November 21, 2023

NIS Management Limited: Ratings Moved to 'Issuer Not Cooperating' Category

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund based – Term Loans	13.80	13.80	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Long term – Fund based – Cash Credit	56.00	56.00	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Short term – Non-fund based – Bank Guarantee	12.00	12.00	[ICRA]A2 ISSUER NOT COOPERATING*; Rating moved to 'Issuer Not Cooperating' category
Total	**81.80**	**81.80**	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

ICRA has moved the ratings for the bank facilities of **NIS Management Limited** to the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]BBB+ (Stable)/[ICRA]A2 ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with **NIS Management Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities : Click here. ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of Non-cooperation by a rated entity
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial statements of the rated entity along with its five subsidiaries (as mentioned in Annexure-II).

About the company

NIS Management Limited is the flagship entity of the Kolkata-based NIS Group, promoted by Mr. Debajit Choudhury and Mrs. Rina Choudhury. It commenced operations in 1985 as a firm named National Investigation and Security for providing integrated security solutions. In March 2006, the firm was converted into a private limited company named NIS Management Private Limited. In June 2018, it was converted into a public limited company and the name was changed to NIS Management Limited. The company, in addition to security service, provides facility management services including housekeeping, technical

maintenance and support etc. across many states in India. However, it derives the major portion of its revenues from West Bengal.

Key financial indicators (audited)

NIS	Standalone		Consolidated	
	FY2022	FY2023	FY2022	FY2023
Operating income (Rs. crore)	265.7	305.1	294.2	340.6
PAT (Rs. crore)	11.6	12.3	13.8	15.0
OPBDIT/OI (%)	8.0%	7.6%	9.0%	8.4%
PAT/OI (%)	4.4%	4.0%	4.7%	4.4%
Total outside liabilities/Tangible net worth (times)	0.9	0.7	1.2	1.0
Total debt/OPBDIT (times)	3.2	2.9	3.3	3.2
Interest coverage (times)	4.1	3.6	3.7	3.4

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore; Source: Company, MCA

Status of non-cooperation with previous CRA:

CRA	PR Date	Rating Action
CRISIL	July 18, 2023	CRISIL B/Stable (ISSUER NOT COOPERATING*; Revised from CRISIL BB+/Stable ISSUER NOT COOPERATING*)

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

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)			Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021
					Nov 21, 2023	Aug 04, 2022	Jul 19, 2022	Apr 05, 2021	Feb 12, 2021
1	**Fund Based – Term Loan**	Long term	13.80	10.8	**[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING***	[ICRA]BBB+ (Stable)	-	-	-
2	**Fund Based – Cash Credit**	Long term	56.00	-	**[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING***	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING*	[ICRA]BBB+ (Stable)	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*
3	**Non-Fund Based – Bank Guarantee**	Short Term	12.00	-	**[ICRA]A2; ISSUER NOT COOPERATING***	[ICRA]A2	[ICRA]A2 ISSUER NOT COOPERATING*	[ICRA]A2	[ICRA]A4+ ISSUER NOT COOPERATING*

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

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term - Fund based – Term Loans	Simple
Long term - Fund based – Cash Credit	Simple

Short term - non-fund based – Bank Guarantee	Very 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: Click Here

Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
-	**Term Loan-I**	Aug 28, 2020	-	Jul 2022	3.00	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING*
-	**Term Loan-II**	Nov 22, 2021	-	Nov 2026	10.80	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING*
-	**Cash Credit**	-	-	-	56.00	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING*
-	**Bank Guarantee**	-	-	-	12.00	[ICRA]A2; ISSUER NOT COOPERATING*

*Source: Company; *Issuer did not cooperate; based on best available information*

Please click here to view details of lender-wise facilities rated by ICRA

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

Company Name	NIS ownership	Consolidation Approach
NIS Facility Management Services Private Limited	100.00%	Full Consolidation
NIS Ace Management Private Limited	99.86%	Full Consolidation
Keertika Academy Private Limited	99.86%	Full Consolidation
Keertika Education & Associates LLP^	99.97%	Full Consolidation
Achilles Resolute Private Limited	51.00%	Full Consolidation

Source: NIS' annual report for FY2023; ^NIS has provided a corporate guarantee of Rs. 5.15 crore for loans availed by Keertika Education & Associates LLP

ANALYST CONTACTS

Jayanta Roy
+91 33 7150 1120
jayanta@icraindia.com

Kaushik Das
+91 33 7150 1104
kaushikd@icraindia.com

Sujoy Saha
+91 33 7150 1184
sujoy.saha@icraindia.com

Sovanlal Biswas
+91 33 7150 1181
sovanlal.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

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

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.

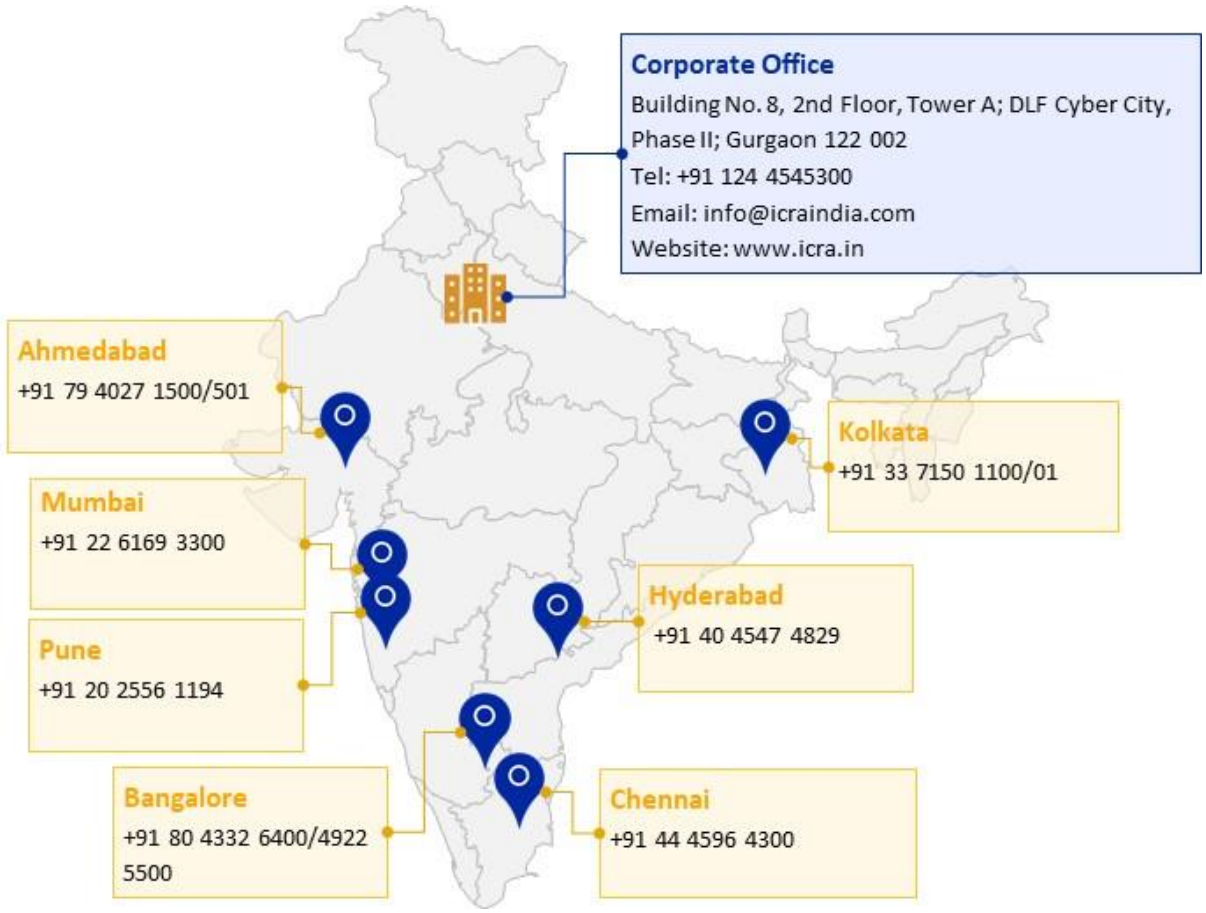
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



© Copyright, 2023 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 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.