



Press Release
Paxal Corporation
August 19, 2024

Rating Downgraded, Reaffirmed, Withdrawn & Issuer Not Cooperating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Ratings Loan	10.00	ACUITE B Downgraded & Withdrawn Issuer not co-operating*	-
Bank Ratings Loan	11.00	-	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	21.00	-	-

Rating Rationale

Acuite has downgraded and withdrawn its long-term rating to '**ACUITE B**' (read as **ACUITE B**) from '**ACUITE B+**' (read as **ACUITE B plus**) and reaffirmed and withdrawn the short term rating of '**ACUITE A4**' (Read as **ACUITE A four**) on the Rs.21.00 crore bank facilities of Paxal Corporation (PC). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information. The rating is downgraded on account of information risk.

The rating has been withdrawn on Acuite's policy of withdrawal of ratings as applicable to the respective instrument/facility. The rating has been withdrawn on account of the request received from the company, and the NOC(No Objection Certificate) received from the banker.

About the Company

Paxal Corporation established in 1950 by Mr. Baboothmal Bhandari and family, is a Bangalore based partnership firm. The firm is mainly involved in trading of steel products such as sheets, coils and strips, among others. The firm, led by the second generation entrepreneur, Mr. B. Champalal Bhandari, son of Mr. Baboothmal, caters to multiple small traders and manufacturers in Bangalore and some parts of Tamil Nadu. PC imports stainlesssteel from

various suppliers in Malaysia, Spain, Vietnam and China, among others.

Unsupported Rating

Not Applicable

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 the 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.

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 endeavored 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.

Rating Sensitivity

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

Liquidity Position

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

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 17 (Actual)	FY 16 (Actual)
Operating Income	Rs. Cr.	44.72	34.86
PAT	Rs. Cr.	0.82	0.53
PAT Margin	(%)	1.83	1.52
Total Debt/Tangible Net Worth	Times	1.30	1.77
PBDIT/Interest	Times	1.62	1.34

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
02 Feb 2024	Letter of Credit	Short Term	11.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
21 Nov 2022	Cash Credit	Long Term	10.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	11.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
23 Aug 2021	Letter of Credit	Short Term	11.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	10.00	ACUITE B Downgraded & Withdrawn Issuer not co-operating* (from ACUITE B+)
Bank of Maharashtra	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.00	ACUITE A4 Reaffirmed & Withdrawn Issuer not co-operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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