

February 14, 2024

Neo Structo Construction Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based/Cash credit	24.00	24.00	[ICRA]B+(Stable); withdrawn
Short-term – Non-fund based	92.00	92.00	[ICRA]A4; withdrawn
Long-term/Short-term – Unallocated	64.00	64.00	[ICRA]B+(Stable)/[ICRA]A4; withdrawn
Total	180.00	180.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Neo Structo Construction Private Limited (NSCPL) at the request of the company and based on the No Objection Certificate received from the bankers, and in accordance with ICRA's [policy on withdrawal](#). 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rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn.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 Policy on Withdrawal of Credit Ratings Rating Methodology - Construction
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in 1991, NSCPL is involved in the fabrication/manufacturing and erection of structures such as heaters, reformers, and furnace at oil and gas refineries and plants of various industries such as petrochemicals, fertilisers, power, steel and metallurgical, among other core industrial sectors. The company has a full-fledged fabrication factory at Surat, in Gujarat, spanning across an area of 80,750 sq. metres.

Key financial indicators (audited)

NSCPL – Standalone	FY2022	FY2023
Operating income (Rs. crore)	124.5	132.1
PAT (Rs. crore)	-16.5	3.6
OPBDIT/OI (%)	-6.7%	-2.2%
PAT/OI (%)	-13.2%	2.7%
Total outside liabilities/Tangible net worth (times)	9.3	1.6
Total debt/OPBDIT (times)	-9.7	-13.6
Interest coverage (times)	-1.2	-0.7

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

SN	Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the Past 3 Years			
			Amount Rated	Amount Outstanding as on	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
			(Rs. crore)	March 31, 2023 (Rs. crore)	Feb 14, 2024	Nov 24, 2022	Aug 03, 2021	-
1	Fund-based facility/Cash credit	Long-term	24.00	-	[ICRA]B+(Stable); withdrawn	[ICRA]B+ (Stable)	[ICRA]BB- (Negative)	-
2	Non-fund-based facility	Short-term	92.00	-	[ICRA]A4; withdrawn	[ICRA]A4	[ICRA]A4	-
3	Unallocated	Long-term/Short-term	64.00	-	[ICRA]B+(Stable)/[ICRA]A4; withdrawn	[ICRA]B+ (Stable)/[ICRA]A4	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Fund-based facility/Cash credit	Simple
Non-fund-based facility	Very Simple
Unallocated	Not Applicable

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 are available on ICRA's website: [Click Here](#).

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
-	Fund-based facility/ Cash credit	NA	NA	NA	24.00	[ICRA]B+(Stable); withdrawn
-	Non-fund based facility	NA	NA	NA	92.00	[ICRA]A4; withdrawn
-	Unallocated	NA	NA	NA	64.00	[ICRA]B+(Stable)/[ICRA]A4; withdrawn

Source: NSCPL and ICRA

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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