

Press Release
Nikita Papers Limited
September 27, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operat...

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	26.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Bank Loan Ratings	9.00	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	35.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short-term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 35.00 crore bank facilities of Nikita Papers Limited (NPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Nikita Papers Limited (NPL), incorporated in 1989, is an Uttar Pradesh-based company promoted by Mr. Ashok Bansal and Mr. Sudhir Bansal. The company is engaged in the manufacturing of kraft paper at Shamli (Uttar Pradesh) and has installed capacity of 42,000 metric tonnes per annum (MTPA). The product finds application in the manufacturing of corrugated boxes. The company procures raw material (waste paper) from traders in Haryana, Punjab, New Delhi, Uttar Pradesh and Madhya Pradesh and sells the finished product to traders and manufacturers of corrugated boxes in New Delhi, Uttarakhand, Uttar Pradesh, Punjab and Himachal Pradesh. The company also imports around 30 percent of its total purchases from UK, USA and Middle East.

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 non-cooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating continues to be 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

Other Factors affecting Rating

None

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

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
	Term Loan	Long Term	0.79	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	0.85	ACUITE BB (Downgraded and Issuer not co-operating*)

09 Jul 2021	Term Loan	Long Term	4.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE BB (Downgraded and Issuer not co-operating*)
09 Apr 2020	Proposed Cash Credit	Long Term	0.85	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.79	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	4.00	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE BB+ (Issuer not co-operating*)
25 Jan 2019	Term Loan	Long Term	0.79	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	4.00	ACUITE BB+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	0.85	ACUITE BB+ (Issuer not co-operating*)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE BB+ (Issuer not co-operating*)
	Term Loan	Long Term	0.36	ACUITE BB+ (Issuer not co-operating*)
16 Nov 2017	Cash Credit	Long Term	20.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.36	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.79	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	4.00	ACUITE BB+ Stable (Assigned)
	Proposed Cash Credit	Long Term	0.85	ACUITE BB+ Stable (Assigned)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Punjab National Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	0.85	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	31-03-2019	0.36	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	31-03-2019	0.79	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	31-03-2021	4.00	ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB)

Contacts

Analytical	Rating Desk
Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.