

Press Release

Niox Speciality Paper Mills

February 07, 2022



Rating Reaffirmed & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings	Loan	11.00	ACUITE B- Reaffirmed & Withdrawn Issuer not co-operating*
Bank Ratings	Loan	1.00	-
Total Outstanding Quantum (Rs. Cr)		0.00	-
Total Withdrawn Quantum (Rs. Cr)		12.00	-

Rating Rationale

Acuité has reaffirmed and withdrawn the long-term rating of 'ACUITE B-' (read as ACUITE B minus) and short-term rating of 'ACUITE A4' (read as ACUITE A four) on the Rs.12.00 Cr bank facilities of Niox Speciality Paper Mills (NSPM). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating. This rating continues to be flagged as "Issuer Not-Cooperating". The rating is being withdrawn on account of request received from the company and NDC received from the banker.

About the Firm

Established in 2016 in Mehsana, Gujarat, NSPM a partnership firm engaged in manufacturing of kraft/specialty/base paper required for varieties of corrugation boxes, laminate, wrapping and packing etc., with an installed capacity of 50 tonnes per day. The unit commenced operations in June 2016. The unit is set up by 5 experienced partners viz. Mr. Nikhil Patel, Mr. Arvind Patel, Mr. Paresh Patel, Mr. Govind Patel and Mr. Qureshi Ahmed. The partners are experience of over 3 decades in the dyes & chemicals industry.

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.

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 endeavoured 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 requests.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

CRISIL B/Stable/A4; ISSUER NOT COOPERATING as per press release dated August 26, 2021.

Any other information

Acuité 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
23 Dec 2020	Term Loan	Long Term	7.50	Acuite B- (Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	3.50	Acuite B- (Issuer not co-operating*)
25 Sep 2019	Term Loan	Long Term	7.50	ACUITE B- (Issuer not co-operating*)
	Cash Credit	Long Term	3.50	ACUITE B- (Issuer not co-operating*)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Issuer not co-operating*)
26 Jul 2018	Cash Credit	Long Term	3.50	ACUITE B- Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE B- Stable (Assigned)
	Letter of Credit	Short Term	1.00	ACUITE A4 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.50	ACUITE B- Reaffirmed & Withdrawn Issuer not co-operating*
Union Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	31-05-2022	7.50	ACUITE B- Reaffirmed & Withdrawn Issuer not co-operating*

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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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