

Press Release

Neco Heavy Engineering & Castings Limited

August 20, 2020

Rating Update



Total Bank Facilities Rated*	Rs.14.50 Cr. #
Long Term Rating	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 the long-term rating to '**ACUITE B**' (read as **ACUITE B**) and the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.14.50 crore bank facilities of Neco Heavy Engineering & Castings Limited (NHECL). This rating is now an indicative rating and is based on the best available information.

Nagpur based NHECL was incorporated in the year 1987 as NECO Castings Limited and is part of NECO group of industries. The name was changed to NECO Heavy Engineering & Castings Limited in the year 2009. The company is engaged in the manufacturing various types of casting which have an end-use in Integrated Steel Plants, Mini Steel Plants, other Heavy Engineering Industries, Crane manufacturing industry, Sugar crushing mills among others.

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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

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

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

ICRA, vide its press release dated September 23, 2019 had denoted the rating of Neco Heavy Engineering & Casting Limited (NHECL) as 'ICRA B+/Stable/A4 (Issuer Not Cooperating)' on account of lack of adequate information required for monitoring of ratings.

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
11-Jun-2019	Cash Credit	Long Term	12.50@	ACUITE B/Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Proposed Bank Facilities	Short Term	3.00	ACUITE A4 (Withdrawn)
28-May-2019	Cash Credit	Long Term	12.50@	ACUITE B/Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.00 (Reduced from Rs.5.00 crore)	ACUITE A4 (Reaffirmed)
	Proposed Bank Facilities	Short Term	3.00	ACUITE A4 (Reaffirmed)
04-April-2018	Cash Credit	Long Term	12.50@	ACUITE B/Stable (Assigned)
	Bank Guarantee	Short Term	5.00	ACUITE A4 (Assigned)

@Sublimit of EPC/EBD of Rs.1.40 crore within cash credit limit.

#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	12.50@	ACUITE B Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 Issuer not co-operating*

@Sublimit of EPC/EBD of Rs.1.40 crore within cash credit limit.

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

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research 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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