



Press Release
KHANDWALA SECURITIES LIMITED
February 07, 2025
Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.00	ACUITE B Downgraded Issuer not co-operating*	-
Bank Loan Ratings	4.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	10.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

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

Rating Rationale

Acuite has downgraded the long-term rating of ‘ACUITE B+’ (read as ACUITE B plus) to ‘ACUITE B’ (read as ACUITE B) on the Rs. 6.00 crore bank facilities of Khandwala Securities Limited (KSL).

Acuite has reaffirmed the short-term rating of ‘ACUITE A4’ (read as ACUITE A four) on the Rs 4.00 crore bank facilities of Khandwala Securities Limited (KSL).

The rating is now flagged as “Issuer Not-Cooperating” on account of information risk and is based on the best available information.

The rating has been downgraded on account of information risk and the company has not provided latest No Default Statement (NDS) for last 3 months consecutively.

About the Company

Incorporated in 1993, Khandwala Securities Limited (KSL) is a Mumbai based company, engaged in providing capital market products and services such as share broking, investment banking and investment advisory services. The company is led by Mr. Paresh Khandwala, having more than four decades of experience in the industry. KSL is a member of Bombay Stock Exchange (BSE) & National Stock Exchange (NSE), and offers equity, equity derivatives, currency derivatives, NSE debt market, merchant banking and portfolio management services. The equity shares of the company are listed with BSE and NSE. The company is also a category I merchant banker registered with SEBI.

About the Group

Khandwala Securities Limited has an Associate company named Trumonee Financial Limited. This Associate company was incorporated in 2008. The company is engaged in security broking. The registered office of the company is in Mumbai. The present directors of the company are Mr. Paresh Jayantilal Khandwala, Mr. Pranav Paresh Khandwala and Ms. Bhagyashree Pranav Khandwala.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company’s management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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

This rating is based on information available from sources other than the issuer / borrower (in the absence of

information provided by the issuer / borrower) . Acuite endeavoured to gather information about the entity/industry from the public domain. Any rating with the suffix 'Issuer not cooperating' is assigned without any management interaction with the issuer entity or any data / information from the entity. Sometimes this non co-operation by a rated entity may be due to a result of deterioration in the credit risk profile of the entity. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

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	FY24 (Actual)	FY23 (Actual)
Operating Income	8.70	6.26
PAT	0.17	0.44
PAT Margin	2.00	7.08
TOL/Tangible Networth	0.05	0.10
PBDIT/Interest	2.76	3.35

*Operating Income does not include interest on FDs and Other Income

Status of non-cooperation with previous CRA

Not Applicable

Any other information

Not Applicable

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Banks And Financial Institutions: <https://www.acuite.in/view-rating-criteria-45.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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
28 May 2024	Bank Guarantee/Letter of Guarantee	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	6.00	ACUITE B+ Stable (Reaffirmed)
21 Feb 2024	Bank Guarantee/Letter of Guarantee	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	6.00	ACUITE B+ Stable (Reaffirmed)
31 Jul 2023	Bank Guarantee/Letter of Guarantee	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	6.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
18 May 2022	Bank Guarantee/Letter of Guarantee	Short Term	4.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	6.00	ACUITE B Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A4 Reaffirmed Issuer not co-operating*
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE B Downgraded Issuer not co-operating* (from ACUITE B+)

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

***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No.	Company name
1	Khandwala Securities Limited
2	Trumonee Financial Limited

Contacts

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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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