



Rating Rationale

2 Aug 2022

Nandan Denim Limited

Brickwork Ratings places the rating of the Bank Loan Facilities aggregating Rs. 695.21 Crores (INR Six Hundred Ninety Five Crore and Twenty One Lakhs Only/-) of Nandan Denim Limited (NDL or ‘the Company’) on Credit Watch with Developing Implications, based on a Material Event.

Particulars

Facility	Amt Rated (Rs. Crs)		Tenure	Previous Rating (August 2020)	Present Rating
	Previous	Present			
Fund Based – Term Loan	395.21	395.21	Long Term	BWR BBB+ (Stable)	BWR BBB+ (Credit Watch with Developing Implications)
Fund Based – Cash Credit	240.00	240.00			
Non Fund Based – Letter of Credit / Bank Guarantee	60.00	60.00	Short Term	BWR A2	BWR A2 (Credit Watch with Developing Implications)
Total	695.21	695.21	(Rupees Six Hundred Ninety Five Crore and Twenty One Lakhs Only)		

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating Action:

Brickwork Ratings places the rating of the Bank Loan Facilities aggregating Rs. 695.21 Crores (INR Six Hundred Ninety Five Crore and Twenty One Lakhs Only/-) of Nandan Denim Limited (NDL or ‘the Company’) on Credit Watch with Developing Implications based on a Material Event.

Material Event:

The Income Tax Department conducted searches at the premises of Chiripal Group of Companies which includes registered offices, Corporates offices along with the residences of Company officials from 20th July 2022 to 25th July 2022.

Impact of the Event:

BWR has sought clarifications from the company regarding the finding of the Income Tax Department during the search, which is yet to be received. Once clarification is received from the Company, BWR will analyse its impact on the operations of the group and will take suitable rating actions.



For further details, please refer to the detailed rating rationale of [Nandan Denim Ltd.](#)

Status of non-cooperation with previous CRA (if applicable): NA

Any other information: NA

Rating History for the last three years (Including Withdrawn Suspended Ratings)

Sl. No.	Instrument/Facility	Current Rating (Year 2022)			Rating History				
		Type	Amt (Rs. Cr)	Rating	2021	2020		2019	
					24-Aug-21	10-Aug-20	25-Feb-20	22-Nov-19	16-Apr-19
1	Cash Credit	Long Term	240	BWR BBB+ (Credit Watch with Developing Implications)	BWR BBB+ (Stable)	BWR BBB+ (Credit Watch with Negative Implications)	BWR A- (Credit Watch with Negative Implications)	BWR A (Negative)	BWR AA- (Negative)
2	Term Loan	Long Term	395.21						
3	Non-fund based working capital limits	Short Term	60	BWR A2 (Credit Watch with Developing Implications)	BWR A2	BWR A2	BWR A1	BWR A1	BWR A1+
	Total		695.21						

COMPLEXITY LEVELS OF THE INSTRUMENTS - Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)
- [Criteria for rating of Manufacturing Companies](#)



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ANNEXURE I

Details of Bank Facilities rated by BWR

Rs. Crore

Sr.No.	Bank Name	TERM LOAN	WORKING CAPITAL		COVID-19		GECL	
		O/s as on 31/07/2021	FB Limit	NFB Limit	Sanction Limit	O/s as on 31/07/2021	Sanction Limit	O/s as on 31/07/2021
1	State Bank of India (Lead Bank)	-	60	15	6	-	10	10
2	Central Bank of India	6.87	25	10	2.5	1.45	7.77	7.46
3	United Bank of India (Now PNB)	6.89	22	7	2.2	-	-	-
4	Bank of Maharashtra	50.71	17	3.65	1.7	1.14	25.6	25.6
5	OBC (Now PNB)	18.63	10.9	1	-	-	11	11
6	Bank of Baroda	-	16	4	1.6	0.98	-	-
7	Union Bank of India	19.54	23.5	7	2.35	-	8.3	8.3
8	Canara Bank	-	40	7	4	2.67	4.17	4.17



9	UCO	16.94	14.6	3.25	1.46	0.97	6.2	6.05
10	IDBI Bank	30.87	11	2.1	-	-	8.32	8.32
11	Bank of India (Lead Bank)	46.54	-	-	-	-	12.5	12.5
12	Lakshmi Vilas Bank	23.07	-	-	-	-	-	-
13	The Saraswat Co.op Bank Ltd.	25.98	-	-	-	-	-	-
14	Karantaka Bank	13.82	-	-	-	-	3.3	3.3
	Unallocated	31.44						
	Grand Total	291.3	240	60	21.81	7.21	97.16	96.7



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