

Press Release

National Oxygen Limited

October 06, 2020

Rating Update



Total Bank Facilities Rated*	Rs. 36.00 Cr. #
Long Term Rating	ACUITE B- Downgraded from ACUITE B; Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed and downgraded the long-term rating to '**ACUITE B-**' (read as **ACUITE B minus**) from '**ACUITE B**' (read as **ACUITE B**) and the short term rating of '**ACUITE A4**' (read as '**ACUITE A four**') on the Rs. 36.00 crore bank facilities of National Oxygen Limited (NOL). This rating is now an indicative rating and is based on the best available information.

This rating is downgraded on account of information risk and non-submission of relevant information sought from the company for review of ratings. Also, a downgrade of rating factors in the deterioration of overall business and financial performance in Q1FY2021 and FY2020 based on information available in the public domain.

National Oxygen Limited (NOL) a Public Limited Company Registered with Bombay & Madras Stock Exchanges. NOL is a producer and supplier of Industrial Gases both in Liquid and Gaseous form to Industries and Hospitals. In 1980 the Company installed and commissioned the first oxygen plant of 60 cubic metres per hour capacity at Mathur Village, Pudukottai District, and Tamil Nadu. NOL currently has a capacity of 2500 m3 per hour of Oxygen / Nitrogen gases and 2,00,000 m3 per annum capacity of Dissolved Acetylene gas having manufacturing facilities at Pondicherry and Tamil Nadu.

Non-cooperation by the issuer/borrower

Acuite 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 the due date.

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

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite 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	FY20 (Actual)	FY19 (Actual)
Operating Income	Rs. Cr.	44.04	46.24
PAT	Rs. Cr.	(1.57)	3.45
PAT Margin	(%)	(3.55)	7.47
Total Debt/Tangible Net Worth	Times	(5.85)	(7.57)
PBDIT/Interest	Times	1.39	2.43

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
15-Jul-2019	Cash Credit	Long Term	5.50	ACUITE B/ Stable (Upgraded from B-/Stable)
	Term loans	Long Term	1.02	ACUITE B/ Stable (Upgraded from B-/Stable)
	Overdraft	Long Term	12.50	ACUITE B/ Stable (Upgraded from B-/Stable)
	Bank guarantee	Short Term	3.00	ACUITE A4 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	13.98	ACUITE B/ Stable (Upgraded from B-/Stable)
04-May-2018	Term Loan	Long Term	6.15	ACUITE B-/ Stable (Upgraded from D)
	Cash Credit	Long Term	5.50	ACUITE B-/ Stable (Upgraded from C)
	Secured Overdraft	Long Term	12.50	ACUITE B-/ Stable (Upgraded from C)
	Bank Guarantee	Short Term	3.00	ACUITE A4 (Reaffirmed)
	Proposed Long Term Loan	Long Term	8.85	ACUITE B-/ Stable (Upgraded from C)
14-Jun-2017	Term Loan	Long Term	11.32	ACUITE D (Assigned)
	Cash Credit	Long Term	5.50	ACUITE C (Assigned)
	Secured Overdraft	Long Term	12.50	ACUITE C (Assigned)
	Bank Guarantee	Short Term	3.00	ACUITE A4 (Assigned)
	Proposed Long Term Loan	Long Term	3.68	ACUITE C (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE B- Downgraded, Issuer not co-operating*
Term loans	Not Available	Not Applicable	Not Available	1.02	ACUITE B- Downgraded, Issuer not co-operating*
Overdraft	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE B- Downgraded, Issuer not co-operating*
Bank guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 Issuer not co-operating*
Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	13.98	ACUITE B- Downgraded, Issuer not co-operating*

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

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Rupesh Patel Senior Analyst - Rating Operations Tel: 022 49294044 rupesh.patel@acuite.in</p>	<p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

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