



Press Release

Nipman Fastener Industries Private Limited

May 24, 2021

Ratings

Instrument/ Facility	Amount (Rs. Crore)	Ratings	Rating Action
Bank Facilities- Long Term	120.00	IVR B+/(Stable)/Issuer not cooperating (IVR B Plus/ Stable; Issuer not Cooperating) *	Rating revised from IVR B+/(Stable Outlook (IVR B Plus with stable outlook)
Total	120.00		

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

Details of Facility are in Annexure 1

Detailed Rationale

Infomerics, vide press release dated November 17, 2020, has assigned the rating to banking facilities of Nipman Fasteners Industries Pvt Ltd. During the review and due diligence with one of the banker, Infomerics was informed about the delays being observed in the account which got regularized on May 10th, 2021. The company has also not submitted the required No Default Statement for the months January, February, March and April 2021.

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 entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required No Default Statements to monitor its assigned rating to the bank facilities. However, despite repeated requests by Infomerics, the company's management has not submitted the No Default Statements.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based



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on the best available information. Accordingly, the long-term rating for the bank loan facilities of Nipman Fastener Industries Pvt Ltd (NFIPL) aggregating to Rs.120.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+; Issuer Not Co-operating; Based on best available information (IVR B Plus: Issuer Not Co-operating; Based on best available information).

Analytical Approach & Applicable Criteria

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Criteria on Default Recognition and Post-Default Curing Period

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	31-03-2019	31-03-2020
	Audited	Audited
Total Operating Income	259.07	147.39
EBITDA	33.47	26.50
PAT	-20.81	-0.87
Total Debt	160.27	144.06
Tangible Net worth*	44.39	45.34
EBITDA Margin (%)	12.92	17.98
PAT Margin (%)	-8.01	-0.59
Overall Gearing Ratio (x)^	3.61	3.18



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Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/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 2020-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Cash Credit	Long Term	53.50	IVR B+/(Stable)/Issuer not cooperating (IVR B Plus/Stable; Issuer not Cooperating) *	IVR B+/Stable	-	-
2.	Term Loan	Long Term	66.50	IVR B+/(Stable)/Issuer not cooperating (IVR B Plus/Stable; Issuer not Cooperating) *	IVR B+/Stable	-	-

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

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.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities



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and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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 Facility

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	-	-	-	53.50	IVR B+/(Stable)/Issuer not cooperating
Long Term Bank Facilities- Term Loan	-	-	April, 2024	66.50	IVR B+/(Stable)/Issuer not cooperating