

Press Release

Khandelwal Irrigation Private Limited

May 17, 2021



Rating Update

Total Bank Facilities Rated	Rs. 13.93 crore #
Long Term Rating	ACUITE BB- (Downgraded from ACUITE BB/Stable) 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.

Rating Rationale

Acuité has reviewed and downgraded the long-term rating to '**ACUITE BB-**' (read as ACUITE double B minus) from '**ACUITE BB**' (read as ACUITE double B) and review the short term rating of '**ACUITE A4+**' (read as ACUITE A four plus) on the Rs.13.93 crore bank facilities of Khandelwal Irrigation Private Limited. The rating downgrade is on account of information risk. This rating is now an indicative rating and is based on the best available information.

Incorporated in 1995, Khandelwal Irrigation Private Limited (KIPL) is engaged in manufacturing of pipes which are used in drip irrigation, mini sprinkler system and sprinkler system. The day to day operations are managed by its managing director, Mr. Ghan Shyam Das Gupta along with other directors, Mr. Pradeep Kumar Gupta, Mr. Rakesh Gupta Kumar and Mr. Rajeev Kumar Gupta. The manufacturing unit is in Sikkar, with an installed capacity of around 1500 tonne p.a.

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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation 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 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-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.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.

Liquidity Position

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

Rating Sensitivities

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

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

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 (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
25-Feb-2020	Cash Credit	Long Term	10.00	ACUITE BB/ Stable (Upgraded)
	Term Loan	Long Term	0.32	ACUITE BB/ Stable (Upgraded)
	Term Loan	Long Term	1.60	ACUITE BB/ Stable (Upgraded)
	Letter of Credit	Short Term	2.00	ACUITE A4+ (Reaffirmed)
	Proposed Bank Facility	Proposed	0.01	ACUITE BB/ Stable (Assigned)
18-Mar-2019	Cash Credit	Long term	8.00	ACUITE BB-/Stable (Reaffirmed)
	Term Loan	Long term	1.60	ACUITE BB-/Stable (Reaffirmed)
	Term Loan	Long term	0.75	ACUITE BB-/Stable (Reaffirmed)
	Letter of Credit	Short term	1.50	ACUITE A4+ (Reaffirmed)
20-Feb-2018	Cash Credit	Long term	8.00	ACUITE BB-/Stable (Assigned)
	Term Loan	Long term	1.60	ACUITE BB-/Stable (Assigned)
	Term Loan	Long term	0.75	ACUITE BB-/Stable (Assigned)
	Letter of Credit	Short term	1.50	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	10.00	ACUITE BB– (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Term Loan	22-April-2018	Not Applicable	28-Mar-2020	0.32	ACUITE BB– (Downgraded from ACUITE BB/Stable) Issuer not co-operating**

Term Loan	18-Feb-2019	28-Feb-2026	Not Available	1.60	ACUITE BB- (Downgraded from ACUITE BB/Stable) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4+ (Indicative) Issuer not co-operating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	0.01	ACUITE BB- (Downgraded from ACUITE BB/Stable) 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 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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