Press Release

Newton Engineering And Chemicals Limited

September 06, 2019

Rating Update

Total Bank Facilities Rated*	Rs. 22.00 Cr #
Long Term Rating	ACUITE D Issuer not co-operating*
Short Term Rating	ACUITE D Issuer not co-operating*

#Refer Annexure for details
**The issuer did not co-operate; based on best available information.*

Acuité has downgraded the long-term rating of **'ACUITE B+' (read as ACUITE B plus)** and short-term rating of **'ACUITE A4' (read as ACUITE A four)** to **'ACUITE D' (read as ACUITE D)** on the Rs. 22.00 crore bank facilities of Newton Engineering and Chemicals Limited (NECL). This rating is now an indicative rating and is based on best available information. The downgrade is on account of continuous delay in servicing debt obligation.

Newton Engineering and Chemicals Limited (NECL) was incorporated in 1996 as a result of amalgamation of Hitech Orgochem Limited (HOL) and Newton Engineering and Construction Company Limited (NECCL). NECCL was established in 1979 as a proprietorship firm by the name of Newton Engineering and Construction Company. The same was converted into private limited company in April 1982 with Mr. N. Gopinath as its Managing Director. HOL was incorporated in 1992 at Gujarat with an objective to manufacture chemicals and fine chemicals. Currently, NECL is managed by Mr. N. Gopinath and his wife, Mrs. N. Vijayalakshmi. NECL has three divisions- Project Division, Manufacturing Division and Chemicals Division.

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 continues to be 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
- Infrastructure Entities - https://www.acuite.in/view-rating-criteria-14.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

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Any other information

Acuité 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 June, 2018	Cash Credit	Long Term	4.00	ACUITE D Issuer not co-operating*
	Bank Guarantee	Short Term	14.00	ACUITE D Issuer not co-operating*
	Letter of Credit	Short Term	4.00	ACUITE D Issuer not co-operating*
2 March, 2017	Cash Credit	Long Term	4.00	ACUITE B+ / Stable (Assigned)
	Bank Guarantee	Short Term	14.00	ACUITE A4 (Assigned)
	Letter of Credit	Short Term	4.00	ACUITE A4 (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	4.00	ACUITE D Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE D Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Issuer not co-operating*

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

Contacts

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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.