

Press Release

Dhawan Trading Company

September 28, 2018



Rating Update

Total Bank Facilities Rated*	Rs. 50.00 Cr.#
Long Term Rating	ACUITE B+ Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE B+**' (**read as ACUITE B plus**) on the Rs.50.00 crore bank facilities Dhawan Trading Company(DTC).This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower:

Acuité 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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>

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 endeavoured 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.

About the Rated Entity:

Dhawan Trading Company (DTC) is a Delhi-based proprietorship concern established in 1996 by Mr. Jaspal Malhotra. The firm is engaged in the trading of rice and paddy. The firm procures paddy from the local market and supplies the same to rice millers in the nearby states.

For FY2016-17, DTC reported PAT of Rs.0.14 crore on operating income of Rs.72.29 crore as compared with PAT of Rs.0.07 crore on operating income of Rs.77.82 crore for FY2015-16. The net worth stood at Rs.10.55 crore as on 31 March, 2017 compared to Rs.4.94 crore a year earlier. The net worth of Rs.10.55 crore in FY2017 includes quasi equity of Rs.4.53 crore.

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
23-Sept-17	Cash Credit	Long term	7.00	ACUITE B+/Stable (Assigned)
	Warehouse Receipt	Long term	23.00	ACUITE B+ (Assigned)
	Proposed Bank Facility	Long term	20.00	ACUITE B+ (Assigned)

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE B+ Issuer not co-operating*
Warehouse Receipt	Not Applicable	Not Applicable	Not Applicable	23.00	ACUITE B+ Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE B+ Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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