

NOCIL Limited

March 06, 2019

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities (term loan)	-	-	Withdrawn
Total Facilities	-		
Commercial Paper*	-	-	Withdrawn

Details of instruments/facilities in Annexure-1

**carved out of sanctioned fund-based working capital bank limits*

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the rating assigned to the term loan of NOCIL Limited with immediate effect, as the company has repaid the aforementioned term loan in full and there is no amount outstanding under the term loan as on date. Also, CARE has withdrawn the outstanding rating of 'CARE A+1' [A One Plus] assigned to the commercial paper (carved out of sanctioned fund-based working capital bank limits) of NOCIL Limited with immediate effect. The above action has been taken at the request of NOCIL Limited owing to no utilisation and accordingly nil outstanding of commercial paper rated by CARE.

Analytical approach: Not applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Incorporated in 1961, NOCIL (CIN No.: L99999MH1961PLC012003), an Arvind Mafatlal Group (AMG) company is engaged in the manufacturing of rubber chemicals and intermediates and is one of the leading producers of the same in the domestic market. As on December 31, 2018, the promoter group holds 33.78% equity stake in the company.

The company manufactures around 21 types of rubber chemicals which can be broadly classified under three grades which are accelerators, anti-degradants/anti-oxidants, and speciality chemicals. The products find application in industries like tyre, industrial rubber products, consumer rubber products and other segments of rubber processing industry. The manufacturing facilities are located in Navi Mumbai, Maharashtra and Dahej, Gujarat. The total capacity including intermediates is around 55,000 tonnes per annum and is on an average 95% utilised. The international presence of the company is spread across in around 40 countries. In FY18, the export sales contributed around 26% of total gross sales.

Brief Financials - consolidated financials

(Rs. crore)	FY17 (A)	FY18 (A)
Total operating income	753.17	983.57
PBILDT	164.52	276.53
PAT	97.11	312.75*
Reported PAT	97.11	169.93
Overall gearing (times)	0.04	0.05
Interest coverage (times)	74.11	226.66

A: Audited

**The profit after tax (PAT) is higher than reported PAT by the company owing to inclusion of realised profit on sale of investments of Rs.142.82 crore. The same was transferred from other comprehensive income to reserves and surplus by the company.*

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

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

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

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.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Bank facilities/ 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	-	-	-	0.00	Withdrawn
Commercial Paper- (Carved out)	-	-	-	0.00	Withdrawn

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	Dates & Ratings assigned in 2018-2019	Dates & Ratings assigned in 2017-2018	Dates & Ratings assigned in 2016-2017	Dates & Ratings assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE AA; Stable (08-Jan-18)	1)CARE AA (14-Oct-16)	1)CARE AA- (04-Dec-15) 2)CARE AA- (15-May-15)
2.	Commercial Paper- Commercial Paper (Carved out)	ST	-	-	-	1)CARE A1+ (08-Jan-18)	1)CARE A1+ (14-Oct-16)	1)CARE A1+ (04-Dec-15) 2)CARE A1+ (15-May-15)

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