

Press Release

Khandelwal Jewellers (Akola) Private Limited

January 02, 2019

Rating Withdrawn



Total Instruments Rated*	Rs. 21.50 Cr.
Long Term Rating	ACUITE BB (Withdrawn)
Short Term Rating	ACUITE A4+ (Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has withdrawn the long term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs.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 (KJPL). The rating withdrawal is in accordance with the 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The rating is being withdrawn on account of request received from the company and NOC received from the banker.

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

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of KJPL to arrive at the rating.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	166.69	171.74	305.21
EBITDA	Rs. Cr.	5.21	4.87	5.01
PAT	Rs. Cr.	0.43	0.54	0.38
EBITDA Margin	(%)	3.13	2.84	1.64
PAT Margin	(%)	0.26	0.31	0.12
ROCE	(%)	11.22	9.62	10.18
Total Debt/Tangible Net Worth	Times	1.02	1.30	1.82
PBDIT/Interest	Times	1.71	1.77	1.51
Total Debt/PBDIT	Times	3.24	4.14	5.54
Gross Current Assets (Days)	Days	84	119	76

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

None

Any other information

None

Applicable Criteria

- Trading entities: <https://www.acuite.in/view-rating-criteria-6.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument /Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
28-Nov-2018	Cash Credit	Long Term	12.50	ACUITE BB /Stable (Indicative)
	Letter of Credit	Short Term	9.00	ACUITE A4+ (Indicative)
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. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE BB (Withdrawn)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE A4+ (Withdrawn)

Contacts

Analytical	Rating Desk
Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in Grishma Muni Analyst - Rating Operations Tel: 022-49294075 grishma.muni@acuiterratings.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