



Press Release
NRVS STEELS LIMITED (ERSTWHILE SELENO STEELS LIMITED)
May 19, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	340.32	ACUITE A Reaffirmed & Withdrawn	-
Bank Loan Ratings	15.94	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	356.26	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of ‘**ACUITE A**’ (read as **ACUITE A**) on the Rs. 340.32 Cr. bank facilities of NRVS Steels Limited (Erstwhile Seleno Steels Limited). The rating has been withdrawn on account of the request received from the issuer along with no objection certificate received from the lender. Further, Acuite has withdrawn its long-term rating on the bank loan facilities of Rs.15.94 Cr. bank facilities of NRVS Steels Limited (Erstwhile Seleno Steels Limited) without assigning any rating as it is a proposed facility. The rating has been withdrawn on account of the request received from the issuer. The rating withdrawal is in accordance with Acuite’s policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for rating

The rating takes into account the sound business risk profile of the group majorly driven by improvement in revenue and profitability. The consolidated revenue from operations of the group increased and is estimated around Rs.2000 Cr. in FY2025 as against Rs.1545.87 Cr. in FY2024 and Rs.1506.36 Cr. in FY2023. Furthermore, the EBITDA and PAT margin of the group stood at 14.87 per cent and 8.46 per cent respectively in FY2024. In addition, the financial risk profile of the group is healthy marked by a healthy net worth, moderate gearing levels and comfortable debt protection metrics and working capital management is efficient marked by Gross Current Assets days (GCA days) of 82 days for FY2024. The rating also draws comfort from established track record and skilled promoters with location advantage along with integrated nature of operations. However, these strengths are partially offset by cyclical nature of the steel industry and the vulnerability of the margins to the volatility in steel prices.

About the Company

NRVS Steels Limited (erstwhile Seleno Steels Limited) was acquired by the NR group in FY 2018 and the name was changed to its present name. It was incorporated in 2001 in Chhattisgarh and is engaged in the manufacturing of sponge iron, billet and TMT Bars. The present directors of the company are Ms. Anju Agrawal, Mr. Chandan Poddar, Mr. Vijay Kumar Agrawal, Mr. Mayank Agrawal, Mr. Ankit Agrawal, Mr. Sunil Kumar Jindal and Mr. Pawan Kumar Agrawal.

About the Group

NR Steel and Ferro Private Limited

NR Steel and Ferro Private Limited (NRSF) was incorporated in year 2022 in Chhattisgarh and is engaged in the manufacturing of billet, Silico Manganese and Pig Iron. The company has installed capacity of 1,64,160 MT per annum for billet, 41,000 MT per annum for Silico Manganese, 82,000 MT per annum of pig iron.

N R Ispat and Power Private Limited

NR Ispat and Power Private Limited (N R Ispat), the flagship company of the group was incorporated in 2008 in Chhattisgarh and is engaged in the manufacturing of sponge iron, billet and TMT. The company has installed capacity of 60,000 MT per annum for sponge iron, 96,000 MT per annum for billet, 96,000 MT per annum of TMT/ rolled steel products.

N R TMT India Private Limited

N R TMT India Private Limited (N R TMT) was incorporated in 2008 in Chhattisgarh. The company is engaged in the manufacturing of billet and TMT bars. The present directors of the company are Mr. Vijay Kumar Agrawal, Mr. Ankit Agrawal and Mr. Vikas Agrawal.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered the consolidated financials of N R Ispat and Power Private Limited, N R TMT India Private Limited, NRVS Steels Limited and NR Steel and Ferro Private Limited. The consolidation is in the view of common management, Intergroup purchase and sale, strong operational linkages between the entities and a similar line of business.

Key Rating Drivers

Strengths

Established track record of operations along with integrated nature of operations

The promoters of the group have been associated with the iron & steel industry for about two decades. The group has integrated operations with capacities to produce sponge iron, steel billets and long products across its companies – N R Ispat, N R TMT, NRVS and NRSF. Acuite derives comfort from the long experience of the promoters. In addition to this, the group has a locational advantage as the plants are located in the industrial area of Raipur, Chhattisgarh, which is in close proximity to various steel plants and sources of raw materials. Further, the plants are well connected through road and rail transport which facilitates easy transportation of raw materials and finished goods.

Strong Business Risk Profile

The business risk profile of the group is strong supported by the integrated nature of operations of the group which enhances the operating efficiencies and mitigates the risks arising from the cyclical nature of steel industry to some extent. The diversity in revenue streams of the group also augurs well with its business risk profile. The revenue of the group has improved and is estimated around Rs.2000 Cr. in FY2025 as against Rs.1545.87 Cr. in FY2024 and Rs.1506.36 Cr. in FY2023. Moreover, the operating margin of the group increased to 14.87 per cent in FY2024 as compared to 11.39 per cent in FY2023. Likewise, the profitability margin stood at 8.46 per cent in FY2023 as against 5.97 per cent in FY2023. The improvement in margins is attributed to enhanced operational efficiencies on account of backward integration, improved procurement efficiencies and cost rationalization.

Healthy Financial Risk Profile

The group's financial risk profile is marked by healthy networth, moderate gearing and comfortable debt protection metrics. The tangible net worth of the group increased to Rs.493.73 Cr as on March 31, 2024 from Rs.333.54 Cr as on March 31, 2023 due to accretion of profits into reserves. The capital structure of the group is marked by gearing which stood moderate at 1.54 times as on March 31, 2024 as against 1.25 times as on March 31, 2023. The debt protection metrics remained comfortable marked by interest coverage ratio (ICR) of 8.23 times and debt service coverage ratio (DSCR) of 2.92 times for FY2024. Further, the net cash accruals to total debt (NCA/TD) stood at 0.23 times in FY2024 as against 0.31 times in FY2023 and Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.72 times as on March 31, 2024 as against 1.53 times as on March 31, 2023.

Efficient Working Capital Management

The working capital management of the group is efficient marked by Gross Current Assets (GCA) of 82 days for FY2024 as compared to 73 days for FY2023. The efficient level of GCA days are mainly on account of inventory days and minimal receivables. The inventory days of the group stood at 45 days in FY2024 as compared to 38 days in FY2023. Further, the debtor days of the group stood at 8 days for FY2024 as against 13 days for FY2023. Against this, the group has minimal creditors, which stood at 9 days as on March 31, 2024. Further, the group relies on its bank lines to meet its working capital requirement which stood utilised at 82.40% over last six months ended March 2025.

Weaknesses

Cyclical nature of the steel industry to the volatility in steel prices

The steel rolling sector continues to lack organization and cohesion. The group faces strong competitive forces from both organized and unorganized participants, compounded by the cyclicity inherent in the steel industry.

Moreover, the government's emphasis on steel intensive sectors like railways and infrastructure increases vulnerability, any prolonged drop in demand would negatively affect steel group's performance. Furthermore, the fluctuation in prices of raw materials and goods is considerably unstable, making this a crucial aspect to watch.

ESG Factors Relevant for Rating

The iron and steel production industry has a substantial environmental impact. The processes are power-intensive so as part of ongoing commitment to environmental sustainability, NR Group undertook tree plantation initiative and planted 5000 trees which endeavour aids in combating deforestation and mitigating the impacts of climate change. The group has also taken a significant step towards shifting to renewable energy wherein they have collaborated with local partners to set up a state-of-the-art solar power generation plant. From the governance perspective, factors such as ethical business practices, management compensation and board functioning hold primary importance to the group. Likewise, regulatory compliance, shareholder's rights and audit control are other material issues. NR Group is dedicated to making a positive impact on society. Workforce health & safety management, inclusive development and human rights concerns are of primary importance, given the nature of operations. The prime example is the establishment and management of a social work hospital along with initiation of the NR Public School aiming to provide accessible education to the children of their workers and the local community.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The group has adequate liquidity marked by net cash accruals of Rs.171.55 Cr. as on March 31, 2024 as against Rs.39.45 Cr. of debt obligations over the same period. The current ratio of the group stood comfortable at 1.12 times in FY2024. The cash and bank balance stood at Rs.0.91 Cr for FY2024. Further, the group relies on its bank lines to meet its working capital requirement which stood utilised at 82.40% over last six months ended March 2025.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	1545.87	1506.36
PAT	Rs. Cr.	130.76	89.86
PAT Margin	(%)	8.46	5.97
Total Debt/Tangible Net Worth	Times	1.54	1.25
PBDIT/Interest	Times	8.23	6.77

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any Other Information

Provisions of Chapter IV, Regulations 15 to 27 of SEBI (LODR) Regulations, 2015 apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt of Rupees Five Hundred Crore and above.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
10 Feb 2025	Cash Credit	Long Term	27.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	55.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Cash Credit	Long Term	33.00	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	37.98	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	54.25	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	12.66	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	108.11	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	1.56	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	8.61	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Term Loan	Long Term	2.15	ACUITE A Stable (Upgraded from ACUITE A- Stable)
	Proposed Long Term Bank Facility	Long Term	15.94	ACUITE A Stable (Upgraded from ACUITE A- Stable)
01 Dec 2023	Cash Credit	Long Term	27.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	33.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	40.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	60.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	15.99	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	131.24	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	4.06	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	11.10	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	2.95	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	3.76	ACUITE A- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	7.16	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	11.49	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	42.42	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	15.99	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	25.17	ACUITE A- Stable (Reaffirmed)
	Cash Credit	Long Term	7.83	ACUITE A- Stable (Assigned)

26 Sep 2022	Term Loan	Long Term	2.93	ACUITE A- Stable (Reaffirmed)
	Term Loan	Long Term	3.74	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	95.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	4.69	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	60.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	40.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	27.00	ACUITE A- 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
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	27.00	Simple	ACUITE A Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE A Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.00	Simple	ACUITE A Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.94	Simple	Not Applicable Withdrawn
Axis Bank	Not avl. / Not appl.	Term Loan	22 Jul 2022	Not avl. / Not appl.	31 Mar 2030	37.98	Simple	ACUITE A Reaffirmed & Withdrawn
Canara Bank	Not avl. / Not appl.	Term Loan	20 Jun 2022	Not avl. / Not appl.	31 Mar 2030	54.25	Simple	ACUITE A Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	20 Dec 2021	Not avl. / Not appl.	31 Dec 2027	12.66	Simple	ACUITE A Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	03 Jul 2019	Not avl. / Not appl.	31 Mar 2030	108.11	Simple	ACUITE A Reaffirmed & Withdrawn
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	29 Dec 2020	Not avl. / Not appl.	31 Mar 2026	1.56	Simple	ACUITE A Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Term Loan	31 May 2018	Not avl. / Not appl.	30 Apr 2027	8.61	Simple	ACUITE A Reaffirmed & Withdrawn
Punjab National Bank	Not avl. / Not appl.	Term Loan	12 Nov 2021	Not avl. / Not appl.	30 Sep 2027	2.15	Simple	ACUITE A Reaffirmed & Withdrawn

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr No.	Company Name
1	N R Ispat and Power Private Limited
2	NR Steel and Ferro Private Limited
3	NRVS Steels Limited (Erstwhile Seleno Steels Limited)
4	N R TMT India Private Limited

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About Acuité Ratings & Research

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