

Press Release

Kritika Wires Limited (Erstwhile Kritika Wires Private Limited)

November 22, 2022

Rating Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	30.90	ACUITE BB Reaffirmed Issuer not co-operating*	-
Bank Loan Ratings	56.10	-	ACUITE A4+ Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	87.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long term rating of '**ACUITE BB**' (read as **ACUITE double B**) and reaffirmed the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.87.00 Cr bank facilities of Kritika Wires Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and based on the best available information.

About the Company

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, Laser Power & Infra Pvt Ltd and etc. The company is also engaged in the export of wires to Bangladesh.

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 the due date.

Acuite 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 continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite'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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable.

Other Factors affecting Rating

Not Applicable.

Status of non-cooperation with previous CRA

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.

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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, Acuité 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
24 Aug 2021	Cash Credit	Long Term	20.50	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	8.60	ACUITE A4+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	5.50	ACUITE A4+ (Issuer not co-operating*)
	Bills Discounting	Short Term	19.00	ACUITE A4+ (Issuer not co-operating*)
	Letter of Credit	Short Term	8.50	ACUITE A4+ (Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.40	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	10.00	ACUITE A4+ (Issuer not co-operating*)
12 Jun 2020	Bills Discounting	Short Term	19.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	20.50	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	0.40	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	5.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	8.60	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	10.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Letter of Credit	Short Term	8.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bills Discounting	Short Term	10.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	4.50	ACUITE A4+ (Downgraded and Issuer not co-operating*)
09 Apr 2019	Bills Discounting	Short Term	10.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	5.50	ACUITE A2 (Reaffirmed)
	Proposed Long Term Loan	Long Term	0.40	ACUITE BBB Stable (Reaffirmed)
	Letter of Credit	Short Term	8.60	ACUITE A2 (Reaffirmed)
	Letter of Credit	Short Term	8.50	ACUITE A2 (Reaffirmed)
	Bills Discounting	Short Term	19.00	ACUITE A2 (Reaffirmed)
	Bank Guarantee	Short Term	4.50	ACUITE A2 (Reaffirmed)
	Cash Credit	Long Term	20.50	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	5.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	4.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	19.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE BB Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	20.50	ACUITE BB Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.60	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	8.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	0.40	ACUITE BB Reaffirmed Issuer not co-

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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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