



## Press Release

### Nikhil Adhesives Limited (NAL)

February 01, 2021

#### Ratings

Sl. No.	Instrument/Facility	Amount (INR Crores)	Rating	Rating Action
1.	Long term Bank Facilities – Fund Based	5.00	IVR BB+ ISSUER NOT COOPERATING (IVR Double B Plus)	Revised from IVR BBB- / Positive (IVR Triple B Minus / Positive Outlook)
2.	Short term Bank Facilities – Non-Fund Based	95.00	IVR A4+ ISSUER NOT COOPERATING (IVR A Four Plus)	Revised from IVR A3 (IVR A Three)
	Long term – Fund Based	(20.00) ^	IVR BB+ ISSUER NOT COOPERATING (IVR Double B Plus)	Revised from IVR BBB- / Positive (IVR Triple B Minus / Positive Outlook)
<b>Total</b>		<b>100.00</b>		

^ Sub-limit of Non-Fund based limit

\* Issuer not cooperating; Based on best available information

#### **Details of Facilities are in Annexure 1**

#### **Detailed Rationale**

The revision in ratings of the bank facilities of Nikhil Adhesives Limited reflect lack of adequate information available and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

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

#### **Analytical Approach and Applicable Criteria**

Standalone

Rating Methodology for Manufacturing companies



## Press Release

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients

### About the Group and Company

Incorporated in 1986 as a private limited company in the name of "Hans Marketing and Services Private Limited", Nikhil Adhesives Limited (NAL) initially commenced its operations as traders of emulsions and adhesives. Subsequently, in 1992, the name of the company was changed to "Nikhil Adhesives Limited". The company listed its shares on the Bombay Stock Exchange in the same year. Currently, the company is engaged in the manufacturing and trading of industrial and consumer chemical products.

### Financials (Standalone)\*:

(INR crore)

For the year ended/ As On	31-03-2018 (Audited)	31-03-2019 (Audited)	31-03-2020 (Audited)
Total Operating Income	330.23	446.36	421.71
EBITDA	12.80	16.58	19.1
PAT	2.86	5.21	7.02
Total Debt	32.42	34.16	33.75
Tangible Net-worth	35.04	39.59	45.66
<b>Ratios</b>			
EBITDA Margin (%)	3.9%	3.7%	4.5%
PAT Margin (%)	0.9%	1.2%	1.7%
Overall Gearing Ratio (x)	0.93	0.86	0.74

\* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: N.A.

### Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Type	Current Rating (Year 2020-21)		Rating History for the past 2 years	
			Amount outstanding (INR crore)	Assigned Rating	Date(s) & Rating(s) assigned in 19-20	Date(s) & Rating(s) assigned in 18-19



## Press Release

1.	Long term Bank Facilities – Cash Credit	Fund Based	5.00	IVR BB+ ISSUER NOT COOPERATING (IVR Double B Plus)	IVR BBB-/ Positive Outlook; (IVR Triple B Minus with Positive Outlook)	IVR BBB-/ Stable Outlook (IVR Triple B Minus with Stable Outlook)
2.	Short term Bank Facilities – LC/BG	Non-Fund Based	95.00	IVR A4+ ISSUER NOT COOPERATING (IVR A Four Plus)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)
	Long term – Cash Credit	Fund Based	(20.00)^	IVR BB+ ISSUER NOT COOPERATING (IVR Double B Plus)	IVR BBB-/ Positive Outlook; (IVR Triple B Minus with Positive Outlook)	IVR BBB-/ Stable Outlook (IVR Triple B Minus with Stable Outlook)

<sup>^</sup>Sub-Limit of Non-Fund based Limit

**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](http://www.infomerics.com).

### Name and Contact Details of the Rating Team:

Name: Ruchi Shah

Name: Prakash Kabra

Tel: (022) 62396023

Tel: (022) 62396023

Email: [ruchi.shah@infomerics.com](mailto:ruchi.shah@infomerics.com)

Email: [prakash.kabra@infomerics.com](mailto:prakash.kabra@infomerics.com)

### 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. Company'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



## Press Release

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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Fund Based Cash Credit	-	-	-	5.00	IVR BB+; ISSUER NOT COOPERATING
Non-Fund Based Bank Guarantee	-	-	-	2.00	IVR A4+ ISSUER NOT COOPERATING
Non-Fund Based Letter of Credit	-	-	-	93.00	IVR A4+ ISSUER NOT COOPERATING
Fund Based Cash Credit	-	-	-	(20.00)	IVR BB+; ISSUER NOT COOPERATING