

Press Release
Tulsyan Nec Limited
March 22, 2024
Rating Withdrawn



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	269.00	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	269.00	-	-

Rating Rationale

Acuite has withdrawn the long-term rating on the Rs.269.00 Cr. of Proposed Non Convertible Debentures of Tulsyan NEC Limited.(TNECL). The same is withdrawn without assigning any rating as the Instrument is proposed facility. The rating is being withdrawn on account of the request received from the company as per Acuite's policy on withdrawal of ratings as applicable to the respective facility/instrument.

About the Company

Tulsyan NEC Limited Incorporated in the year 1947 by Mr. Sanjay Tulsyan Located at Bangalore, under the name National Engineering Company Limited (NECL), the company was taken over by the Tulsyan group of companies in 1986. In the year 1996, Tulsyan Synthetics Limited, a group company was merged with the NECL and the name of the company was changed to Tulsyan NEC Limited (TNECL) with effect from August 1996. TNECL is one of the major manufacturers of thermo mechanically treated (TMT) bars and billets in South India. It is also a large manufacturer of High Density Poly Ethylene (HDPE)/ Poly Propylene (PP) sacks and Flexible Intermediate Bulk Containers (FIBC) in the region. The operation of the company is divided into three divisions viz. Steel division, Synthetics division and Power division. Currently the company is managed by Mr. Sanjay Tulsyan, Mr. Sanjay Agarwalla, Mr. Manogyanathan Parthasarathy, Mr. Antonisamy Axilium Jayamary, Mr. Somasundaram Posing Mohan Ram, Mr. Lalit Kumar Tulsyan, Mr. Ravi Muthusamy and Mr. Subramanian Chandrasekaran.

Unsupported Rating

Not Applicable

Analytical Approach

Not Applicable

Key Rating Drivers

Strengths

Not Applicable

Weaknesses

Not Applicable

Rating Sensitivities

Not applicable

Liquidity Position
Not applicable

Outlook

Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	950.47	752.32
PAT	Rs. Cr.	247.93	789.95
PAT Margin	(%)	26.08	105.00
Total Debt/Tangible Net Worth	Times	0.85	3.74
PBDIT/Interest	Times	20.64	163.82

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

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Entities In Manufacturing Sector:- <https://www.acuite.in/view-rating-criteria-59.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, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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
23 Mar 2023	Proposed Non Convertible Debentures	Long Term	269.00	ACUITE C Not Applicable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not avl. / Not appl.	Proposed Non Convertible Debentures	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	269.00	Not Applicable Withdrawn

Contacts

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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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