



Press Release
NHS Industries
July 10, 2023

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.50	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	13.50	-	-

Rating Rationale

Acuite has reaffirmed its long term rating of '**ACUITE D** (read as **ACUITE D**)' on the Rs 13.50 crore bank facilities of NHS Industries. The rating is now an indicative rating and is based on the best available information.

About the Company

NHS Industries (NHSI) was established in 2015 by Mr. N. S. Bhargav Reddy, Proprietor. It is into manufacturing of High-Density Polyethylene (HDPE)/Polypropylene (PP) Woven Bags and Fabric, located in Bangalore, Karnataka, India. The firm majorly manufacture bags which is used in Cement, Sugar & Rice Industry. The manufacturing unit is located at KIADB, Kudumalakunte, Gauribidanur, Karnataka. The firm started its operation in November 2016. Installed capacity is 2.8 Million bags per month utilizing at 90 percent at present. . The firm purchases calcium carbonate and Polypropylene from Plasmix Private Ltd and Mangalore Refinery and Petrochemicals Limited. The firm has reputed clientele i.e., ACC Limited, JSW Cement Limited and other customers.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuité to comment upon.

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 21 (Actual)	FY 20 (Actual)
Operating Income	Rs. Cr.	23.02	15.14
PAT	Rs. Cr.	(0.92)	(1.06)
PAT Margin	(%)	(4.01)	(6.99)
Total Debt/Tangible Net Worth	Times	48.24	22.35
PBDIT/Interest	Times	1.25	1.26

Status of non-cooperation with previous CRA

Care vide its press release dated 6.7.2022, had rated the company to CARE D; Issuer Not Cooperating.

Crisil vide its press release dated 12.8.2022, had rated the company to CRISIL D; Issuer Not Cooperating.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Apr 2022	Term Loan	Long Term	0.82	ACUITE D (Downgraded from ACUITE B- Stable)
	Term Loan	Long Term	0.11	ACUITE D (Downgraded from ACUITE B- Stable)
	Working Capital Demand Loan	Long Term	2.00	ACUITE D (Downgraded from ACUITE B- Stable)
	Term Loan	Long Term	0.40	ACUITE D (Downgraded from ACUITE B- Stable)
	Proposed Bank Facility	Long Term	2.08	ACUITE D (Downgraded from ACUITE B- Stable)
	Term Loan	Long Term	6.59	ACUITE D (Downgraded from ACUITE B- Stable)
	Cash Credit	Long Term	1.50	ACUITE D (Downgraded from ACUITE B- Stable)
25 Jan 2021	Cash Credit	Long Term	1.50	ACUITE B- Stable (Upgraded from ACUITE D)
	Proposed Bank Facility	Long Term	2.08	ACUITE B- Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	0.11	ACUITE B- Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	0.40	ACUITE B- Stable (Upgraded from ACUITE D)
	Working Capital Demand Loan	Long Term	2.00	ACUITE B- Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	6.59	ACUITE B- Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	0.82	ACUITE B- Stable (Upgraded from ACUITE D)
20 Feb 2020	Proposed Cash Credit	Long Term	2.00	ACUITE D (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	9.93	ACUITE D (Issuer not co-operating*)
	Proposed Working Capital Demand Loan	Long Term	1.57	ACUITE D (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE D Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	2.08	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.11	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	6.59	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.82	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.40	ACUITE D Reaffirmed Issuer not co-operating*
Canara Bank	Not Applicable	Working Capital Demand Loan (WC DL)	Not available	Not available	Not available	Simple	2.00	ACUITE D Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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