

Neotech Foundries Private Limited

March 14, 2024

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|---|--|
| Long Term Bank Facilities | 9.54 | CARE C; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B-; Stable; |

Details of instruments/facilities in Annexure-1

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

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated January 09, 2023, placed the rating(s) of Neotech Foundries Private Limited (NFPL) under the 'issuer non-cooperating' category as NFPL 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. NFPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated November 25, 2023, December 05, 2023, December 15, 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).

The ratings assigned to the bank facilities of NFPL have been revised on account of non-availability of requisite information.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [January 09, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

About the company

Neotech Foundries Private Limited (NFPL) was incorporated as a Private Limited Company on October 25, 2011. The company was setting up an alloy steel and iron casting manufacturing unit at Bhilai Industrial Estate at Chhattisgarhi with an installed capacity of 5000 MTPA. The project cost was Rs.12.00 crore, which was financed by way of promoter's contribution of Rs.2.02 crore, unsecured loan from promoters of Rs.2.98 crore and term loan from bank of Rs.7.00 crore. The project is almost completed and the entire amount towards the project is expensed in full. Moreover, the company is expected to start commercial operation from June, 2018. Mr. Soumen Midya (aged 54 years), having more than two decades of experience in alloy steel and iron casting manufacturing business along with his father Mr. Gunakar Midya (aged 86 years), having around three decades of experience in similar line of business looks after the overall management of the company along with adequate support from a team of experienced personnel.

| Brief Financials (Rs. crore) | March 31, 2018 (A) | March 31, 2019 (A) |
|------------------------------|--------------------|--------------------|
| Total operating income | 0.00 | 2.94 |
| PBILDT | 0.00 | 1.07 |
| PAT | 0.00 | -0.68 |
| Overall gearing (times) | NM | 6.76 |
| Interest coverage (times) | 0.00 | 1.97 |

A: Audited, NM – Not meaningful, Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Rating history for last three years: Please refer Annexure-2

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

Complexity level of various instruments rated: Annexure-4

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 | - | - | - | - | 5.00 | CARE C; Stable; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | - | - | - | December 2020 | 4.54 | CARE C; Stable; 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 | 4.54 | CARE C; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (09-Jan-23) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (21-Oct-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (21-Oct-20) |
| 2 | Fund-based - LT-Cash Credit | LT | 5.00 | CARE C; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (09-Jan-23) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (21-Oct-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (21-Oct-20) |

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

LT: Long term

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 |

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.

Contact us

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| Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in | Analytical Contacts Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in |
| Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in | Foram Prakashchandra Dave Analyst CARE Ratings Limited Phone: 079-40265687 E-mail: foram.dave@careedge.in |
| | Jekin Shah Associate Analyst CARE Ratings Limited E-mail: Jekin.Shah@careedge.in |

About us:

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Disclaimer:

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