

Press Release

Khandelwal Jewellers (Akola) Private Limited

November 17, 2018

Rating Update



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

Refer Annexure for details

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

Acuite 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

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.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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). Acuite endeavoured 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

	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

Acuite 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

Analytical	Rating Desk
Avadhoot Mane Senior Analyst - Rating Operations Tel: 022 49294022 avadhoot.mane@acuite ratings.in Sushmita Murai Analyst - Rating Operations Tel: 02249294055 sushmita.murai@acuite ratings.in	Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in

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.

Disclaimer: *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.*