |

**#Annexure – Details of instruments rated**

| Name of the Facilities             | Date of Issuance | Coupon Rate    | Maturity Date  | Size of the Issue (Rs. Crore) | Ratings/Outlook                     |
|------------------------------------|------------------|----------------|----------------|-------------------------------|-------------------------------------|
| Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 20.90                         | ACUITE BBB-Issuer not co-operating* |
| Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 23.30                         | ACUITE BBB-Issuer not co-operating* |
| Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 20.00                         | ACUITE BBB-Issuer not co-operating* |
| Cash Credit                        | Not Applicable   | Not Applicable | Not Applicable | 0.80                          | ACUITE BBB-Issuer not co-operating* |
| Term Loan                          | Not Applicable   | Not Applicable | Not Applicable | 5.83                          | ACUITE BBB-Issuer not co-operating* |
| Bank guarantee/Letter of Guarantee | Not Applicable   | Not Applicable | Not Applicable | 214.22                        | ACUITE A3 Issuer not co-operating*  |
| Bank guarantee/Letter of Guarantee | Not Applicable   | Not Applicable | Not Applicable | 41.33                         | ACUITE A3 Issuer not co-operating*  |

|                                    |                |                |                |       |                                       |
|------------------------------------|----------------|----------------|----------------|-------|---------------------------------------|
| Bank guarantee/Letter of Guarantee | Not Applicable | Not Applicable | Not Applicable | 57.97 | ACUITE A3<br>Issuer not co-operating* |
| Letter of credit                   | Not Applicable | Not Applicable | Not Applicable | 9.60  | ACUITE A3<br>Issuer not co-operating* |
| Letter of credit                   | Not Applicable | Not Applicable | Not Applicable | 14.67 | ACUITE A3<br>Issuer not co-operating* |
| Letter of credit                   | Not Applicable | Not Applicable | Not Applicable | 3.21  | ACUITE A3<br>Issuer not co-operating* |

\*The issuer did not co-operate; based on best available information.

## Contacts

| Analytical  | Rating Desk   |
|---|---|
| <p>Aditya Gupta<br/>Head- Corporate and Infrastructure Sector<br/>Tel: 022-49294041<br/><a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a></p> <p>Saurabh Rane<br/>Analyst - Rating Operations<br/>Tel: 022-49294044<br/><a href="mailto:Saurabh.Rane@acuiteratings.in">Saurabh.Rane@acuiteratings.in</a></p> | <p>Varsha Bist<br/>Manager - Rating Desk<br/>Tel: 022-67141160<br/><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a></p> |

## About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*erstwhile SMERA Ratings Limited*) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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