

Navbharat Fuse Company Limited

July 26, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	31.30	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	23.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	54.80 (Rs. Fifty-Four Crore and Eighty Lakhs 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 Fuse Company Limited (NFCL) under the 'issuer non-cooperating' category as NFCL 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. NFCL 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

Navbharat Fuse Company Ltd (NFCL) was incorporated in 1988 for manufacturing of industrial explosives at Raipur, Chhattisgarh. The company produces bulk and cartridge explosives with an aggregate installed capacity of 50,000 tons per annum (TPA). The company supplies explosives majorly to Coal India Ltd (CIL) and its subsidiaries including South Eastern Coalfields Ltd, Northern Coalfields Ltd, Eastern Coalfields Limited, etc. Apart from NFCL, the Navbharat group carries out the explosives business through another legal entity i.e. Navbharat Explosives Company Limited (NECL). This apart, the company is also engaged into manufacturing of sponge iron with a 60,000 TPA plant at Jagdalpur, Chhattisgarh. 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	0.19	NA	NA	NA
PBILDT	-2.41	NA	NA	NA
PAT	-2.65	NA	NA	NA
Overall gearing (times)	NM	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-Term Loan		-	-	March 2018	2.80	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	11.50	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	28.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	12.00	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-Term Loan	LT	2.80	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-Letter of credit	ST	11.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (19-May-21)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Feb-20)
3	Fund-based - LT-Cash Credit	LT	28.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (19-May-21)	-	1)CARE D; ISSUER NOT COOPERATING* (21-Feb-20)
4	Non-fund-based - ST-Bank Guarantee	ST	12.00	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 covenants of rated instrument/facility: 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	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	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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