

March 28, 2024

## Nelcast Limited: Change in limits

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term Term Loans	175.67	175.67	[ICRA]A(Stable); Outstanding
Long-term Fund-based Limits	200.00	250.00	[ICRA]A(Stable); Outstanding
Short-term Fund-based Limits	60.00	60.00	[ICRA]A1; Outstanding
Short-term Fund-based Sub-limits	(100.00)	(170.00)	[ICRA]A1; Outstanding
Short-term Non-fund Based Limits	25.00	25.00	[ICRA]A1; Outstanding
Proposed Long-term/Short-term Fund-based Limits	139.33	89.33	[ICRA]A(Stable)/[ICRA]A1; Outstanding
<b>Total</b>	<b>600.00</b>	<b>600.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

This rationale is being released to convey the change in the lender wise facilities of the rated limits, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology for Auto Components</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Nelcast Limited. Details are provided in Annexure-II.

### About the company

Nelcast is one of the larger players in the Indian ductile iron/grey castings market and manufactures several complex castings including axle housings, clutch housings and bogie suspension brackets. About 35.1% of the company's revenues came from exports, while about 38.1% and 21.4% came from the domestic M&HCV and tractor segments, respectively, in 9M FY2024. The company also supplies its products to the off-highway and railways segments. Nelcast has an aggregate installed manufacturing capacity of 1,60,000 metric tonne per annum (MTPA) at its three factories in Ponneri (Tamil Nadu), Gudur (Andhra Pradesh) and Pedapariya (Andhra Pradesh). The promoters held 74.87% stake in the company, as on December 31, 2023.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

### Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years						
		Amount rated (Rs. crore)	Amount outstanding as of Dec 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021	
				March 28, 2024	March 14, 2024	March 22, 2023	Aug 03, 2022	Aug 09, 2021	Dec 08, 2020	Jun 29, 2020
1 Long-term Term Loans	Long term	175.67	130.29	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Negative)	-
2 Long-term Fund-based Limits	Long term	250.00	-	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Negative)	[ICRA]A (Negative)
3 Short-term Fund-based Limits	Short term	60.00	-	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
4 Short-term Fund-based Sub-limits	Short term	(170.00)	-	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
5 Short-term Non-fund Based Limits	Short term	25.00	-	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
6 Commercial Paper Programme (CP)	Short term	-	-			[ICRA]A1; reaffirmed and withdrawn	[ICRA]A1	[ICRA]A1	[ICRA]A1	[ICRA]A1
7 Proposed Long-term/Short-term Fund-based Limits	Long term and short term	89.33	-	[ICRA]A (Stable) / [ICRA]A1	[ICRA]A (Stable) / [ICRA]A1	[ICRA]A (Stable) / [ICRA]A1	[ICRA]A (Stable) / [ICRA]A1	[ICRA]A (Stable) / [ICRA]A1	[ICRA]A (Negative) / [ICRA]A1	[ICRA]A (Negative) / [ICRA]A1

### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Term Loans	Simple
Long-term Fund-based Limits	Simple
Short-term Fund-based Limits	Simple
Short-term Fund-based Sub-limits	Simple
Short-term Non-fund Based Limits	Very Simple
Proposed Long-term/Short-term Fund-based Limits	NA

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	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	FY2018-FY2023	9.25%	FY2028-FY2029	175.67	[ICRA]A (Stable)
NA	Long-term Fund-based Limits	NA	NA	NA	250.00	[ICRA]A (Stable)
NA	Short-term Fund-based Limits	NA	NA	NA	60.00	[ICRA]A1
NA	Short-term Fund-based Sub-limits	NA	NA	NA	(170.00)	[ICRA]A1
NA	Short-term Non-fund Based Limits	NA	NA	NA	25.00	[ICRA]A1
NA	Proposed Long-term/Short-term Fund-based Limits	NA	NA	NA	89.33	[ICRA]A (Stable)/[ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company Name	Ownership	Consolidation Approach
NC Energy Limited	100.00%	Full Consolidation

Source: Company

## ANALYST CONTACTS

**Shamsher Dewan**  
+91 124 4545 328  
[shamsherd@icraindia.com](mailto:shamsherd@icraindia.com)

**K Srikumar**  
+91 44 4596 4318  
[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)

**Vinutaa S**  
+91 44 4596 4305  
[vinutaa.s@icraindia.com](mailto:vinutaa.s@icraindia.com)

**Kishore Kumar A**  
+91 44 4596 4312  
[kishore.a@icraindia.com](mailto:kishore.a@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**  
+91 22 6114 3406  
[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**  
Tel: +91 124 4545 860  
[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



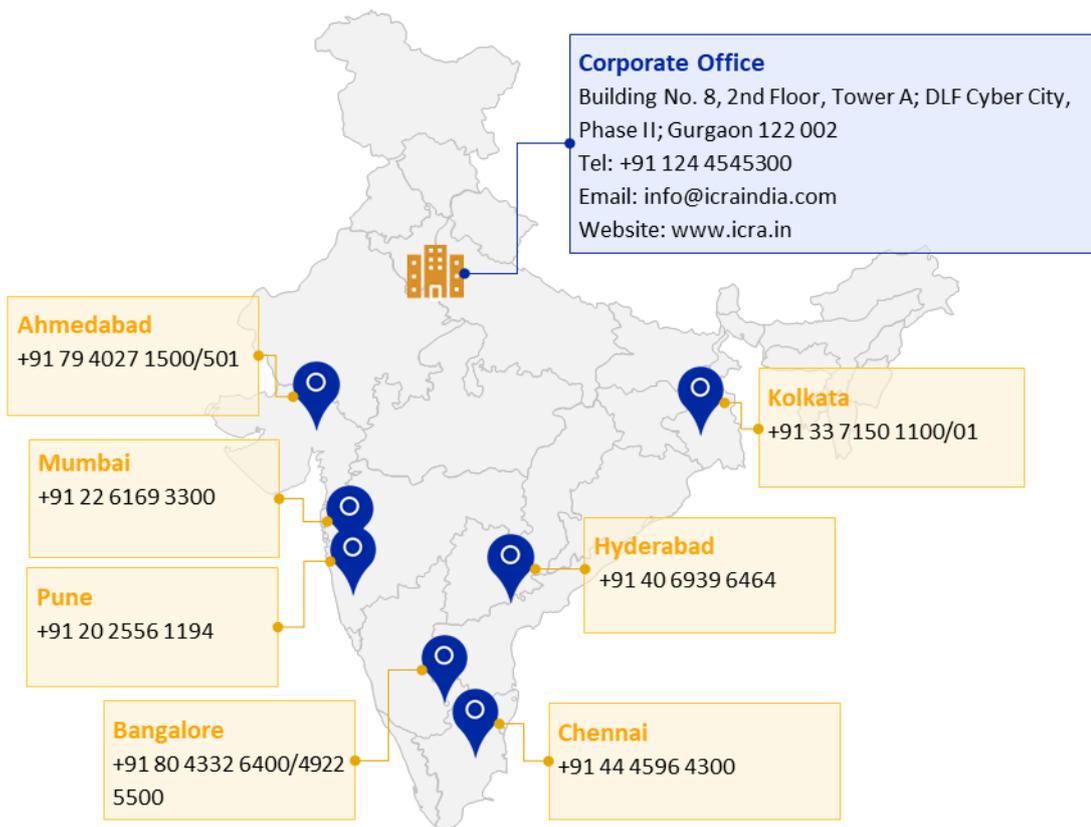
### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.