

July 01, 2022

Jayaswal Neco Industries Limited: Rating withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based - Term Loan [#]	2,982.01	2,982.01	[ICRA]D; withdrawn
Total	2982.01	2982.01	

[^]Instrument details are provided in Annexure-1; [#]Excludes unpaid interest

Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Jayaswal Neco Industries Limited (JNIL) at the request of the company and based on the No Objection Certificate received from its lender. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities have not been captured as the rated instrument is being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of JNIL.

About the Company

JNIL, incorporated in 1972, began operations with the foundry units in Nagpur and subsequently integrated backward by setting up a pig iron (with captive power) manufacturing unit in Raipur (Chhatisgarh) in 1995. Following the mergers, expansions, and group restructuring, JNIL operates a 0.75-mtpa pig iron unit/hot metal facility, 0.2-mtpa coke oven plant, 0.8-mtpa sinter plant, 0.25-mtpa sponge iron unit, 1.2-mtpa pelletisation unit, 1.0-mtpa billet making unit and rolling mills, 54.5-MW captive thermal/waste heat recovery-based power plants and iron ore mines in Metabodeli and Chhotedongar, Chhattisgarh. It also has an iron and steel castings capacity of 0.08 mtpa, with its facilities located in Nagpur, Bhilai and Anjora.

Key financial indicators (Standalone)

	FY2021 (Audited)	FY2022 (Audited)
Operating Income (Rs. crore)	3,705.0	5,958.6
PAT (Rs. crore)	-558.3	2,247.3
OPBDIT/OI (%)	18.1%	21.8%
PAT/OI (%)	-15.1%	37.7%
Total Outside Liabilities/Tangible Net Worth (times)	-5.3	2.4
Total Debt/OPBDIT (times)	10.1	3.0
Interest Coverage (times)	0.7	2.8

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Type	Current Rating (FY2023)				Chronology of Rating History for the past 3 years					
			Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021			Date & Rating in FY2020	
					01-Jul-2022	17-May-2022		May-19-2021	Mar-25-2021	May-28-2020		Apr-27-2020
1	Term Loans	Long-term	2,982.01*	-	[ICRA]D; Withdrawn	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	-
2	Term Loans	Long-term	-	-	-	[ICRA]D^	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	-
3	Cash Credit	Long-term	-	-	-	[ICRA]D^	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	-
4	Letter of Credit/Bank Guarantee	Short-term	-	-	-	[ICRA]D^	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	[ICRA]D	-
5	Proposed Letter of Credit Facility	Short-term	-	-	-	-	Provisional [ICRA]A3(CE) (Withdrawn)	Provisional [ICRA]A3 (CE)	Provisional [ICRA]A3 (CE)	-	-	-

*as on March 31, 2022 and excludes unpaid interest; ^reaffirmed and withdrawn

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based Term Loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or

complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No.	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term Fund-based Term Loan	-	-	-	2982.01*	[ICRA]D; Withdrawn

Source: Company; *as on March 31, 2022, and excludes unpaid interest

Annexure-2: List of entities considered for consolidated analysis – Not applicable

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Branches



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