

Narmada Extrusions Limited

April 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	47.04	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	49.18	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

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

Rationale and key rating drivers

CARE Ratings Ltd. (CARE Ratings) has been seeking information from Narmada Extrusions Limited (NEL) to monitor the rating(s) vide e-mail communications March 10, 2025, March 07, 2025, March 04, 2025, February 28, 2025, February 25, 2025, February 03, 2025, January 20, 2025, and January 06, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. (CARE Ratings) has reviewed the rating based on the best available information which however, in CARE Ratings opinion is not sufficient to arrive at a fair rating. In line with the extant SEBI guidelines, CARE Ratings Ltd.'s rating on NEL bank facilities will now be denoted as **CARE D/ CARE D; ISSUER NOT COOPERATING***.

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

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers

At the time of last rating on April 03, 2024, the following were the rating weaknesses considered.

Key Weaknesses

On-going delays in debt servicing

There are delays in servicing of debt obligations i.e. in repayment of term loans along with over draws in working capital bank borrowing facility due to liquidity crunch faced by NEL on account of negative impact on packaging industry during covid and post covid due to Russia – Ukraine war which substantially increased NEL's main raw material price i.e. crude oil prices.

Liquidity: Poor

The company has poor liquidity position marked by on-going delays in debt servicing.

Applicable criteria

[Definition of Default](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Policy On Curing Period](#)

[Short Term Instruments](#)

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

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

Incorporated in August 1984, NEL is an ISI 9000:2008 certified company promoted by Mr. Mahesh Mittal and his family based out of Indore. NEL manufactures and trades in HDPE and PP bags catering to the packaging needs of cement, fertilizers, sugar, salt, flour, chemicals, food grains industries etc. The manufacturing facilities of NEL are located at Indore with an installed capacity of 17,500 Metric Tonnes (MT) of fabrics and bags per annum as on March 31, 2023. Apart from the manufacturing of HDPE & PP bags, NEL also acts as a Carrying and Forwarding (C&F) Agent for GAIL (India) Limited and trades in plastic granules.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	135.05	88.40
PBILDT	8.28	5.10
PAT	0.68	1.99
Overall gearing (times)	4.92	4.58
Interest coverage (times)	0.59	0.38

A: Audited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Brickwork Ratings has reviewed ratings of NEL under "Issuer Not cooperating" category vide its press release dated November 27, 2024, on account of non-availability of the information.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	40.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	9.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Credit Exposure Limit	-	-	-	-	0.18	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	-	40.00	CARE D; ISSUER NOT COOPERATING*
Term Loan-Long Term	-	-	-	November 2020	7.04	CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Term Loan-Long Term	LT	7.04	CARE D; ISSUER NOT COOPERATING*	1)CARE D (03-Apr-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE D; ISSUER NOT COOPERATING* (06-Oct-22)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (09-Aug-21)
2	Fund-based - LT-Cash Credit	LT	40.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (03-Apr-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE D; ISSUER NOT COOPERATING* (06-Oct-22)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (09-Aug-21)
3	Non-fund-based - ST-Letter of credit	ST	40.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (03-Apr-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE D; ISSUER NOT COOPERATING* (06-Oct-22)	1)CARE A4; ISSUER NOT COOPERATING* (09-Aug-21)
4	Non-fund-based - ST-Bank Guarantee	ST	9.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (03-Apr-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE D; ISSUER NOT COOPERATING* (06-Oct-22)	1)CARE A4; ISSUER NOT COOPERATING* (09-Aug-21)
5	Non-fund-based - ST-Credit Exposure Limit	ST	0.18	CARE D; ISSUER NOT COOPERATING*	1)CARE D (03-Apr-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE D; ISSUER NOT COOPERATING* (06-Oct-22)	1)CARE A4; ISSUER NOT COOPERATING* (09-Aug-21)
6	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	-	-	1)Withdrawn (03-Apr-24)	1)CARE D; ISSUER NOT COOPERATING* (10-Nov-23)	1)CARE D; ISSUER NOT COOPERATING* (06-Oct-22)	1)CARE A4; ISSUER NOT COOPERATING* (09-Aug-21)

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

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Credit Exposure Limit	Simple
4	Non-fund-based - ST-Letter of credit	Simple
5	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

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

Contact us

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About us:

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