



## Press Release

### Nahars Engineering India Private Limited

July 17, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long term Bank Facilities	150.44 (Enhanced from Rs. 89.90 crore)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BB/ Stable (IVR Double B with Stable Outlook)	Rating Upgraded	Simple
Short term Bank Facilities	64.52	IVR A3 (IVR A Three)	IVR A4+ (IVR A Four Plus)	Rating Upgraded	Simple
Short term Bank Facilities	50.00	IVR A3 (IVR A Three)	--	Rating Assigned	Simple
<b>Total</b>	<b>264.96</b>	<b>(Rupees Two Hundred Sixty-Four crores and ninety-Six lakhs only)</b>			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

#### Detailed Rationale

Infomerics Ratings has assigned/ upgraded its rating assigned to the bank facilities of Nahars Engineering India Pvt Limited (NEIPL) as it derives comfort from strong revenue growth backed by stable profitability, improved credit profile driven by established relationships with reputed OEM's, diversified product portfolio with advantages of various subsidies and incentives. These ratings are however partially offset by its risk from customer concentration and the cyclical in automotive industry.

The outlook is assigned 'Stable' with Infomerics expectations of stable revenue growth and profitability and comfortable capital structure.

#### Key Rating Sensitivities:

##### Upward Factors

- Substantial increase in revenues and profitability, improving debt protection metrics and liquidity profile on a sustained basis.



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### Downward Factors

- Deterioration in revenues and profitability, deteriorating debt protection metrics and liquidity profile of the company.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

##### **Strong Revenue growth and stable profitability:**

Laxmi Group's TOI grew by ~5% y-o-y basis to Rs. 1,490.45 crore for FY25(P) (period refers to April 1, 2024, to March 31, 2025) from Rs. 1,375.51 crores in FY24 driven by timely order execution. EBITDA margins marginally improved to 7.18% in FY25(P), compared to 6.65% in FY24. Infomerics expects the group's total operating income to grow steadily through FY26-FY28, supported by expected healthy orders from OEMs. EBITDA margins are expected to remain at FY25 (P) levels, with the ability to pass on raw material price increases to customers. The PAT margins also improved slightly to 2.27% in FY25(P) as against 1.11% in FY24 with improvement in operating profits.

##### **Improved credit profile:**

The credit profile of the group improved with adjusted tangible net worth of Rs. 428.36 crores in FY25 (FY24: Rs 330.28 crore) on account of infusion of funds from promoters to the tune of Rs. 62.08 crores in the form of unsecured loans which are subordinated to banks. The capital structure reflected by overall gearing and TOL/TNW improved and stood at 0.86x and 1.31x respectively as on March 31, 2025(P) (31st March 2024: 1.40x & 2.03x respectively) on account of improved net worth and reduced short term borrowings. Debt protection metrics improved with interest coverage and DSCR ratio of 3.52x and 1.33x in FY25 (P) (FY24: 2.91x and 0.96x, respectively).

##### **Established relationship with reputed OEM's and improvement in business risk profile:**

Laxmi Group caters to established OEMs, with Bajaj Auto Ltd. (BAL) as a key revenue contributor, followed by Honda Motorcycle & Scooters India Pvt Ltd. (Honda) and TVS Motor Company Limited (TVS). Strong relationships and low customer turnover have secured significant repeat business. Business risk profile is expected to sustain supported by



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established position in the auto component business, focus on innovative product solutions, longstanding association with reputed OEMs such as BAL, TVS, Honda and addition of new reputed customers.

### **Diversified product portfolio catering to different segments of the automobile sector:**

Laxmi Group has a diverse product range, including two-wheeler frames, chassis, mufflers, three-wheeler bodies, and parts. The two-wheeler segment accounts for 48% of the revenue for FY25, while balance revenue is from three-wheeler segment. The group also specialize in auto assemblies, sheet metal assemblies, and windshield assemblies, helping to diversify their revenue streams.

### **Entitlement for subsidy and incentives:**

One of the group companies, LSGPL was granted a status of 'Mega Project' by the Government of Maharashtra against the investment made towards overall industrial development of state and is eligible for a subsidy of Rs. 313.19 crore with a yearly capping of Rs. 53.77 crore. Out of the total eligible subsidy of Rs. 313.19 crore, the sanctioned amount as on date is Rs 132.714 Crs, out of which the company has already received subsidy amounting to Rs. 41.34 crore till April 2025 and balance Rs, 91.37 Crs is yet to be received. In addition to that, under the Mega project status the company is also eligible for: a) Electricity Duty Exemption for the period of 7 years b) 100% exemption from the payment of stamp duty under Government Resolution of Revenue and Forest Department c) Industrial Promotion Subsidy.

### **Key Rating Weaknesses**

#### **Exposure to customer concentration risk:**

Laxmi Group derives around 45% of its revenue from Bajaj Auto Limited (BAL) and about 19% each from Honda Motorcycle & Scooters India Pvt Ltd and TVS Motor Company Limited (TVS). A decline in revenue from these key customers could significantly weaken the business risk profile. However, this risk is mitigated to a large extent by the two-decade-long relationships with BAL and TVS, their strong credit profiles, and the increased share of other OEMs such as Toyota and M&M. Exposed to cyclicity in automotive industry Given the operational exposure of Laxmi group towards the auto sector, its business performance is



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closely linked with the performance of the sector in general. Many of the segments within the industry show an inherent cyclical demand, which may result in scattered revenue generation for Laxmi group, in line with the industry trend. Further, any substantial slowdown in the auto industry could have a severe impact on the business operations of Laxmi group.

### **Exposed to cyclical demand in automotive industry:**

Given the operational exposure of Laxmi group towards the auto sector, its business performance is closely linked with the performance of the sector in general. Many of the segments within the industry show an inherent cyclical demand, which may result in scattered revenue generation for Laxmi group, in line with the industry trend. Further, any substantial slowdown in the auto industry could have a severe impact on the business operations of Laxmi group.

### **Analytical Approach:** Consolidated

*For arriving at the rating, Infomerics has consolidated the financial risk profiles of the Laxmi Group- Laxmi Metal Pressing Works Private Limited (LMPWPL) being the holding company and Laxmi Rikshaw Body Private Limited (LRBPL), Nahar's Engineering India Private Limited (NEIPL) and Luminaz Safety Glass Private Limited (LSGPL) being subsidiary companies, as the companies are in same line of business having common management and significant operational & financial linkages.*

### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and post default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria on Consolidation of companies](#)



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### **Liquidity –Adequate**

Laxmi group's is expected to maintain an adequate liquidity profile, as its projected gross cash accrual for FY26-FY28 is estimated to be around Rs. 84.57 – Rs.121.47 crore, which should comfortably cover its debt repayments ranging from Rs.50.05 crore to Rs.66.51 crore in FY26 to FY28. The cash credit utilization stood at ~50% during last twelve months ended May 31, 2025, indicating sufficient liquidity buffer.

### **About the Group**

The Laxmi Group (LG) is promoted by Mr. Subhash M. Nahar with considerable experience in the automotive industry. The group is engaged in manufacturing of Stampings, Tubular and Sheet Metal Assemblies, BIW Parts and Mufflers (Silencers) in India being supplied to leading Indian Automotive Manufacturers (OEMs). The group has also diversified into manufacturing of Laminated and toughened automotive glasses for passenger and commercial vehicles.

### **About the Company:**

Nahars Engineering Pvt Ltd is in Windshield Assembly line, and 22 Robots for manufacturing 3WH body and 3WH windshield Frame.

### **Financials (Consolidated):**

(Rs. crore)		
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	1375.51	1490.45
EBITDA	91.53	107.07
PAT	15.27	33.97
Total Debt	463.43	368.54
Adjusted Tangible Net Worth	330.28	428.36
EBITDA Margin (%)	6.65	7.18
PAT Margin (%)	1.11	2.27
Overall Gearing Ratio (x)	1.40	0.86
Interest Coverage (x)	2.91	3.52

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA:** None

**Any other information:** Nil





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### Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25		Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Sept 04, 24	Apr 08, 24	Oct 17, 23	Aug 08, 22
1.	Term Loan	Long Term	95.44	IVR BBB-/Stable	IVR BB/Stable	IVR D	IVR BBB-/Negative; Issuer Not Co-operating	IVR BBB/Stable
2.	Cash Credit	Long Term	55.00	IVR BBB-/Stable	IVR BB/Stable	IVR D	IVR BBB-/Negative; Issuer Not Co-operating	IVR BBB/Stable
3.	Bills discounting	Short Term	50.00	IVR A3	--	--	--	--
4.	Bank Guarantee	Short Term	64.52	IVR A3	IVR A4+	IVR D	IVR A3; Issuer Not Co-operating	IVR A3+

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### About Infomerics:

Infomerics Valuation and Rating Limited (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



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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 and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	--	--	--	12.09.2027	3.47	IVR BBB-/ Stable
Term loan 2	--	--	--	02.08.2029	25.36	IVR BBB-/ Stable
Term Loan 3	--	--	--	Jan 2032	48.48	IVR BBB-/ Stable
Term Loan 4	--	--	--	May 2032	14.37	IVR BBB-/ Stable
Term Loan	--	--	--	--	3.45	IVR BBB-/ Stable
ACMF Credit Guarantee Term Loan	--	--	--	05.01.2026	0.31	IVR BBB-/ Stable
Cash Credit	--	--	--	--	55.00	IVR BBB-/ Stable
Bills Discounting	--	--	--	--	50.00	IVR A3



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Bank Guarantee	--	--	--	--	64.52	IVR A3
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**Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-NaharsEngineering-17july25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:**

Name of the company/Entity	Consolidation/Combined Approach
Laxmi Metal Pressing Works Pvt Limited	Consolidation
Laxmi Rikshaw Body Pvt Limited	Consolidation
Luminaz Safety Glass Pvt Limited	Consolidation
Nahars Engineering India Pvt Limited	Consolidation

**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](http://www.infomerics.com).