



**Press Release**  
**NIF ISPAT LIMITED**  
**June 24, 2025**  
**Rating Reaffirmed**

| Product                               | Quantum<br>(Rs. Cr) | Long Term Rating  | Short Term Rating       |
|---------------------------------------|---------------------|---|-------------------------|
| Bank Loan Ratings                     | 66.00               | ACUITE BBB   Positive   Reaffirmed   Stable to Positive | -                       |
| Bank Loan Ratings                     | 4.00                | -   | ACUITE A3+   Reaffirmed |
| Total Outstanding Quantum<br>(Rs. Cr) | 70.00               | -   | -                       |
| Total Withdrawn Quantum<br>(Rs. Cr)   | 0.00                | -   | -                       |

**Rating Rationale**

Acuite has reaffirmed its long-term rating of ‘**ACUITE BBB**’ (read as **ACUITE triple Ba**) and short-term rating of ‘**ACUITE A3+**’ (read as **ACUITE A three plus**) on Rs.70.00 Cr. bank facilities of NIF Ispat Limited (NIFIL). The outlook is revised from 'Stable' to 'Positive'.

**Rationale for Rating**

NIF Ispat Limited had appealed the rating reaffirmed on the existing bank facilities to it on May 19th, 2025, and had provided incremental information based on which the rating outlook has been revised. The information provided clarity about the sustainability of the scale of operations as evident from the installation of ductile iron plant in FY26 which is expected to augment operations. Furthermore, the provisional FY25 financials provided clarity on business risk profile of the company. The rating also draws comfort from the long operational track record of decades, extensive experience of the promoters and diversified geographical presence and product portfolio. The rating also factors the healthy financial position of the company characterized by moderate networth and comfortable capital structure and debt protection metrics. The liquidity position is adequate reflected by sufficient net cash accruals against debt repayments, moderate current ratio and absence of debt funded capex plans. However, these strengths are partially offset by the working capital-intensive nature of operations, volatility in raw material prices and the exposure to the foreign exchange rate fluctuations.

**About the Company**

Incorporated in 1955, NIF Ispat Limited (NIFIL) is based in West Bengal and is headed by Mr. Girish Kumar Madhogaria and Mr. Sugam Madhogaria. The company is ISO 9001:2008 certified and is engaged in the manufacturing of cast iron and ductile iron castings.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of NIFIL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Long operational track record and experienced management**

NIFIL was incorporated in 1955 and has a long operational track record of more than six decades in the cast iron and ductile iron manufacturing business. The promoters, Mr. Girish Kumar Madhogaria, Mr. Sugam Madhogaria and Mrs. Pushpa Madhogaria manages the operations of the company. The company has a long-standing presence in cast-iron and ductile iron casting segment. NIFIL serves the real estate sector, supplying key clients such as L&T

and Godrej, as well as airport projects across India. The company has a broad market presence, exporting to 35 countries, including the USA, Canada, and various European countries. Acuite believes that the long track of operations and the extensive experience will continue to benefit the company going forward.

### **Increase in revenue and improving margins in FY25 (Prov.)**

The company achieved an operating income of Rs.189.09 Cr in FY25 (Prov.) as against Rs. 171.81 Cr. in FY24. The increase in revenue was because of marginal increase in volume sales. The order in hand mainly comprises export orders of ~Rs.40.00 Cr. and domestic orders of ~Rs.4.00 Cr. as of June 2025 which will be executed within 10 weeks with a rolling pipeline of new orders. The EBITDA margins stood at 16.50 percent in FY25 (Prov.) as against 13.43 percent in FY24. The increase was due to reductions in raw material costs. The PAT Margin stood at 8.79 percent in FY25 (Prov.) as against 5.99 percent in FY24 due to reduced interest costs. Acuite believes that the scale of operations will improve over the medium term backed by order flow and expansion plans.

### **Healthy Financial Risk Profile**

The company has a healthy financial risk profile marked by increase in net worth, improved gearing ratio and healthy debt protection metrics. The tangible net worth of the company stood at Rs.78.29 Cr. in FY25 (Prov.) as against Rs. 61.68 Cr. in FY24 due to accretion of reserves. The gearing stood below unity at 0.65 times in FY25 (Prov.) as against 0.92 times in FY24. The unsecured loans from body corporate stood at Rs.11.63 Cr. in FY25 (Prov.) as against Rs.12.98 Cr. in FY24. These are interest bearing at a rate of 9% to 12% but company has a plan to refund these by FY27. TOL/TNW ratio stood at 0.81 times in FY25 (Prov.) as against 1.03 times in FY24. The interest coverage ratio and debt service coverage ratio stood at 8.47 times and 6.59 times respectively as of March 31, 2025 (Prov.). Acuite believes that the financial risk profile remains healthy supported by healthy cash accruals even though the company is expected to incur capex.

### **Weaknesses**

#### **Intensive working capital cycle**

The working capital-intensive nature of operations of the company is marked by Gross Current Assets (GCA) of 166 days for FY25 (Prov.) as against 172 days for FY2024 on account of receivables days followed by inventory days. The debtor days of the company stood at 87 days for FY25 (Prov.) as against 86 days for FY2024. The credit terms on an average are ~2months. The credit terms with their export customers is on average of 90 days. Further, the inventory days of the company stood at 60 days in FY2025 (Prov.) as against 74 days in FY2024. The company stores 4 to 7 weeks of work in progress goods and 30 days of raw materials for any kind of buffer. Against this, the company has minimal dependence on its suppliers to support the working capital; creditors stood at 14 days for FY2025(Prov.) as against 7 days for FY2024. NIFIL make advance payments for more than 50% of the purchases of pig iron. Acuite believes that working capital cycle will remain on similar lines over the medium term.

### **Rating Sensitivities**

Movement in revenue and profitability margins  
Working capital cycle  
Timely completion of capex and its stabilization

### **Liquidity Position Adequate**

The company has adequate liquidity marked by the steady net cash accruals of Rs.21.88 Cr. as on March 31, 2025 (Prov.), as against Rs.0.19 Cr. long term debt obligations over the same period. The cash and bank balance stood at Rs. 1.26 Cr. for FY 2025 (Prov.). Further, the current ratio of the company stood comfortable at 1.68 times in FY2025 (Prov.). NIFIL has installed a ductile iron plant which will be operational from FY26 and has plans of setting up a processing unit to enhance their operations. These are funded through internal cash accruals. Moreover, the bank limit of the company has been ~84.15 percent utilized for the last six months ended February 2025. However, the working capital-intensive nature of operations of the company is marked by Gross Current Assets (GCA) of 166 days for FY25 (Prov.) as against 172 days for FY2024. Acuite believes that the liquidity of the company is likely to remain similar on account of improving cash accruals, comfortable current ratio and absence of debt funded capex plans over the medium term.

### **Outlook: Positive**

#### **Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 25 (Provisional) | FY 24 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income              | Rs. Cr. | 189.09              | 171.81         |
| PAT                           | Rs. Cr. | 16.62               | 10.28          |
| PAT Margin                    | (%)     | 8.79                | 5.99           |
| Total Debt/Tangible Net Worth | Times   | 0.65                | 0.92           |
| PBDIT/Interest                | Times   | 8.47                | 5.14           |

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

Not Applicable

## Any other information

None

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

| Date        | Name of Instruments/Facilities     | Term       | Amount (Rs. Cr) | Rating/Outlook   |
|-------------|------------------------------------|------------|-----------------|--|
| 19 May 2025 | Bank Guarantee (BLR)               | Short Term | 4.00            | ACUITE A3+ (Reaffirmed)                                  |
|             | Bills Discounting                  | Long Term  | 20.00           | ACUITE BBB   Stable (Reaffirmed)                         |
|             | Proposed Long Term Bank Facility   | Long Term  | 4.80            | ACUITE BBB   Stable (Reaffirmed)                         |
|             | PC/PCFC                            | Long Term  | 17.00           | ACUITE BBB   Stable (Reaffirmed)                         |
|             | PC/PCFC                            | Long Term  | 24.20           | ACUITE BBB   Stable (Reaffirmed)                         |
| 05 Mar 2024 | Bank Guarantee (BLR)               | Short Term | 3.00            | ACUITE A3+ (Upgraded from ACUITE A3)                     |
|             | Letter of Credit                   | Short Term | 3.00            | ACUITE A3+ (Upgraded from ACUITE A3)                     |
|             | Proposed Long Term Bank Facility   | Long Term  | 3.00            | ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable) |
|             | PC/PCFC                            | Long Term  | 44.00           | ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable) |
|             | PC/PCFC                            | Long Term  | 17.00           | ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable) |
|             | Proposed Packing Credit            | Long Term  | 8.05            | ACUITE Not Applicable (Withdrawn)                        |
|             | Proposed Packing Credit            | Long Term  | 11.00           | ACUITE Not Applicable (Withdrawn)                        |
|             | Proposed Working Capital Term Loan | Long Term  | 0.95            | ACUITE Not Applicable (Withdrawn)                        |
| 04 Jan 2023 | Bank Guarantee (BLR)               | Short Term | 3.00            | ACUITE A3 (Reaffirmed)                                   |
|             | PC/PCFC                            | Long Term  | 25.20           | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | Covid Emergency Line.              | Long Term  | 5.89            | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | Proposed Packing Credit            | Long Term  | 8.05            | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | Term Loan                          | Long Term  | 15.04           | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | Covid Emergency Line.              | Long Term  | 4.30            | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | Proposed Packing Credit            | Long Term  | 11.00           | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | PC/PCFC                            | Long Term  | 17.00           | ACUITE BBB-   Stable (Reaffirmed)                        |
|             | Proposed Long Term Bank Facility   | Long Term  | 0.52            | ACUITE BBB-   Stable (Reaffirmed)                        |
| 08 Nov 2022 | PC/PCFC                            | Short Term | 25.20           | ACUITE A3 (Assigned)                                     |
|             | Proposed Packing Credit            | Short Term | 8.05            | ACUITE A3 (Assigned)                                     |
|             | Bank Guarantee (BLR)               | Short Term | 3.00            | ACUITE A3 (Assigned)                                     |
|             | Proposed Packing Credit            | Short Term | 11.00           | ACUITE A3 (Assigned)                                     |
|             | PC/PCFC                            | Short Term | 17.00           | ACUITE A3 (Assigned)                                     |
|             | Covid Emergency Line.              | Long Term  | 5.89            | ACUITE BBB-   Stable (Assigned)                          |
|             | Term Loan                          | Long Term  | 15.04           | ACUITE BBB-   Stable (Assigned)                          |

|  |                                  |           |      |                                 |
|--|----------------------------------|-----------|------|---------------------------------|
|  | Covid Emergency Line.            | Long Term | 4.30 | ACUITE BBB-   Stable (Assigned) |
|  | Proposed Long Term Bank Facility | Long Term | 0.52 | ACUITE BBB-   Stable (Assigned) |

# Annexure - Details of instruments rated

| Lender's Name       | ISIN                 | Facilities                       | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating  |
|---------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| HDFC Bank Ltd       | Not avl. / Not appl. | Bank Guarantee (BLR)             | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 4.00              | Simple           | ACUITE A3+   Reaffirmed                                 |
| State Bank of India | Not avl. / Not appl. | Bills Discounting                | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 20.00             | Simple           | ACUITE BBB   Positive   Reaffirmed   Stable to Positive |
| State Bank of India | Not avl. / Not appl. | PC/PCFC                          | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 24.20             | Simple           | ACUITE BBB   Positive   Reaffirmed   Stable to Positive |
| HDFC Bank Ltd       | Not avl. / Not appl. | PC/PCFC                          | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 17.00             | Simple           | ACUITE BBB   Positive   Reaffirmed   Stable to Positive |
| Not Applicable      | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 4.80              | Simple           | ACUITE BBB   Positive   Reaffirmed   Stable to Positive |

## Contacts

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|--|---|
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### About Acuité Ratings & Research

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