Nash Energy (I) Private Limited

June 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	-	-	Reaffirmed at CARE BBB-; Stable and withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has withdrawn the outstanding ratings of 'CARE BBB-; Stable' assigned to bank facilities of Nash Energy (I) Private Limited (NEIPL) with immediate effect. The above action has been taken at the request of NEIPL and 'No Objection Certificate' received from the lender that has extended the facilities rated by CARE Ratings.

The rating assigned to bank loan facilities of NEIPL factors in the company being part of the Nash Group which provides financial flexibility to it. Nash Industries India Private Limited (NIIPL), flagship company of the Nash Group, has provided corporate guarantee (CG) to NEIPL's rated facilities. NIIPL has above average financial risk profile marked by consistent improvement in scale of operations and profitability while maintaining satisfactory capital structure and debt coverage indicators. CARE Ratings expects timely support would be extended by the NIIPL to NEIPL in case of requirement of timely repayments of debt obligations. The rating also takes comfort being in the early mover advantage for NEIPL for setting up the lithium-ion battery cell manufacturing in India, satisfactory demand of products (lithium-ion battery cell), and operational linkages with the target customers/audience through the Nash Group.

These rating strengths are partially offset by the stabilisation risk associated with the company's entrance in lithium-ion battery cell manufacturing segment, revenue risks as orders would be received post successful testing by the target customers, and highly exposed to volatility in the raw material prices, and competition and technology risks.

Analytical approach: Standalone and deriving managerial and financial support from NIIPL. Both the entities, viz. NEIPL and NIIPL have common management and NIIPL has extended corporate guarantee to secure the rated facilities.

Outlook: Stable

CARE Ratings believes NEIPL would be able to scaleup the operations and would continue to receive support from NIIPL even for meeting the debt obligations, if required.

Detailed description of key rating drivers:

Key strengths

Enhanced financial flexibility with the company being part of the Nash Group

NEIPL is promoted by promoters of the Nash Group (Sanjay Shyam Wadhwa and Sandeep Ram Wadhwa), which was established in 1971 and manufactures sheet metal pressed components, design, and assembly of components. Among Nash group firms/companies, NIIPL is a large-scale entity with revenues of ~₹1,600 crore in FY25(UA) and net worth of ~₹530 crore as on March 31, 2025 (UA). NIIPL is in sheet metal components and is catering diverse industries such as aerospace, automotive, automated teller machines, and alternative energy, among others. As on March 31, 2025 (UA), NIIPL has reported cash and bank balance of ₹25.36 crore as on March 31, 2025. CARE Ratings believes free cashflow generated by NIIPL would be sufficient for funding cashflow mismatch, if any, faced by NEIPL.

Operational linkages with customers through the Nash Group

The target customers for NEIPL are majorly automobile industries manufacturing electrical vehicles. The Nash group has established its relationship with the automobile/automative industry through NIIPL. ~30-40% revenue generated by NIIPL are from automobile segment. The risk is mitigated to some extent as the group has established relationships with the automobile industries and original equipment manufacturers (OEMs).

Moderate debt service coverage products

Since the company's operations is in nascent stage and is yet to witness envisaged profitability thus the company's coverage indicators are anticipated to remain moderate for near term. However, the company's credit profile takes comfort from the support provided by NIIPL in the form of corporate guarantee for the repayment of the term debt. CARE Ratings notes NIIPL is expected to generate cash accruals in the range of ₹100-120 crore in the repayment tenor and it has its own repayment obligations of ₹25-40 crore. NIIPL's balance cash accruals would act as a cushion for meeting the repayment of NEIPL in case of cashflow mismatches.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

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Key weaknesses

Stabilisation risk

The company commissioned a green field project for setting up the lithium-ion battery cell manufacturing unit with project cost of ₹132.40 crore. Per the latest Lenders Independent Engineers (LIE) report dated November 11, 2024, facilities are in operation, though in a lower level of capacity utilisation, and the facility has been handed over to the production team. As operations are in nascent stage, therefore the company's ability to ramp up operations is a key factor which could have a potential impact on the company's credit profile.

Revenue risk as orders would receive post successful testing by OEMs

The company may require three to six months for testing the product manufactured by the OEMs/consumers. Any unforeseen circumstances could lead to a decrease in demand for the company's manufactured products. The company's ability to operate the plant at envisaged capacity utilisation levels and to earn profit before depreciation, interest and tax (PBDIT) margins of over 15% would be critical to its prospects.

Exposed to competition risks and technology risks

Battery manufacturers are exposed to technology risk since battery cell technology has been constantly evolving, exposing the products manufactured by NEIPL to the risk of obsoletion in case of emergence of superior technology. NEIPL may face competition from imports and other players who have invested in lithium - ion cell manufacturing in India. However, the risk is mitigated with the size of the installed capacities being lower compared to other established players setting up in India.

Liquidity: Adequate

The company's liquidity is primarily driven by it being part of the Nash group with corporate guarantee extended by NIIPL. The company's debt repayments are commencing from August 2025 onwards, providing sufficient time to the company for obtaining product approvals and ramp-up of operations. At NIIPL level, it had cash and bank balance of ₹25.36 crore as on March 31, 2025.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Factoring Linkages Parent Sub JV Group
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Auto Components & Equipments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Auto components	Auto components and equipments

NEIPL was incorporated on August 18, 2022, as a private limited company. Sanjay Shyam Wadhwa and Sandeep Ram Wadhwa are the company's directors. NEIPL is a part of the Nash Group, founded in 1971, which boasts five decades' industry experience. NEIPL is setting up a Lithium-Ion Battery Cell manufacturing unit in Bangalore with a capacity of 600 MWh.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	0.06	0.85
PBILDT	-3.19	-10.99
PAT	-2.55	-18.18
Overall gearing (times)	17.73	4.23
Interest coverage (times)	NM	NM

A: Audited UA: Unaudited; NM: Not Meaningful; Note: these are latest available financial results

Per LIE report dated November 11, 2024, it has accepted the COD as declared on September 18, 2024.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	March 2030	0.00	Withdrawn
Non-fund-based - LT-Bank Guarantee	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE BBB-; Stable (June 03, 2025)	1)CARE BBB-; Stable (22-May-24)	-	-
2	Non-fund-based - LT-Bank Guarantee	LT	-	-	1)CARE BBB-; Stable (June 03, 2025)	1)CARE BBB-; Stable (22-May-24)	-	-

LT: Long term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Non-fund-based - LT-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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