

Press Release

Khairwala International Limited

May 25, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	47.50	ACUITE D Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	47.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Refer Annexure for details

*The issuer did not co-operate; Based on best available information.

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE D' (read as ACUITE D)** from '**ACUITE B-' (read as ACUITE B minus)** on the Rs.47.50 crore bank facilities of Khairwala International Limited (KIL). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

The downgrade is based on the information available in the CRIF report which reflects asset categorization for the facilities as loss asset.

About the Company

Delhi-based, Khairwala International Limited (KIL) was incorporated in 1993 by Mr. Sumit Agrawal, Mr. Anil Agrawal and family. The company is engaged in rice milling and has set up a rice milling unit of 60,000 tons per annum capacity at a total cost of Rs. 34.75 cr, funded through term loan of Rs.26.00 cr, promoter's contribution of Rs. 6.44 cr and unsecured loans from relatives of Rs. 2.31 cr. KIL commenced operations in rice milling in January 2015. The present directors of the company are Mr. Pankaj Jain, Mr. Mahavir Parshad Jain and Mr. Rajat Jain.

Non-cooperation by the issuer/borrower:

Acuite 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.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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 Acuite'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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite 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 Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Indicators

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

Outlook

Not Applicable

Other Factors affecting Rating

Not Applicable

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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 Mar 2021	Term Loan	Long Term	25.00	ACUITE B- (Issuer not co-operating*)
	Cash Credit	Long Term	22.50	ACUITE B- (Issuer not co-operating*)
02 Jan 2020	Term Loan	Long Term	25.00	ACUITE B- (Issuer not co-operating*)
	Cash Credit	Long Term	22.50	ACUITE B- (Issuer not co-operating*)
08 Oct 2018	Cash Credit	Long Term	22.50	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	25.00	ACUITE B- (Issuer not co-operating*)
16 May 2017	Cash Credit	Long Term	22.50	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	25.00	ACUITE B- (Issuer not co-operating*)
18 Jan 2016	Cash Credit	Long Term	22.50	ACUITE B- Stable (Assigned)
	Term Loan	Long Term	25.00	ACUITE B- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	22.50	ACUITE D Downgraded Issuer not co-operating* (from ACUITE B-)
Punjab National Bank	Not Applicable	Term Loan	Not available	Not available	Not available	25.00	ACUITE D Downgraded Issuer not co-operating* (from ACUITE B-)

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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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