# National Fittings Limited

November 03, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long-term / Short-term bank facilities | RBI | 9.00 | CARE BBB- / CARE A3 (RWD) | Assigned |
| Long-term bank facilities | RBI | 50.00 | CARE BBB- (RWD) | Assigned |
| Short-term bank facilities | RBI | 9.15 | CARE A3 (RWD) | Assigned |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Ratings assigned to bank facilities of National Fittings Limited (NFL) derive strength from vast experience of the promoters, long track record of operations in niche product segment and well-established manufacturing facilities. The company also benefits from its healthy financial risk profile marked by comfortable capital structure and comfortable debt coverage indicators.

However, ratings are constrained by moderate scale of operations, exposure of margins to volatile raw material prices and forex risk and execution risks associated with its ongoing capacity expansion.

Ratings are placed under watch with developing implications following the proposed amalgamation of Banil Castings Private Limited and Avisa Private Limited into National Fittings Limited. The scheme remains subject to receipt of regulatory, shareholder, creditor, and National Company Law Tribunal (NCLT) approvals. CARE Ratings Limited (CareEdge Ratings) shall be monitoring developments in this regard and take a view once more clarity emerges with respect to this transaction and its impact on NFL's credit profile.

## Rating sensitivities: Factors likely to lead to rating actions

### Positive factors

- Improve scale of operations above ₹200 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 15% on a sustained basis.
- Sustained improvement in capital structure and debt coverage metrics.

### Negative factors

- Decline in total operating income (TOI) below ₹75 crore and drop in profitability on a sustained basis.
- Moderation in debt protection metrics with total debt/ gross cash accruals (TD/GCA) above 7x on a sustained basis.

## Analytical approach: Standalone

## Detailed description of key rating drivers

## Key strengths

### Extensive experience of promoters in the industry

Incorporated in April 1993, NFL witnessed a change in ownership in May 2025 with the acquisition by Himgiri Castings Private Limited (HCPL) and its promoter family. The company is currently promoted by Anil Agarwal and Arpit Agarwal, who bring over three decades of experience in the castings and pipe fittings industry. Operations are further supported by Jayaram Govindarajan, Joint Managing Director, who has over 20 years of industry experience and has been associated with the company as director since 2016.

### Long track record of operations in niche product segment

Established in 1993, NFL manufactures grooved pipe fittings, screwed pipe fittings, and valves for industrial piping systems. The company is among the few manufacturers of grooved pipe fittings in India, with a foundry capacity of 7,200 MTPA and finishing capacity of 10,000 MTPA at its Coimbatore facility. NFL caters to firefighting, HVAC, and RO applications through a diversified

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

portfolio of over 700 product variants and adheres to international quality standards, including ISO 9001:2015, UL (Underwriters Laboratories), and FM (FM Global) certifications.

**Healthy financial risk profile marked comfortable capital structure and debt coverage indicators**
The company's capital structure remained comfortable as on March 31, 2026, with overall gearing of 0.18x and TD/GCA of 1.23x. NFL's net worth stood at ₹87.89 crore as on March 31, 2026. Interest coverage ratio stood healthy at 16.17x (PY:9.91x) in FY26. While NFL is undertaking a ₹60 crore capacity expansion project, largely funded through term debt, its leverage metrics are expected to remain at comfortable levels over the medium term on project completion.

## Key weaknesses

**Moderate scale of operations**
Despite its long track record and expertise in the pipe fitting products, the company operates at a relatively moderate scale. NFL's total operating income stood moderate at ₹92.73 crore in FY26. Capacity utilisation of the foundry division stood moderate between 50-60% in the last four years. In Q1FY27 (refers to April 01 to June 30), the company reported income of ₹27.49 crore. Profitability remained healthy, however volatile in the range of 11-15% in the last four years. The company had reported extraordinary income of ₹19.22 crore in FY25, pertaining to profit realised from sale of NFL's foundry units in Thekkalur and Dindigul, which were divested due to locational disadvantages.

**Project implementation risk associated with ongoing capacity expansion:**
NFL is setting up a new manufacturing facility in Gujarat with proposed foundry and finishing capacities of 30,000 MTPA each, significantly enhancing its existing capacities of 7,200 MT per annum and 10,000 MT per annum, respectively. The project, with an estimated cost of ₹60 crore, is proposed to be financed through a term loan of ₹50 crore and rest by accruals. The project is in nascent stage with ~33% completed and financial closure still pending. The project remains exposed to execution and stabilisation risks.

**Margins exposed to volatile raw material prices and foreign exchange risk:**
NFL's PBILDT margins is constrained by volatile raw material prices, although comfortable in the range of 11-15% for the last four years ended FY26. Primary raw materials used for the pipe fittings include steel scrap, pig iron and other ferrous alloys, prices of which are inherently volatile, driven largely by global and local demand, and supply conditions. Price volatility of these materials may impact NFL's profitability. With ~75% income from export markets, the company's realisations are also exposed to risk of foreign exchange rate volatility.

**Liquidity**: Adequate
The company's liquidity is adequate with gross cash accruals of ₹12.77 crore in FY26 against negligible repayment obligations of ₹0.31 crore in FY27. The operating cycle marginally elongated to 83 days in FY26 from 78 days in FY25 considering increased inventory holding period of 88 days (PY: 79 days) in FY26. The company had free cash and cash equivalents of ₹46.38 crore (PY: ₹49.98 crore) as on March 31, 2026. NFL has been sanctioned with fund based working capital limits of ₹15 crore for which the utilisation stood at 49.48% for 12 months ended September 2026. The current ratio of the company stood comfortable at 3.52x (PY: 4.40x) as on March 31, 2026.

**Assumptions/Covenants:** Not applicable

**Environment, social, and governance (ESG) risks:** Not applicable

## Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

## About the company and industry

### Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|---|---|---|---|
| Industrials | Capital goods | Industrial products | Castings and forgings |

NFL is a public limited company, listed on the BSE and was incorporated in April 1993 by A. V. Palaniswamy. The company is engaged in manufacturing of a wide range of pipe fittings which includes grooved pipe fittings and couplings, screwed/threaded pipe fittings, industrial ball valves, stainless-steel fittings, and allied flow-control products catering to fire protection, heating ventilation and air conditioning (HVAC), water transmission, industrial, commercial, and infrastructure applications. The company had an installed foundry capacity of 7,200 MT per annum and a finishing capacity of 10,000 MT per annum as of August 31, 2026.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (A) | Q1FY27 (UA) |
|---|---|---|---|
| Total operating income | 78.70 | 92.73 | 27.49 |
| PBILDT* | 8.64 | 14.12 | 5.70 |
| Profit after tax (PAT) | 23.29^ | 9.10 | 3.94 |
| Overall gearing (x) | 0.07 | 0.18 | NA |
| Interest coverage (x) | 9.91 | 16.17 | 19.00 |

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax
^includes extraordinary income of ₹19.22 crore of profit on sale of foundry units

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

**Any other information:** Not applicable

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

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**For complexity level of instruments rated refer to Annexure-1**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of regulators:**
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument | Name of the Regulator | Complexity Level | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---|---|---|---|---|---|---|---|---|
| Fund-based - LT-Term Loan | RBI | Not Applicable | - | | - | - | 50.00 | CARE BBB- (RWD) |
| Fund-based - LT/ ST-Packing Credit in Foreign Currency | RBI | Not Applicable | - | | - | - | 9.00 | CARE BBB- / CARE A3 (RWD) |
| Fund-based - ST-Foreign Bill Discounting | RBI | Not Applicable | - | | - | - | 6.00 | CARE A3 (RWD) |
| Non-fund-based - ST-BG/LC | RBI | Not Applicable | - | | - | - | 3.15 | CARE A3 (RWD) |

**Annexure-2: Rating history for 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 2026-2027 | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 |
| 1 | Fund-based - LT-Term Loan | LT | 50.00 | CARE BBB- (RWD) | | | | |
| 2 | Fund-based - ST-Foreign Bill Discounting | ST | 6.00 | CARE A3 (RWD) | | | | |
| 3 | Fund-based - LT/ ST-Packing Credit in Foreign Currency | LT/ST | 9.00 | CARE BBB- / CARE A3 (RWD) | | | | |
| 4 | Non-fund-based - ST-BG/LC | ST | 3.15 | CARE A3 (RWD) | | | | |

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Lender details**

| To view lender-wise details of bank facilities please click here |
|---|

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

**Contact us**

| **Media Contact** | **Analytical Contacts** |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in | Sandeep P<br>Director<br>**CARE Ratings Limited**<br>Phone: 914428501002<br>E-mail: sandeep.prem@careedge.in |
| **Relationship Contact**<br><br>Ankur Sachdeva<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: 912267543444<br>E-mail: Ankur.sachdeva@careedge.in | Naveen S<br>Associate Director<br>**CARE Ratings Limited**<br>Phone: 914224502305<br>E-mail: naveen.kumar@careedge.in<br><br>Azad Krishnakumar<br>Analyst<br>**CARE Ratings Limited**<br>E-mail: Azad.krishnakumar@careedge.in |

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