

February 21, 2024

Narendra Emporis Limited: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	15.00	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Interchangeable	(13.50)	(13.50)	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	15.00	15.00	

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

[^]Instrument details are provided in Annexure-I

Rationale

ICRA has kept the Long-Term and Short-Term ratings of Narendra Emporis Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Narendra Emporis Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple 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, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [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	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Narendra Emporis Limited (NEL) (erstwhile, Narendra Cotton Ginning & Pressing Company Private Limited) was incorporated in 1997 by Mr. Narendra Lakhani who has had more than 30 years of experience in cotton business line. Currently the business is being managed by Mr. Narendra Lakhani and his two sons Mr. Dharmesh Lakhani and Mr. Niraj Lakhani. The company was initially set up as a ginning and pressing facility for processing raw cotton into bales. Later on, in 2007-08 the company

undertook expansion through forward integration into spinning of yarn (open ended) with having capacity of 20 TPD and is equipped with 6 spinning machines with 1728 rotors. The company used to give its additional capacity for job work till FY10, however in FY11 the capacity utilization was almost full and no job work income was realized. Further, the company is also involved in manufacturing of grey fabrics and knitted fabrics having the manufacturing capacity of 4 TPD, followed with the establishment of weaving plant consisting of 25 weaving machines. Further from FY15, the company has also diversified into Ring Spun Carded Cotton yarn manufacturing with installation of 13 spinning machines and 3 attachments with 16,704 spindles.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Type	Current Rating (FY2024)		Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				21-Feb-2024	21-Dec-2022	25-Nov-2021	23-Sep-2020
1 Cash Credit	Long Term	15.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2 Interchangeable	Short Term	(13.50)	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Interchangeable	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
NA	Cash Credit	-	-	-	15.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Interchangeable	-	-	-	(13.50)	[ICRA]A4; ISSUER NOT COOPERATING

Source: Narendra Emporis Limited

Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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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.

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