

Press Release
Nikunj Industries

October 11, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	7.50	ACUITE B+ Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	7.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 7.50 crore bank facilities of Nikunj Industries (NI). The rating continues to be flagged as "Issuer Not Cooperating" based on account of information risk.

About the Company

Nikunj Industries is an Ankleshwar-based proprietorship concern established in 1998 by Mrs. Anju Dharmendra Phatnani and operations are managed by Mr. Dharmendra Phatnani. The firm manufactures synthetic filament textured yarn in the range of 20 denier and 30 denier used to manufacture hosiery items and readymade garments. The manufacturing facility is located at Ankleshwar (Gujarat). The firm imports around 35 percent of its total raw material requirement (synthetic yarn) from South Korea with the remaining procured from the local market.

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 notcooperating", 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.

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

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

- 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
13 Jul 2021	Term Loan	Long Term	0.12	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.62	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.96	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	1.14	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	2.34	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.30	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.01	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.01	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.96	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	2.34	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	0.12	ACUITE BB- (Issuer not co-operating*)

15 Apr 2020	Term Loan	Long Term	0.01	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	0.30	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	0.01	ACUITE BB- (Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	1.14	ACUITE BB- (Issuer not co-operating*)
	Term Loan	Long Term	0.62	ACUITE BB- (Issuer not co-operating*)
01 Feb 2019	Term Loan	Long Term	2.34	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	0.01	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	0.96	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	0.12	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	0.30	ACUITE BB- Stable (Reaffirmed)
	Term Loan	Long Term	1.14	ACUITE BB- Stable (Reaffirmed)
		Long		
	Term Loan	Term	0.62	ACUITE BB- Stable (Reaffirmed)
22 Nov 2017	Cash Credit	Long Term	1.60	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.37	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.05	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.51	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.03	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	0.89	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.12	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.35	ACUITE BB- Stable (Assigned)
	Proposed Long Term Loan	Long Term	0.58	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	0.12	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	0.01	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	0.30	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	0.01	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	0.62	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	0.96	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	1.14	ACUITE B+ Reaffirmed Issuer not co-operating*
Bank of Baroda	Not Applicable	Term Loan	Not available	Not available	Not available	2.34	ACUITE B+ Reaffirmed Issuer not co-operating*

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About Acuité Ratings & Research

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