

## Press Release

### Zip Industries Limited

October 26, 2022



### Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	3.00	-	ACUITE A4   Reaffirmed   Issuer not co-operating*
Bank Loan Ratings	8.38	ACUITE B+   Reaffirmed   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	11.38	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

### Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B Plus**) and the short-term rating of '**ACUITE A4**' (read as **ACUITE A Four**) on the Rs.11.38 Crore bank facilities of Zip Industries Limited (ZIL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

### About the Company

The Chennai based ZIL, established in 1956 is part of the Jhavar Group promoted by Mr. Parthiban Dhanapal, Mr. Raman Subramanian and Mr. Sanjay Harigopal Jhaver. The company is engaged in the manufacturing of zippers (nylon, concealed, moulded, metal, plastic etc) and sells the same under the 'ZEE' brand name

### 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 endeavored 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.

### About the Rated Entity - Key Financials

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

### Rating Sensitivity

"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 Acuite to comment upon."

### Outlook

Not Applicable

### Status of non-cooperation with previous CRA

None

### Any other information

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

### Applicable Criteria

- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
28 Jul 2021	Bills Discounting	Long Term	0.50	ACUITE B+ ( Issuer not co-operating*)
	Packing Credit	Long Term	0.75	ACUITE B+ ( Issuer not co-operating*)
	Cash Credit	Long Term	2.50	ACUITE B+ ( Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE B+ ( Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE B+ ( Issuer not co-operating*)

	Bank Guarantee	Short Term	3.00	ACUITE A4 ( Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.08	ACUITE B+ ( Issuer not co-operating*)
27 Apr 2020	Bills Discounting	Long Term	0.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	3.00	ACUITE A4 (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.08	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.55	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	4.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	2.50	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Packing Credit	Long Term	0.75	ACUITE B+ (Downgraded and Issuer not co-operating*)
18 Feb 2019	Term Loan	Long Term	0.55	ACUITE BB-   Stable (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BB-   Stable (Reaffirmed)
	Bills Discounting	Long Term	0.50	ACUITE BB-   Stable (Reaffirmed)
	Packing Credit	Long Term	0.75	ACUITE BB-   Stable (Reaffirmed)
	Cash Credit	Long Term	2.50	ACUITE BB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	3.00	ACUITE A4+ (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.08	ACUITE BB-   Stable (Reaffirmed)
05 Feb 2018	Term Loan	Long Term	0.55	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Cash Credit	Long Term	4.00	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Bills Discounting	Long Term	0.50	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Packing Credit	Long Term	0.75	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
	Cash Credit	Long Term	2.50	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
		Short		
	Bank Guarantee	Term	3.00	ACUITE A4+ (Upgraded from ACUITE A4)
	Proposed Long Term Loan	Long Term	0.80	ACUITE BB-   Stable (Upgraded from ACUITE B+   Stable)
15 Nov 2016	Term Loan	Long Term	3.89	ACUITE B+   Stable (Assigned)
	Bills 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)
	Cash Credit	Long Term	6.34	ACUITE B+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE A4   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE B+   Reaffirmed   Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.50	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Packing Credit	Not Applicable	Not Applicable	Not Applicable	0.75	ACUITE B+   Reaffirmed   Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	0.08	ACUITE B+   Reaffirmed   Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.55	ACUITE B+   Reaffirmed   Issuer not co-operating*

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### About Acuité Ratings & Research

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