



Press Release

Nikhil Adhesives Limited

June 17, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	5.00	IVR B/Negative; ISSUER NOT COOPERATING* {IVR B with Negative Outlook; ISSUER NOT COOPERATING*}	IVR B+/ Negative; ISSUER NOT COOPERATING* {IVR B Plus with Negative Outlook; ISSUER NOT COOPERATING* category}	Rating Downgraded and continued under Issuer Not Cooperating category	Simple
Long Term/ Short Term Bank Facilities	95.00	IVR B/Negative; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING* {IVR B with Negative Outlook; ISSUER NOT COOPERATING*/ IVR A Four; ISSUER NOT COOPERATING*}	IVR B+/ Negative; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING* {IVR B Plus with Negative Outlook; ISSUER NOT COOPERATING* category /IVR A Four; ISSUER NOT COOPERATING* Category}	Rating Downgraded/Reaffirmed and continued under Issuer Not Cooperating category	Simple
Total	100.00 (Rupees One Hundred Crore Only)				

**Issuer did not cooperate; based on best available information*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.



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Detailed Rationale

Infomerics has downgraded/reaffirmed the ratings assigned to the bank facilities of Nikhil Adhesives Limited (NAL) under ISSUER NOT COOPERATING category due to lack of adequate information available, non-payment of annual surveillance fees 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 thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facilities, vide mail communications dated February 03, 2025, March 07, 2025, April 17, 2025, May 10, 2025, June 11, 2025, concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details/information for surveillance exercise.

Availability of information is very critical in the 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 rating for the bank facilities of NAL aggregating to Rs. 100.00 crore has been downgraded/reaffirmed and continued under Issuer Not Cooperating category at IVR B/Negative; ISSUER NOT COOPERATING/ IVR A4; ISSUER NOT COOPERATING; based on best available information by Infomerics Ratings.

Analytical Approach: Standalone

Applicable Criteria:

[Policy on Issuer Not-Cooperating](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition and Post – Default Curing Period](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Complexity Level of Rated Instruments/Facilities](#)



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[Rating Methodology for Manufacturing Companies](#)

About the Company

Incorporated in 1986 as a private limited company in the name of "Hans Marketing and Services Private Limited", NAL initially commenced its operations as a trader 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):

	(Rs. crore)	
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	564.19	584.59
EBITDA	30.76	37.05
PAT	13.25	16.86
Total Debt	50.72	56.45
Tangible Net Worth	113.99	129.77
EBITDA Margin (%)	5.45	6.34
PAT Margin (%)	2.35	2.88
Overall Gearing Ratio (x)	0.44	0.43
Interest Coverage (x)	4.42	4.56

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					May 29, 2024	May 26, 2023	April 19, 2022
1.	Long Term Bank Facilities	Long Term	5.00	IVR B/Negative; ISSUER NOT COOPERATING*	IVR B+/Negative; ISSUER NOT COOPERATING */ IVR A4; ISSUER NOT COOPERATING *	IVR BB-/Negative; ISSUER NOT COOPERATING */ IVR A4; ISSUER NOT COOPERATING *	IVR BB/Negative; ISSUER NOT COOPERATING */ IVR A4; ISSUER NOT COOPERATING *
2.	Long Term/ Short Term Bank Facilities	Long Term/ Short Term	95.00	IVR B/Negative; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING*	IVR B+/Negative; ISSUER NOT COOPERATING */ IVR A4; ISSUER NOT COOPERATING *	IVR BB-/Negative; ISSUER NOT COOPERATING */ IVR A4; ISSUER NOT COOPERATING *	IVR BB/Negative; ISSUER NOT COOPERATING */ IVR A4; ISSUER NOT COOPERATING *

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

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 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.



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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	--	--	--	--	5.00	IVR B/Negative; ISSUER NOT COOPERATING*
Bank Guarantee/Letter of Credit	--	--	--	--	95.00^	IVR B/Negative; ISSUER NOT COOPERATING*/ IVR A4; ISSUER NOT COOPERATING*

**Issuer did not cooperate; based on best available information*

^Includes sublimit of Rs. 20.00 of Cash Credit facility

Annexure 2: Facility wise lender details: Not Available

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

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.