

Press Release

Nextgen Printers Private Limited

December 30, 2020

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities - Cash Credit	15.20	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; Issuer Not Cooperating)	Revised from IVR BB+ / Stable Outlook (IVR Double B plus with Stable Outlook) and moved to Issuer Not Co-operating category
Long Term Bank Facilities - Term Loan	26.36 [^]	IVR BB-; ISSUER NOT COOPERATING* (IVR Double B Minus; Issuer Not Cooperating)	Revised from IVR BB+ / Stable Outlook (IVR Double B plus with Stable Outlook) and moved to Issuer Not Co-operating category
Short Term Bank Facilities – Bank Guarantee	6.50	IVR A Four; ISSUER NOT COOPERATING* (IVR Single A Four; Issuer Not Co-operating)	Revised from IVR A4+ (IVR A Four plus) and moved to Issuer Not Co-operating category
Short Term Bank Facilities – Letter of credit	0.08	IVR A Four; ISSUER NOT COOPERATING* (IVR Single A Four; Issuer Not Co-operating)	Revised from IVR A4+ (IVR A Four plus) and moved to Issuer Not Co-operating category
Total	48.14 (Rupees Forty-Eight crore and Fourteen lakhs only)		

*Issuer did not cooperate; based on best available information

[^]outstanding as on September 30, 2019

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding Nextgen Printers Pvt Ltd (NPPL's) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

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Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide E-mail communications dated November 20th, 2020, December 10th, 2020 December 22nd, 2020 & December 28th, 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees, NDS and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long-term and short-term ratings for the bank loan facilities aggregating to Rs.48.14 crore of NPPL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach & Applicable Criteria

Standalone

Guidelines on what constitutes Non-Cooperation by clients

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

About the Company

Nextgen Printers Pvt Ltd. (NPPL) was incorporated in 2007 by Kolkata based two business families Agrawal and Khandelwal family. The company started its commercial operation since 2010 and is involved in printing of paperboard packaging. NPPL carries out printing and post printing activities and manufactures printed cartons (Mono cartons, Fluted Cartons, Fluted Cartons etc.), Window Patched Boxes, Blister Cards, Hard Boxes, Inserts and Labels, etc. The printing and packaging are mainly done for the pharmaceutical industry. Apart from these, the company also caters to other industries like fast moving consumer goods (FMCG), hosiery, tea, cosmetic industries etc. The company has its printing facilities located in Majhitar, near Rangpo in East Sikkim and Howrah District of West Bengal.

Financials (Standalone):

(Rs. crore)

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For the year ended* / As On	31-03-2018	31-03-2019
	Audited	Audited
Total Operating Income	62.09	71.45
EBITDA	11.83	12.75
PAT	2.64	1.87
Total Debt	53.60	63.56
Tangible Net worth	40.86	42.43
EBITDA Margin (%)	19.05	17.85
PAT Margin (%)	4.25	2.62
Overall Gearing Ratio (x)	1.31	1.50

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA:

Brickwork Ratings in its press release dated September 17, 2020 has continued to place the rating of Nextgen Printers Pvt Ltd. under Issuer Not Cooperating category due to non-availability of information.

Any other information: Nil

Rating History for last three years:

Sr. No	Name of Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (24.12.2019)	Date(s) & Rating(s) assigned in 2018-19 (27.09.2018)	Date(s) & Rating(s) assigned in 2017-18
1.	Cash Credit	LT	15.20	IVR BB-; ISSUER NOT COOPERATING*	IVR BB+ / Stable Outlook	IVR BBB- / Stable Outlook	-
2.	Term Loan	LT	26.36 [^]	IVR BB-; ISSUER NOT COOPERATING*	IVR BB+ / Stable Outlook	IVR BBB-/ Stable Outlook	-
3.	Bank Guarantee	ST	6.50	IVR A4; ISSUER NOT COOPERATING*	IVR A4+	IVR A3	-
4.	Letter of credit	ST	0.08	IVR A4; ISSUER NOT COOPERATING*	IVR A4+	IVR A3	-

* Issuer did not cooperate; based on best available information

[^] Outstanding as on Sep 30,2019

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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer:

Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs.Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Cash Credit	-	-		15.20	IVR BB-; ISSUER NOT COOPERATING *
Long Term Bank Facilities – Term Loan	-	-	March, 2024 -	26.36 [^]	IVR BB-; ISSUER NOT COOPERATING *
Short Term Bank Facilities – Bank Guarantee	-	-	-	6.50	IVR A4; ISSUER NOT COOPERATING *



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Short Term Bank Facilities – Letter of Credit				0.08	IVR A4; ISSUER NOT COOPERATING *
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* Issuer did not cooperate; based on best available information

^ Outstanding as on Sep 30,2019

