

January 13, 2022

Nahar Industrial Enterprises Limited: Ratings Withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Cash Credit	630.00	630.00	[ICRA]BBB+(Stable); Withdrawn
Long-term Fund-based – Term Loan	204.78	204.78	[ICRA]BBB+(Stable); Withdrawn
Long-term Unallocated	40.00	40.00	[ICRA]BBB+(Stable); Withdrawn
Short-term Non-Fund based	105.13	105.13	[ICRA]A2; Withdrawn
Total	979.91	979.91	

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Nahar Industrial Enterprises Limited** based on the No Objection Certificate received from its Bankers and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Key Financial Indicator, Liquidity Position and Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click Here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Ratings Corporate Credit Rating Methodology Rating Methodology for Entities in Textile Industry- Spinning Rating Methodology for Entities in Textile Industry- Fabric Rating Methodology for Entities in Sugar Industry
Parent/Group Support	Ratings factor in the financial flexibility from being a part of the established Ludhiana-based Nahar Group
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

Incorporated in 1983, NIEL is primarily involved in cotton spinning, with an installed capacity of 2.2 lakh spindles and 7,600 rotors, weaving, with an installed capacity of 515 air jet looms and fabric processing capacity of 58.4 million metres per annum. In addition, it has a sugar unit with a capacity of crushing 4,000 tonnes of sugarcane per day. NIEL's manufacturing units are mostly located in Punjab, with spinning units in Lalru, Ludhiana (both in Punjab) and Bhiwadi (Rajasthan). The weaving and processing unit is based in Lalru (Punjab) and the sugar unit in Amloh (Punjab).

NIEL is a part of the Ludhiana-based Nahar Group, which is one of the largest and oldest textile groups in the country with vertically integrated operations from spinning to garmenting and retailing. The other major companies in the Nahar Group include Monte Carlo Fashions Limited, Oswal Woollen Mills Limited, Nahar Spinning Mills Limited and Nahar Capital and Financial Services Limited.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years				
		Type	Amount Rated (Rs. cr)	Amount Outstanding	Date & Rating in Jan 13, 2022	Date & Rating in 2021		Date & Rating in 2020	Date & Rating in 2019	
						Mar 15, 2021	May 19, 2020	Nov 29, 2019	Nov 26, 2018	Jul 19, 2018
1	Cash Credit	Long - term	630.00	-	[ICRA]BBB+ (Stable); Withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A (Stable)
2	Term Loan*	Long - term	204.78	-	[ICRA]BBB+ (Stable); Withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A (Stable)
3	Unallocated	Long - term	40.00	-	[ICRA]BBB+ (Stable); Withdrawn	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Negative)	[ICRA]A- (Negative)	[ICRA]A- (Stable)	[ICRA]A (Stable)
4	Letter of Credit	Short-term	105.13	-	[ICRA]A2; Withdrawn	[ICRA]A2	[ICRA]A2	[ICRA]A2+	[ICRA]A2+	[ICRA]A1
5	Commercial Paper	CP		-	-	-	-	-	[ICRA]A2+	[ICRA]A1

*Amount outstanding not available

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term Fund-based – Cash Credit	Simple
Long-term Fund-based – Term Loan	Simple
Long-term Unallocated	Not Applicable
Short-term Non-Fund based	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: www.icra.in

Annexure-1: 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	NA	NA	NA	630.00	[ICRA]BBB+(Stable); Withdrawn
NA	Term Loan	FY2011	NA	FY2033	204.78	[ICRA]BBB+(Stable); Withdrawn
NA	Unallocated	NA	NA	NA	40.00	[ICRA]BBB+(Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	105.13	[ICRA]A2; Withdrawn

Source: NIEL

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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