

Press Release

Nemlaxmi Books (India) Private Limited

December 03, 2021



Rating Downgraded and Issuer not co-operating

| Product | Initial Quantum (Rs. Cr.) | Net Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|--------------------------|---------------------------|----------------------|---|---|
| Bank Loan Ratings | 12.07 | 12.07 | | ACUITE A4 Downgraded Issuer not co-operating* |
| Bank Loan Ratings | 15.93 | 15.93 | ACUITE B+ Downgraded Issuer not co-operating* | |
| Total | - | 28.00 | - | - |

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE B+**' (**read as ACUITE B+**) from '**ACUITE BB-**' (**read as ACUITE double B minus**) and the short term rating to '**ACUITE A4**' (**read as ACUITE A four**) from '**ACUITE A4+**' (**read as ACUITE A four plus**) on the Rs.28.00 Cr bank facilities of Nemlaxmi Books India Private Limited (NBPL).The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

NBPL is a Surat-based private limited company incorporated in 1992 promoted by Mr. Vimalkumar Sekhani. The company is engaged in the business of manufacturing educational stationery. NBPL exports ~90% of total sales to Africa, Europe and China. NBPL has around 250 types of books that it manufactures.

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 the 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 continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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.

Liquidity Indicators

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

Rating Sensitivity

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

About the Rated Entity - Key Financials

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

Status of non-cooperation with previous CRA

None

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

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|--|
| 08 Sep 2020 | Proposed Bank Facility | Long Term | 6.80 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Packing Credit | Short Term | 5.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Term Loan | Long Term | 5.65 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 0.70 | ACUITE A4+ (Issuer not co-operating*) |
| | Term Loan | Long Term | 0.48 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| | Letter of Credit | Short Term | 6.37 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 3.00 | ACUITE BB- (Downgraded and Issuer not co-operating*) |
| 20 Jun 2019 | Term Loan | Long Term | 0.48 | ACUITE BB (Issuer not co-operating*) |
| | Cash Credit | Long Term | 3.00 | ACUITE BB (Issuer not co-operating*) |
| | Proposed Bank Facility | Long Term | 6.80 | ACUITE BB (Issuer not co-operating*) |
| | Letter of Credit | Long Term | 0.70 | ACUITE A4+ (Issuer not co-operating*) |
| | Letter of Credit | Long Term | 6.37 | ACUITE A4+ (Issuer not co-operating*) |
| | Packing Credit | Short Term | 5.00 | ACUITE A4+ (Issuer not co-operating*) |
| | Term Loan | Long Term | 5.65 | ACUITE BB (Issuer not co-operating*) |
| | Term Loan | Long Term | 0.48 | ACUITE BB Stable (Assigned) |
| | Term Loan | Long Term | 5.65 | ACUITE BB Stable (Assigned) |

| | | | | |
|----------------|------------------------|------------|------|-------------------------------|
| 12 Apr 2018 | Cash Credit | Long Term | 3.00 | ACUITE BB Stable (Assigned) |
| | Packing Credit | Short Term | 5.00 | ACUITE A4+ (Assigned) |
| | Proposed Bank Facility | Long Term | 6.80 | ACUITE BB Stable (Assigned) |
| | Letter of Credit | Short Term | 6.37 | ACUITE A4+ (Assigned) |
| | Letter of Credit | Short Term | 0.70 | ACUITE A4+ (Assigned) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Initial Quantum (Rs. Cr.) | Net Quantum (Rs. Cr.) | Rating |
|----------------------|----------------|----------------------------------|-------------------------|--------------------|----------------------|----------------------------------|------------------------------|---|
| Bank of Baroda | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 3.00 | 3.00 | ACUITE B+ Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 0.70 | 0.70 | ACUITE A4 Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Letter of Credit | Not Applicable | Not Applicable | Not Applicable | 6.37 | 6.37 | ACUITE A4 Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | PC/PCFC | Not Applicable | Not Applicable | Not Applicable | 5.00 | 5.00 | ACUITE A4 Downgraded Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | 6.80 | 6.80 | ACUITE B+ Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Term Loan | Not available | Not available | Not available | 0.48 | 0.48 | ACUITE B+ Downgraded Issuer not co-operating* |
| Bank of Baroda | Not Applicable | Term Loan | Not available | Not available | Not available | 5.65 | 5.65 | ACUITE B+ Downgraded Issuer not co-operating* |

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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