

Press Release

Kritika Wires Limited (KWL)

June 12, 2020



Rating Update

Total Bank Facilities Rated*	Rs. 87.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE BBB/ Stable) Issuer not co-operating*
Short Term Rating	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*

Refer Annexure for details`

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

Acuité has downgraded the long term rating of Kritika Wires Limited to '**ACUITE BB+** (read as Acuité double B plus) from '**ACUITE BBB**' (read as Acuité triple B) and short term rating to **ACUITE A4+** (read as Acuité A four plus) from '**ACUITE A2**' (read as Acuité A two) . The rating downgrade is on account of information risk.

Kritika Wires Limited (Formerly known as Kritika Wires Private Limited) was incorporated in 2006 as a Kolkata based company. The company got listed in National Stock Exchange (NSE) on October 2018. It is promoted by Mr. Naresh Kumar Agarwal and Mr. Hanuman Prasad Agarwal of Kolkata and is engaged in the manufacturing of galvanized and non-galvanized wires. The company has its manufacturing unit in Dhulagarh Industrial Park with an installed capacity of 66200 MTPA. The company caters to state electricity boards such as West Bengal State Electricity Distribution Company Limited (WBSEDCL), Punjab State Power Corporation Limited (PSPCL), Uttar Pradesh Power Corporation Limited (UPPCL), and Gujarat Urja Vikas Nigam Limited (GUVNL) among others. Apart from the government parties, the company also supplies wires to private companies such as Bajaj Wires Private Limited, Lumino Industries Limited (ACUITE A+/Stable/ACUITE A1+), Laser Power & Infra Pvt Ltd (ACUITE A/Stable/ACUITE A1) and etc. The company is also engaged in the export of wires to Bangladesh.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of KWL to arrive at this rating.

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/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.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 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.

About the Rated Entity - Key Financials

	Unit	FY19 (Actual)	FY18 (Actual)
Operating Income	Rs. Cr.	277.08	255.48
PAT	Rs. Cr.	6.75	5.08
PAT Margin	(%)	2.43	1.99
Total Debt/Tangible Net Worth	Times	0.68	1.10
PBDIT/Interest	Times	2.68	2.30

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

Not applicable

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. Crore)	Ratings/Outlook
09-Apr-2019	Cash Credit	Long Term	20.50	ACUITE BBB/Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB/Stable (Reaffirmed)
	Bill Discounting	Short Term	19.00	ACUITE A2 (Reaffirmed)
	Bill Discounting	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Proposed Long Term	Long Term	0.40	ACUITE BBB/Stable (Reaffirmed)
	Bank Guarantee	Short Term	5.50	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	8.50	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	4.50	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	8.60	ACUITE A2 (Reaffirmed)
09-Mar-2018	Cash Credit	Long Term	20.50	ACUITE BBB/Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB/Stable (Assigned)
	Bill Discounting	Short Term	19.00	ACUITE A2 (Assigned)
	Bill Discounting	Short Term	10.00	ACUITE A2 (Assigned)
	Proposed Long Term	Long Term	0.40	ACUITE BBB/Stable (Assigned)
	Bank Guarantee	Short Term	5.50	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	8.50	ACUITE A2 (Assigned)
	Bank Guarantee	Short Term	4.50	ACUITE A2 (Assigned)
	Letter of Credit	Short Term	8.60	ACUITE A2 (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	20.50	ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	19.00	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*
Bill Discounting	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*
Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	0.40	ACUITE BB+ (Downgraded from ACUITE BBB/Stable) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	5.50	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	8.50	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE A4+ (Downgraded from ACUITE A2) Issuer not co-operating*
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	8.60	ACUITE A4+ (Downgraded from ACUITE A2) 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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