

Navbharat Explosive Company Limited

July 20, 2022

Ratings

Facilities/Instruments	Amount (Rs crore)	Rating ¹	Rating Action
Long Term Bank Facilities	8.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	7.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	16.00 (Rs Sixteen Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated May 19, 2021, placed the rating(s) of Navbharat Explosive Company Limited (NECL) under the 'issuer non-cooperating' category as NECL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. NECL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 04, 2022, April 14, 2022, April 24, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [May 19, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Company

Incorporated in the year 1983, Navbharat Explosives Company Limited (NECL) is a part of the Navbharat group of companies based in Raipur, Chattisgarh. Controlled by the Singh family, the group has interests in steel, mining, explosives and real estate sector. NECL is a manufacturer of industrial explosives and accessories, which encompass cartridge explosives, bulk explosives, detonating fuse and cast booster. The company has three manufacturing facilities, with a combined installed capacity of 28,000 tpa. Apart from NECL, the Navbharat group carries out the explosives business through another legal entity i.e. Navbharat Fuse Company Limited. The Navbharat group also has interest in real estate activities which it carries out through its group companies. The main promoters of the group –the Singh family of Raipur –have over three decades of track record in the industrial explosives segment.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23(Prov.)
Total operating income	0.14	NA	NA	NA
PBILDT	-0.09	NA	NA	NA
PAT	-0.71	NA	NA	NA
Overall gearing (times)	0.40	NA	NA	NA
Interest coverage (times)	NM	NA	NA	NA

A: Audited, Prov.: Provisional, NA: Not Available; NM: Not Meaningful

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure- 3

Complexity level of various instruments rated for this company: Annexure- 4

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	8.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	7.50	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Cash Credit	LT	8.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (19-May-21)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Feb-20)
2	Non-fund-based - ST-BG/LC	ST	7.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (19-May-21)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Feb-20)

*Issuer did not cooperate; Based on best available information

Annexure 3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure 5: Bank Lender Details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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