



Press Release

Nipman Fastener Industries Private Limited

March 04, 2022

Ratings

Sl. No.	Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity indicator
1	Long Term Bank Facilities	119.60	IVR D: ISSUER NOT COOPERATING* (IVR D; Issuer Not Cooperating)	Downgraded and moved to 'Issuer Not Cooperating Category'	Simple
	Total	119.60 (Rupees One hundred Nineteen crore and Sixty lakh only)			

*Issuer did not cooperate; based on best available information

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of non-cooperation by Nipman Fasteners Industries Private Limited (NFIPL) in submitting information to monitor its performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. Further, we have received feedback from the NFIPL's lenders mentioning the delays in servicing of debt obligation by the company.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Detailed description of the key rating drivers: Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide monthly No Default Statement (NDS) to monitor its assigned rating to the bank facilities, vide E-mail communications dated December 21, 2021, January 25, 2022, February 25, 2022, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company has not given required monthly No Default Statement (NDS). In absence of the required document, in consonance with SEBI guidelines, Infomerics has to assign the rating



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based on the best available information. Accordingly, the ratings for the bank loan facilities of NFPL aggregating to Rs.119.60 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Further, we have received feedback from the NFPL's lenders mentioning the ongoing delays in servicing of debt obligation by the company. Hence the rating be noted as "IVR D: Issuer Not Co-operating; Based on best available information".

Analytical Approach & Applicable Criteria

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria on Default Recognition and Post-Default Curing Period](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Rating Methodology for Manufacturing Companies](#)

About the Company

Incorporated in 1997, New delhi based Nipman Fastener Industries Pvt. Ltd. was promoted by Mr. Pravin Malhotra, a post-graduate in Business Administration and having a long track record of successfully managing businesses. The core business of the company is manufacturing of Standard and Special fasteners for automotive application, Engine studs for two-wheeler, other cold forged components. Company's products are mainly used in automotive engines, transmission, suspension, steering assembly, safety systems and various other sub-assemblies of 2 wheelers and 4 wheelers.

Financials (Standalone):

For the year ended* As on	(Rs. crore)	
	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	147.39	103.89
EBITDA	26.50	3.09
PAT	(0.87)	(23.05)
Total Debt	151.28	171.69
Tangible Net worth	35.69	13.82
EBITDA Margin (%)	17.98	2.98
PAT Margin (%)	(0.59)	(22.02)
Overall Gearing Ratio (x)^	3.37	7.91

Classification as per Infomerics' standards.



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Status of non-cooperation with previous CRA: Brickwork ratings has reviewed its rating under “Issuer Not Cooperating” category vide press release dated October 21, 2021 due to non-submission of information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	52.99	IVR D; Issuer Not Cooperating*	IVR B+/Stable (October 13, 2021)	IVR B+/Stable (November 17, 2020)	-
2.	Term Loan	Long Term	0.86	IVR D ; Issuer Not Cooperating*	IVR B+/Stable (October 13, 2021)	IVR B+/Stable (November 17, 2020)	-
3.	Corporate Loan	Long Term	51.91	IVR D ; Issuer Not Cooperating*	IVR B+/Stable (October 13, 2021)	-	
4.	GECL	Long Term	13.00	IVR D ; Issuer Not Cooperating*	IVR B+/Stable (October 13, 2021)	-	
5.	Covid Loan	Long Term	0.84	IVR D ; Issuer Not Cooperating*	IVR B+/Stable (October 13, 2021)	-	

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

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).



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Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities- Cash Credit	-	-	-	52.99	IVR D ; Issuer Not Cooperating*
Long Term Bank Facilities- Term Loan	-	-	April, 2024	0.86	IVR D ; Issuer Not Cooperating*
Long Term Bank Facilities- Corporate Loan	-	-	April, 2024	51.91	IVR D ; Issuer Not Cooperating*
Long Term Bank Facilities- GECL	-	-	Feb, 2026	13.00	IVR D ; Issuer Not Cooperating*
Long Term Bank Facilities- Covid Loan	-	-	Feb, 2026	0.84	IVR D ; Issuer Not Cooperating*

*Issuer did not cooperate; based on best available information



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Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details: Not available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

