



### Press Release

## NECO HEAVY ENGINEERING AND CASTINGS PRIVATE LIMITED (ERSTWHILE NECO HEAVY ENGINEERING AND CASTINGS LIMITED)

April 28, 2025

### Rating Downgraded, Reaffirmed, Withdrawn & Issuer not co-operating

| Product                            | Quantum (Rs. Cr) | Long Term Rating  | Short Term Rating   |
|------------------------------------|------------------|---|---|
| Bank Loan Ratings                  | 12.50            | ACUITE B-   Downgraded & Withdrawn   Issuer not co-operating* | -   |
| Bank Loan Ratings                  | 2.00             | -   | ACUITE A4   Reaffirmed & Withdrawn   Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 0.00             | -   | -   |
| Total Withdrawn Quantum (Rs. Cr)   | 14.50            | -   | -   |

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

### Rating Rationale

Acuité has downgraded and withdrawn the long-term rating to ‘ACUITE B-’ (read as ACUITE B minus) from ‘ACUITE B’ (read as ACUITE Ba) and reaffirmed and withdrawn the short-term rating of ‘ACUITE A4’ (read as ACUITE A four) on the Rs.14.50 crore bank facilities of Neco Heavy Engineering and Castings Private Limited (Erstwhile Neco Heavy Engineering and Castings Limited) on account of information risk.

#### Rationale for Rating

The rating has been withdrawn on account of the request received from the company and NOC (No Objection Certificate) received from the banker. The rating has been withdrawn as per Acuité's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating continues to be flagged as “Issuer Not Cooperating” and is based on the best available information.

#### About the Company

Nagpur based Neco Heavy Engineering and Castings Private Limited (Erstwhile Neco Heavy Engineering and Castings Limited) (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 primary promoter of Neco Heavy Engineering & Castings Ltd. is Shri Basant Lall Shaw. 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.

#### Unsupported Rating

Not Applicable

#### 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 the due date. Acuité

believes that information risk is a critical component in such ratings, and non co-operation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

#### **Limitation regarding information availability**

This 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. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a

rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

**Rating Sensitivity**

"No information provided by the issuer / available for Acuite to comment upon."

**Liquidity Position**

"No information provided by the issuer / available for Acuite to comment upon."

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

| Particulars                   | Unit    | FY 24 (Actual) | FY 23 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income              | Rs. Cr. | 54.66          | 33.39          |
| PAT                           | Rs. Cr. | 3.22           | 0.57           |
| PAT Margin                    | (%)     | 5.89           | 1.70           |
| Total Debt/Tangible Net Worth | Times   | 1.61           | 2.32           |
| PBDIT/Interest                | Times   | 3.43           | 2.00           |

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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                                    |
|-------------|--------------------------------|------------|-----------------|---|
| 13 May 2024 | Bank Guarantee (BLR)           | Short Term | 2.00            | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
|             | Cash Credit                    | Long Term  | 12.50           | ACUITE B (Reaffirmed & Issuer not co-operating*)  |
| 13 Feb 2023 | Bank Guarantee (BLR)           | Short Term | 2.00            | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
|             | Cash Credit                    | Long Term  | 12.50           | ACUITE B (Reaffirmed & Issuer not co-operating*)  |

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

## Annexure - Details of instruments rated

| Lender's Name       | ISIN                 | Facilities           | Date Of Issuance     | Coupon Rate          | Maturity Date        | Quantum (Rs. Cr.) | Complexity Level | Rating  |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|------------------|---|
| State Bank of India | Not avl. / Not appl. | Bank Guarantee (BLR) | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 2.00              | Simple           | ACUITE A4   Reaffirmed & Withdrawn   Issuer not co-operating*                   |
| State Bank of India | Not avl. / Not appl. | Cash Credit          | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | 12.50             | Simple           | ACUITE B-   Downgraded & Withdrawn   Issuer not co-operating* ( from ACUITE B ) |

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

## Contacts

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

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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