

Press Release

Zip Industries Limited (ZIL)

April 27, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 11.38 Cr. #
Long Term Rating	ACUITE B+ (Downgraded from ACUITE BB-/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*

Refer Annexure for details`

* The issuer did not co-operate; Based on best available information.

ACUITE has downgraded long term rating to '**ACUITE B+** (read as ACUITE B plus) from '**ACUITE BB-**' (read as ACUITE double B minus) and short term rating to '**ACUITE A4**' (read as ACUITE A four) from '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs 11.38 crore bank facilities of Zip Industries Limited (ZIL). This rating is now an indicative rating and is based on best available information. The rating downgrade is on account of information risk.

Zip Industries Limited (ZIL) was established in 1956 in Chengalpattu, Chennai as a part of the 110 year old corporate conglomerate, Jhaver Group. The Jhaver Group has rich experience in varied industries like pharmaceuticals, agricultural chemicals, textile chemicals, coated fabrics, apparels and software. ZIL is engaged in manufacturing of zip fasteners under its brand name 'ZEE'. It offers a wide range of zippers like nylon zippers, concealed or invisible zippers, and moulded metal and plastic zipper.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of ZIL to arrive at this rating.

Non-cooperation by the issuer/borrower

Acuité 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 due date.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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 Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Infrastructure Entities - <https://www.acuite.in/view-rating-criteria-14.htm>

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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

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

Not applicable

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
18-Feb-2019	Term Loan	Long Term	0.55	ACUITE BB-/ Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BB-/ Stable (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE BB-/ Stable (Reaffirmed)
	Bill Discounting	Long Term	0.50	ACUITE BB-/ Stable (Reaffirmed)
	PC/FDB/FBE	Long Term	0.75	ACUITE BB-/ Stable (Reaffirmed)
	Bank Guarantee	Short Term	3.00	ACUITE A4+ (Reaffirmed)
	Proposed fund based	Long Term	3.00	ACUITE BB-/ Stable (Reaffirmed)
05-Feb-2018	Term Loan	Long Term	0.55	ACUITE BB-/ Negative (Upgraded)
	Cash Credit	Long Term	4.00	ACUITE BB-/ Negative (Upgraded)
	Cash Credit	Long Term	2.50	ACUITE BB-/ Negative (Upgraded)
	Bill Discounting	Long Term	0.50	ACUITE BB-/ Negative (Upgraded)
	PC/FDB/FBE	Long Term	0.75	ACUITE BB-/ Negative (Upgraded)
	Bank Guarantee	Short Term	3.00	ACUITE A4+ (Upgraded)
	Proposed fund based	Long Term	3.00	ACUITE BB-/ Negative (Upgraded)
15-Nov-2016	Term Loan	Long Term	3.89	ACUITE B/ Stable (Assigned)
	Cash Credit	Long Term	4.50	ACUITE B/ Stable (Assigned)
	Cash Credit	Long Term	1.84	ACUITE B/ Stable (Assigned)
	Bill Discounting	Short Term	0.10	ACUITE A4 (Assigned)
	Letter of credit	Short Term	1.00	ACUITE A4 (Assigned)
	Bank Guarantee	Short Term	0.05	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.55	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
PC/FDB/FBE	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4 (Downgraded from ACUITE A4+) Issuer not co-operating*
Proposed fund based	Not Applicable	Not Applicable	Not Applicable	0.08	ACUITE B+ (Downgraded from ACUITE BB-/Stable) Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile ACUITE Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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