

Press Release
K J INTERNATIONAL
April 25, 2024



Rating Downgraded & Withdrawn and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	19.06	ACUITE BB Downgraded & Withdrawn Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	19.06	-	-

Rating Rationale

Acuite has downgraded & withdrawn the long-term rating to '**ACUITE BB**' (read as **ACUITE double B**) from '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 19.06 crore bank facilities of K J International.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respected facility/instrument. The rating has been withdrawn on account of the request received from the company, and the NOC received from the banker. The rating continues to be an indicative rating, and based on the best available information. The downgrade is based on information risk.

About the Company

Established in 2010, KJI is a Jalandhar based partnership concern. The firm is currently headed by Mr. Sahil Goyal and Mr. Pawan Goyal. The firm is engaged in the manufacturing of alloy steel flats/bars through the induction furnace route. The firm has a 7MT induction furnace with an installed capacity of 100 MTP/day and steel rolling mill with a capacity of 300 MTP/day. The products of the firm finds application in industries like hand tools, automobiles, engineering industry etc.

Unsupported Rating

Not Applicable

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 noncooperation 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 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	157.54	143.43
PAT	Rs. Cr.	5.03	3.34
PAT Margin	(%)	3.19	2.33
Total Debt/Tangible Net Worth	Times	0.71	0.62
PBDIT/Interest	Times	3.97	3.02

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>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Mar 2023	Cash Credit	Long Term	17.00	ACUITE BB+ (Downgraded & Issuer not co-operating*)
	Term Loan	Long Term	2.06	ACUITE BB+ (Downgraded & Issuer not co-operating*)
15 Dec 2021	Term Loan	Long Term	2.06	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	17.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
04 Aug 2021	Term Loan	Long Term	6.82	ACUITE BB+ (Downgraded & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	0.24	ACUITE BB+ (Downgraded & Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE BB+ (Downgraded & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	17.00	ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+)
Punjab National Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Jul 2026	Simple	2.06	ACUITE BB Downgraded & Withdrawn Issuer not co-operating* (from ACUITE BB+)

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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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