

## Tulsyan NEC Limited

December 20, 2023

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	830.82	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	142.16	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated October 14, 2022, placed the rating(s) of Tulsyan NEC Limited (TNL) under the 'issuer non-cooperating' category as TNL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. TNL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 09, 2023, September 19, 2023, December 12, 2023.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

**Analytical approach:** Standalone

**Outlook:** Not Applicable

### Detailed description of the key rating drivers

Please refer to PR dated [October 14, 2022](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)  
[Policy on Default Recognition](#)

### About the Company

Incorporated in the year 1947 under the name National Engineering Company Limited (NECL), the company was taken over by the Tulsyan group of companies in 1986. TNEC is into manufacturing of TMT bars and billets, high-density poly ethelene (HDPE)/ poly propylene (PP) sacks and flexible intermediate bulk containers (FIBC) in the region. TNEC approached the bankers for Corporate Debt Restructuring (CDR) in May 2014. However, continued unfavourable industry scenario led to the company's liquidity position remaining stretched, resulting in delays.

Brief Financials (Rs. crore)	March 31, 2022 (A)	March 31, 2023 (A)	H1FY24 (UA)
Total operating income	752.36	951.90	496.97
PBILDT	14.70	16.76	19.10
PAT	789.94	247.93	-15.04
Overall gearing (times)	3.75	0.85	1.31
Interest coverage (times)	2.94	1.52	0.94

A: Audited, UA: Unaudited, note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of the rated instruments/facilities:** Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

**Complexity level of various instruments rated:** Annexure-4

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**Lender details: Annexure-5****Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	215.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	March 2022	615.82	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	142.16	CARE D; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings		Rating History				
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term Loan	LT	615.82	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Oct-22)	1)CARE D; ISSUER NOT COOPERATING* (23-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)
2	Non-fund-based - ST-Letter of credit	ST	142.16	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Oct-22)	1)CARE D; ISSUER NOT COOPERATING* (23-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)
3	Fund-based - LT-Cash Credit	LT	215.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (14-Oct-22)	1)CARE D; ISSUER NOT COOPERATING* (23-Jul-21)	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)

\*Issuer did not cooperate; based on best available information.

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable****Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on the complexity levels of the rated instruments:** CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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#### About us:

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