

## Tulsyan NEC Limited

July 23, 2021

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	830.82	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	142.16	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>972.98</b> <b>(Rs. Nine Hundred Seventy-Two Crore and Ninety-Eight Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated July 28, 2020, review the rating(s) of Tulsyan NEC Limited (TNEC) under the 'issuer non-cooperating' category as TNEC had failed to provide information for monitoring of the rating. TNEC continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and an email dated 13 June 2021, 23 June 2021 and 03 July 2021 among others.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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 rating continues to take into account ongoing delays in the debt servicing by the company due to poor liquidity position.

### Detailed description of the key rating drivers

Please refer to PR dated July 28, 2020 [Link](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial sector](#)

[Criteria for short Term Instruments](#)

### 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. Account has been classified as NPA.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	842.8	736.25
PBILDT	35.88	23.18
PAT	-222.59	-226.04
Overall gearing (times)	NM	NM
Interest coverage (times)	0.15	0.10

A: Audited

**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 rated instrument/facility:** Annexure 3

**Complexity level of various instruments rated for this company:** Annexure 4

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based-LT-Term Loan	-	-	-	615.82	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based-ST-Letter of Credit	-	-	-	142.16	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information
Fund-based-LT-Cash Credit	-	-	-	215.00	CARE D; ISSUER NOT COOPERATING* Issuer not cooperating; Based on best available information

*\*Issuer did not cooperate; Based on best available information*

**Annexure-2: Rating History of last three years:**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1.	Fund-based - LT-Term Loan	LT	615.82	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (02-May-19)	-
2.	Non-fund-based - ST-Letter of credit	ST	142.16	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (02-May-19)	-
3.	Fund-based - LT-Cash Credit	LT	215.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (28-Jul-20)	1)CARE D; ISSUER NOT COOPERATING* (02-May-19)	-

*\*Issuer did not cooperate; Based on best available information*

**Annexure 3: Covenants of rated instrument/facility: Not Applicable**

Annexure 4: **Complexity level of various instruments rated for this company:**

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

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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#### About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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