Press Release
N N ISPAT PRIVATE LIMITED
October 14, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	87.54	ACUITE A | Stable | Reaffirmed	-
Bank Loan Ratings	55.00	-	ACUITE A1 | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	142.54	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

ACUITE has reaffirmed the long-term rating of **'ACUITE A' (read as ACUITE A)** and the short-term rating of **'ACUITE A1' (read as ACUITE A one)** on the Rs. 142.54 Cr. bank facilities of N N Ispat Private Limited (NNIPL). The outlook is '**Stable**'.

Rationale for reaffirmation:

The rating reaffirmation reflects the continued improvement in the overall business risk profile of the company marked by increase in the operating income and profitability driven by fully integrated operation. The rating also factors in its experienced management, efficient working capital operations and the healthy financial risk profile of the group characterized by healthy net worth and steady debt coverage indicators. However, the rating remains constrained by its cyclical nature of the steel industry and the susceptibility of profitability to volatility in raw material prices.

About the Company

Incorporated in 2004, N N Ispat Private Limited (NNIPL) manufactures billets and thermomechanically treated (TMT) steel. The manufacturing facility is located in Burdwan district of West Bengal with installed capacity of 2,50,000 MTPA of billets and 2,36,000 MTPA of TMT.

About the Group

Incorporated in 2003, Raic Integrated Sponge And Power Private Limited (RISPPL) manufactures sponge iron, billets, TMT steel and silico manganese at its facility in Burdwan district, West Bengal. Unit has installed capacity of 2,25,000 tons per annum (MTPA) of sponge iron, 2,25,000 MTPA of billets, 2,00,000 MTPA of TMT steel, 12,250.00 MTPA of silico manganese and captive power plant with a capacity of 18.5 MW.

AIC Iron Industries Private Limited (AIIPL) was incorporated in December 2003. Current directors of the company are Mr. Gyan Adukia, Mr. Sheo Pujan Singh, Mr. Dinesh Adukia, Mr. Vivek Adukia. In February 2008, the company was taken over by Adukia group of West Bengal. The company is presently engaged in manufacturing sponge iron, Billets and MS Strips/pipes with installed capacity of 1,50,000 MTPA, 2,37,000 MTPA and 2,25,000 MTPA respectively. Its manufacturing facility is located at Purulia (West Bengal).

Unsupported Rating
Not Applicable

Analytical Approach

Extent of Consolidation

• Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the financial and business risk profile of N N Ispat Private Limited (NNIPL), AIC Iron Industries Private Limited (AIIPL) and Raic Integrated Sponge And Power Private Limited (RISPPL). The consolidation is on account of the common management, same line of operations and significant operational and financial fungibility.

Key Rating Drivers

Strengths

Long operational track record and experienced management

The promoters of the AIC group, the Adukia family of West Bengal, have more than two decades of experience in the iron and steel industry. The extensive experience of the promoters has helped them understand market dynamics and establish strong relationships with their customers and suppliers. The overall affairs of the AIC group are being managed by Mr. Dinesh Adukia and his brothers. The promoters are resourceful and have also supported the group companies by infusing unsecured loans as and when required to support the business operations. Acuité believes that the long-track record of operations will benefit the company going forward, resulting in steady growth in the scale of operations.

Steady growth in revenues and profitability

The operating income of the group improved and stood at Rs.2678.72 Cr (Est) with YOY growth of 18.64 percent in FY2025(Est) as against Rs.2257.91 Cr in FY2024. The group generates its revenues from manufacturing of sponge iron, billet, silico manganese, TMT and other rolled steel products. The growth in operating income attributed to increase in capacity utilisation across all its product segments. The group has shown improvement in the EBIDTA margin in FY2025(Est.) which stood at 8.41 percent as against 7.82 percent in FY2024, 6.09 percent in FY2023. The improvement in the EBIDTA margin is on account of improvement is driven by fully integrated operation and decline in the raw material cost and power cost and savings in transportation costs. The calibrated capex of Rs. 100 Cr which has been undertaken by the group in FY2025, funded through internal accruals and debt. Total capex will be capitilized by FY2026. Acuite believes, the group's operating performance would improve steadily over the medium term backed by completed capex and augmentation in the volumes.

Healthy financial risk profile

The Group's financial risk profile remained healthy marked by healthy net worth, steady gearing and moderate debt protection metrics. The net worth of the company stood at Rs.377.09 Cr. as on March 31, 2024 against Rs.297.94 Cr. as on March 31, 2023, and Rs.523.96 Cr. as on March 31, 2025(Est). The net worth is improved due to due to accretion of net profit in the reserve and Acuité has considered unsecured loans of Rs.111.00 Cr as on March 31, 2025(Estimated) as quasi equity. The gearing of the group stood at 1.64 times as on March 31, 2024, against 1.56 times as on March 31, 2023. The estimated gearing for FY2025 is around 1.27 t imes. Debt protection metrics – Interest coverage ratio (ICR) and debt service coverage ratio (DSCR) stood at 3.78 times and 1.79 times as on March 31, 2024, respectively as against 3.93 times and 1.79 times as on March 31, 2023, respectively. The estimated ICR and DSCR for FY2025 is around 3.69 times and 1.81 times. Tol/ TNW stood at 2.27 times as on March 31, 2024, as against 2.22 times as on March 31, 2024. The estimated TOL/TNW for FY2025 is around 1.99 times. The debt to EBITDA of the group in stood at 3.34 times as on March 31, 2024, as against 3.39 times as on March 31, 2023 and estimated to be around 2.90 times as on March 31st 2025. Acuité believes the financial risk profile would remain healthy over the medium term on account of the group's healthy capital structure and stable operations.

Efficient Working capital operations

Group's working capital operations remained efficient marked by Gross Current Asset (GCA) of 118 days in FY2025 (Est.) as against 95 days in FY2024. The reason for moderation in GCA days in FY2025 is on account of high other current assets. The Inventory days stood at 68 day in FY2025 (Est.), as against 61 days in FY 2024. The reason for the increase in the inventory days is due to group need to maintain raw material inventory (iron ore coal stock) for uninterrupted production and to mitigate the raw material price fluctuations risk. The debtor day stood at 33 days in FY2025 (Est.) as against 28 days in F2024. Further, the average bank utilization limit in the last six months ended August 24 remained at ~78 percent for fund based. Acuite believes the working capital requirement is likely to remain at similar levels over in the medium term due to the nature of business.

Weaknesses

Susceptibility of profitability to volatility in raw material prices in an intensely competitive and cyclical steel industry

The group faces strong competitive forces from both organized and unorganized participants, compounded by the cyclicality 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. While any major fluctuation in prices can be passed on to the customers with a lag, the company would remain exposed to volatility in raw material prices in case of weak demand.

ESG Factors Relevant for Rating

The group has undertaken several initiatives to improve its environmental footprint, including the installation of captive power plants and waste heat recovery systems, which enhance energy efficiency and reduce dependence on grid power. Air pollution control mechanisms and water conservation measures have also been implemented across manufacturing units. On the social front, the group provides direct employment to over 1,000 individuals, contributing to regional economic development in West Bengal and Chhattisgarh. It has instituted safety protocols and conducts regular training programs to ensure workplace safety. Community engagement activities, such as support for local infrastructure and education, are also undertaken. While the group is gradually enhancing its focus on diversity and inclusion, formal policies in this area are still evolving. Further on the governance front, the group entities are privately held and managed by a common promoter family, with a centralized governance structure that facilitates strategic alignment. Internal audit systems and statutory compliance mechanisms are in place. The group is also in the process of strengthening its ESG reporting practices, with plans to align with recognized frameworks such as BRSR Core and GRI over the medium term.

Rating Sensitivities

- Sustainability in revenue growth and profitability margins
- Elongation of working capital cycle
- Any deterioration of its financial risk profile owing to higher-than expected debt funded capex

Liquidity Position: Strong

Group's liquidity is Strong with strong net cash accruals (NCA) to its repayment obligations. It is estimated that group has generated cash accruals of Rs. 145.99 Cr in FY2025(Estimates) as against its long-term debt obligations of Rs. 52.42 Cr for the same period. Going forward, the group is expected to generate adequate net cash accruals against maturing repayment obligations. However, the reliance on working capital limits stood moderate marked by average 78 percent utilization of the fund-based limits used over the past six months ending in August 2025. The group has maintained unencumbered cash and bank balances Rs.0.78 Cr. and the current ratio stood at 1.19 times as on March 31, 2024. Estimated current ratio stood at 1.18 times as on March 31st, 2025. Acuité expects that the liquidity of the group is likely to remain strong over the medium term on account of expected healthy cash accruals to its maturing debt obligations.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	2257.91	2195.20
PAT	Rs. Cr.	73.48	53.31
PAT Margin	(%)	3.25	2.43
Total Debt/Tangible Net Worth	Times	1.64	1.56
PBDIT/Interest	Times	3.78	3.93

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

Not Applicable

Any Other Information

None

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. 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
16 Jul 2024	Cash Credit	Long Term	38.00	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Cash Credit	Long Term	15.00	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Cash Credit	Long Term	12.00	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Term Loan	Long Term	1.88	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Covid Emergency Line.	Long Term	4.30	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Covid Emergency Line.	Long Term	1.36	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Cash Credit	Long Term	10.00	ACUITE A | Stable (Upgraded from ACUITE A- | Stable)
	Letter of Credit	Short Term	9.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Letter of Credit	Short Term	11.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	5.00	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	2.34	ACUITE A1 (Upgraded from ACUITE A2+)
	Bank Guarantee (BLR)	Short Term	32.66	ACUITE A1 (Assigned)
19 Apr 2023	Cash Credit	Long Term	5.00	ACUITE A- | Stable (Reaffirmed)
	Cash Credit	Long Term	34.00	ACUITE A- | Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE A- | Stable (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE A- | Stable (Reaffirmed)
	Term Loan	Long Term	3.23	ACUITE A- | Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	4.30	ACUITE A- | Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.52	ACUITE A- | Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.83	ACUITE A- | Stable (Reaffirmed)
	Letter of Credit	Short Term	9.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	11.00	ACUITE A2+ (Reaffirmed)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	14.00	ACUITE A2+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE A- | Stable (Assigned)
	Cash Credit	Long Term	34.00	ACUITE A- | Stable (Assigned)
		Long		

03 Apr 2023	Cash Credit	Term	15.00	ACUITE A- | Stable (Assigned)
	Cash Credit	Long Term	6.00	ACUITE A- | Stable (Assigned)
	Term Loan	Long Term	3.23	ACUITE A- | Stable (Assigned)
	Covid Emergency Line.	Long Term	4.30	ACUITE A- | Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.52	ACUITE A- | Stable (Assigned)
	Covid Emergency Line.	Long Term	1.83	ACUITE A- | Stable (Assigned)
	Letter of Credit	Short Term	9.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	11.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	6.00	ACUITE A2+ (Assigned)
	Bank Guarantee (BLR)	Short Term	14.00	ACUITE A2+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.66	Simple	ACUITE A1 | Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.34	Simple	ACUITE A1 | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE A | Stable | Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE A | Stable | Reaffirmed
Indusind Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE A | Stable | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2027	2.89	Simple	ACUITE A | Stable | Reaffirmed
ICICI Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A1 | Reaffirmed
Axis Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE A1 | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	37.65	Simple	ACUITE A | Stable | Reaffirmed

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

Sr.No.	Company name
1	AIC Iron Industries Private Limited
2	Raic Integrated Sponge And Power Private Limited
3	N N Ispat Private Limited

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations Moparthi Anuradha Devi Senior Analyst-Rating Operations	**Contact details exclusively for investors and lenders** Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

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