

Press Release

Gendalal Hazarilal & Company

August 08, 2022



Rating Downgraded & Withdrawn and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|---------------------|--|--|
| Bank Ratings Loan | 10.02 | - | ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* |
| Bank Ratings Loan | 3.48 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 0.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 13.50 | - | - |

Rating Rationale

Acuite has downgraded & withdrawn the long-term rating to **"ACUITE BB+" (read as ACUITE Double B plus)** from **'ACUITE BBB-' (read as ACUITE Triple B minus)** and the short-term rating to **"ACUITE A4+" (read as ACUITE A four plus)** from **'ACUITE A3' (read as ACUITE A three)** on the Rs. 13.50 crore bank facilities of Gendalal Hazarilal & Company (GHC). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating is being withdrawn on account of request received from the company and NOC received from the banker. The rating has been downgraded on account of information risk.

About the Company

Incorporated in 1980, by Mr. Gendalal Rai along with four other partners, Gendalal Hazrilal and Company (GHC) is engaged in retailing of Country Made Liquor (CML) and Indian Made Foreign Liquor (IMFL) in Sehore district of Madhya Pradesh. The firm is currently managed by Mr. Akhilesh Kumar Rai and Mr. Rakesh Kumar Rai, sons of the founder partner. As on date GHC operates 68 of the 71 government licensed liquor shops in Sehore district.

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 due date. Acuite 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 endeavored 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.

Rating Sensitivities

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

Material Covenants

None.

Liquidity Position

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

Outlook

Not Applicable.

Key Financials

| Particulars | Unit | FY 21 (Provisional) | FY 20 (Actual) |
|-------------------------------|---------|---------------------|----------------|
| Operating Income | Rs. Cr. | 97.21 | 84.51 |
| PAT | Rs. Cr. | 12.08 | 9.24 |
| PAT Margin | (%) | 12.42 | 10.94 |
| Total Debt/Tangible Net Worth | Times | 0.04 | 0.03 |
| PBDIT/Interest | Times | 52.05 | 74.15 |

Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

None.

Applicable Criteria

- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitle: <https://www.acuite.in/view-rating-criteria-61.htm>

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|------------|-----------------|--|
| 15 Dec 2021 | Bank Guarantee | Short Term | 10.02 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Bank Guarantee | Short Term | 10.02 | ACUITE A3 (Upgraded from ACUITE A4+) |
| | Proposed Bank Facility | Long Term | 1.98 | ACUITE BBB- (Upgraded from ACUITE BB+ Stable) |
| | Cash Credit | Long Term | 1.50 | ACUITE BBB- (Upgraded from ACUITE BB+ Stable) |
| | Cash Credit | Long Term | 1.50 | ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable) |

| | | | | |
|-------------|-------------------------|------------|-------|--|
| | Proposed Bank Facility | Long Term | 1.98 | ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable) |
| 15 Sep 2020 | Cash Credit | Long Term | 1.50 | ACUITE BB+ Stable (Reaffirmed) |
| | Bank Guarantee | Short Term | 10.02 | ACUITE A4+ (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 1.98 | ACUITE BB+ Stable (Reaffirmed) |
| 24 Dec 2019 | Proposed Term Loan | Long Term | 0.09 | ACUITE A4+ (Issuer not co-operating*) |
| | Cash Credit | Long Term | 6.00 | ACUITE BB+ (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 7.41 | ACUITE BB+ (Issuer not co-operating*) |
| 08 Jan 2019 | Cash Credit | Long Term | 6.00 | ACUITE BBB- (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 7.41 | ACUITE A3 (Issuer not co-operating*) |
| | Proposed Long Term Loan | Long Term | 0.09 | ACUITE BBB- (Issuer not co-operating*) |
| 26 Oct 2017 | Cash Credit | Long Term | 6.00 | ACUITE BBB- (Issuer not co-operating*) |
| | Bank Guarantee | Short Term | 7.41 | ACUITE A3 (Issuer not co-operating*) |
| | Proposed Long Term Loan | Long Term | 0.09 | ACUITE BBB- (Issuer not co-operating*) |
| 08 Aug 2016 | Cash Credit | Long Term | 6.00 | ACUITE BBB- Stable (Assigned) |
| | Bank Guarantee | Short Term | 7.41 | ACUITE A3 (Assigned) |
| | Proposed Long Term Loan | Long Term | 0.09 | ACUITE BBB- 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 | Bank Guarantee (BLR) | Not Applicable | Not Applicable | Not Applicable | 10.02 | ACUITE A4+ Downgraded & Withdrawn Issuer not co-operating* |
| Punjab National Bank | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 1.50 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | 1.98 | ACUITE BB+ Downgraded & Withdrawn Issuer not co-operating* |

Contacts

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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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