



Press Release

N.P. Agro (India) Industries Limited (NPAILL)

September 15, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	14.50	IVR D; ISSUER NOT COOPERATING* (IVR Single D/ Issuer Not Cooperating) *	Rating revised and continued at Issuer Not Cooperating category	Simple
Long Term/Short Term Bank Facilities	30.50	IVR D; ISSUER NOT COOPERATING* (IVR Single D/ Issuer Not Cooperating) *	Rating revised and continued at Issuer Not Cooperating category	Simple
Total	Rs. 45.00 (Rupees Forty-five crore only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of N.P. Agro (India) Industries Limited (NPAILL) is on account of the delays noted in debt servicing by the company as per the available term loan statement. The rating also reflects lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide email communications dated June 5,



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2023, June 12, 2023, June 15, 2023, June 19, 2023, June 30, 2023, August 25, 2023, August 26, 2023, August 28, 2023, August 31, 2023, September 1, 2023, September 2, 2023, September 11, 2023 and September 12, 2023 and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the ratings.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the ratings for the bank facilities of NPAIL aggregating Rs.45.00 crore has been downgraded and continued to 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Standalone

Applicable Criteria:

Guidelines on what constitutes Non-Cooperation by Clients

Criteria of assigning Rating Outlook

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on default recognition](#)

About the company

N.P. Agro (India) Industries Limited (NPAIL), incorporated in 1996, is engaged in manufacturing of HDPE/ PP Fabric, Bags, Tarpaulin, Monolayer & Multilayer Films including rotogravure films, master batches & calcium compound. It primarily caters to packaging demand of sugar mills and food grain procurement departments. NPAIL have seven major lines of products, whereby HDPE/PP woven bags/Fabrics are used for the purpose of making bags for cement bags, fertilizers, and food grains like rice, wheat, chemical and flower and PE/HDPE tarpaulin are used in industries for covering road transport vehicles, boats, ferries, swimming pools, shops, houses, shamianas. Other products include Multilayer Films, Rotogravure Printed Material, LLDPE/ Liners/ HM Poly bags, Master Batches, and Calcium Carbonate/ Compound, a popular additive in the manufacture of plastic products.



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Financials (Standalone):

(Rs. crore)		
For the year ended / As on	31-03-2022	31-03-2023
	Audited	Provisional*
Total Operating Income	221.57	166.17
EBITDA	9.50	5.54
PAT	2.84	1.96
Total Debt	37.23	52.73
Tangible Net Worth	42.81	44.76
Ratios		
EBITDA Margin (%)	4.29	3.33
PAT Margin (%)	1.28	1.15
Overall Gearing Ratio (x)	0.87	1.18

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA:

- CRISIL Ratings, vide its press release dated March 14, 2023, has reaffirmed the rating of NPAILL and continued in "Issuer Not Cooperating" category on account of unavailability of information for monitoring the rating.
- Brickwork Ratings, vide its press release dated December 20, 2022, has revised the rating of NPAILL and migrated it to "Issuer Not Cooperating" category on account of unavailability of information for monitoring the rating.

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (May 27, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	10.00	IVR D/ ISSUER NOT COOPERATING *	IVR BBB-/ Stable	-	-



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Sr. No	Name of Facilities	Current Ratings (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (May 27, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
				(July 5, 2023) IVR BB+/ Negative; ISSUER NOT COOPERATING *			
2.	GECL	Long Term	4.50	IVR D/ ISSUER NOT COOPERATING * (July 5, 2023) IVR BB+/ Negative; ISSUER NOT COOPERATING *	IVR BBB-/ Stable	-	-
3.	Cash Credit	Long Term/ Short Term	29.00^	IVR D/ ISSUER NOT COOPERATING * (July 5, 2023) IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING *	IVR BBB-/ Stable/ IVR A3	-	-
4.	Bank Guarantee	Long Term/ Short Term	1.50	IVR D/ ISSUER NOT COOPERATING * (July 5, 2023) IVR BB+/ Negative/ IVR A4+; ISSUER NOT COOPERATING *	IVR BBB-/ Stable/ IVR A3	-	-

*Issuer did not cooperate; based on best available information



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^CC has a sublimit of Rs.29.00 crore of WCDL, Rs.2.00 crore of LCBD, Rs. 2.00 crore of ILC & Rs.1.00 crore of Bank Guarantee

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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan	-	-	November 2025	10.00	IVR D; ISSUER NOT COOPERATING *
Long Term Fund Based Facilities – GECL	-	-	September 2024	4.50	IVR D; ISSUER NOT COOPERATING *
Long Term/ Short Term Bank Facilities – Cash Credit	-	-	-	29.00^	IVR D; ISSUER NOT COOPERATING *
Long Term/ Short Term Bank Facilities – Bank Guarantee	-	-	-	1.50	IVR D; ISSUER NOT COOPERATING *

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

^CC has a sublimit of Rs.29.00 crore of WCDL, Rs.2.00 crore of LCBD, Rs. 2.00 crore of ILC & Rs.1.00 crore of Bank Guarantee

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.