

## Press Release

**Khandelwal Jewellers (Akola) Private Limited**

November 17, 2018



### Rating Update

<b>Total Bank Facilities Rated</b>	Rs. 21.50 Cr. #
<b>Long Term Rating</b>	ACUITE BB Issuer not co-operating*
<b>Short Term Rating</b>	ACUITE A4+ Issuer not co-operating*

# Refer Annexure for details

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

Acuité has reviewed long-term rating of '**ACUITE BB** (read as **ACUITE double B**) and short term rating of '**ACUITE A4+** (read as **ACUITE A four plus**) to the Rs. 21.50 crore bank facilities of Khandelwal Jewellers (Akola) Private Limited. This rating is now an indicative rating and is based on best available information.

Incorporated in April 1999 by Mr. Nitin M Khandelwal, Mr. Ravindra M Khandelwal, Mrs. Prabha N Khandelwal and Mrs. Ekta R Khandelwal, KJAPL is a retailer and wholesaler of gold, diamond and platinum jewellery. The company operates from its two showrooms at Akola (Maharashtra).

#### 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/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-40.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 - Key Financials

	Unit	FY17 (Provisional)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	172.28	305.21	294.12
EBITDA	Rs. Cr.	6.06	4.29	4.42
PAT	Rs. Cr.	0.35	-0.34	0.09
EBITDA Margin	(%)	3.52	1.41	1.50
PAT Margin	(%)	0.20	-0.11	0.03
ROCE (%)	(%)	13.56	8.39	12.64
Total Debt/Tangible Net Worth	Times	0.90	1.82	1.51
PBDIT/Interest	Times	1.48	1.29	1.29
Total Debt/PBDIT	Times	2.37	6.47	5.08
Gross Current Assets (Days)	Days	136	76	54

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

CARE in its press release dated March 6, 2017 inter alia has stated the following: CARE has been seeking information from Khandelwal Jewellers (Akola) Private Limited to monitor the rating(s) vide e-mail communications/letters dated February 13, 2017, February 1, 2017, January 4, 2017, November 23, 2016 and numerous phone calls. However, despite our repeated requests, the Khandelwal Jewellers (Akola) Private Limited has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

#### **Any other information**

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

#### **Rating History (Up to last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
20-Nov-2017	Cash Credit	Long Term	12.50	ACUITE BB / Stable (Assigned)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Assigned)

#### **#Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE BB Issuer not co-operating*
Letter of credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE A4+ Issuer not co-operating*

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

#### **Contacts**

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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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