



Press Release

Khandelwal Jewellers (Akola) Private Limited

December 14, 2021

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Rating Action
Bank Facilities- Long Term	24.18	IVR BB+/ INC (IVR Double B Plus with Issuer not cooperating)	Reaffirmed and Moved to Issuer not cooperating category
Proposed Bank Facilities- Long Term/Short Term	0.82	IVR BB+/ INC/ IVR A4+/INC (IVR Double B Plus with Issuer not cooperating and IVR A Four Plus with Issuer not cooperating)	Reaffirmed and Moved to Issuer not cooperating INC category
Total	25.00		

Detailed Rationale

The rating has been reaffirmed and moved to issuer not cooperating category because of lack of adequate information regarding performance of Khandelwal Jewellers (Akola) Private Limited and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company, despite the rating revision.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data including operational details, financial statement, projections results to monitor its assigned rating to the bank facilities, vide multiple E-mail communications (last dated December 09, 2021) and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution



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while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics must assign the rating based on the best available information. Accordingly, the long- term and short-term ratings for the banking facilities of Khandelwal Jewellers (Akola) Private Limited aggregating to Rs. 25.00 crore shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB+, Issuer Not Cooperating, IVR A4+, Issuer Not Cooperating (IVR Double B Plus, Issuer Not Cooperating and IVR A Four Issuer Not Cooperating); Based on best available information.

Analytical Approach & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Companies.

Financial Ratios & Interpretation (Non-financial Sector).

Guidelines on what constitutes Non-Cooperation by clients.

About the company

Khandelwal Jewellers (Akola) Private Limited (KJAPL) is involved in wholesale and retail trading of Gold, Diamond and Platinum Jewellery. KJAPL is promoted by Mr. Nitin M Khandelwal and Mr. Ravindra M Khandelwal, who have a combined experience of around four decades in G&J Industry.

KJAPL has three retail showrooms (two in Akola District and one in Washim District) with one wholesale division and controlling office at 7th Floor, Room No. 718, Jewel World, Cotton Exchange Building, Kalbadevi Road, Mumbai.



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Financials (Standalone):

(Rs. crore)

Particulars	FY20 (P)	FY21 (P)
Total Operating Income	149.67	97.75
PAT	0.65	0.42
Total Debt	24.65	26.43
Tangible Net Worth	10.91	11.40
EBITDA %	3.56	4.75
PAT%	0.44	0.43
Overall gearing Ratio	1.40	1.25

Status of non-cooperation with previous CRA: NIL

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2021-22)			Rating History Date(s) & Rating(s) assigned in 2020-21
		Type	Amount outstanding (Rs. Crore)	Rating	
1.	Working Capital Demand Loan	Long Term	24.18	IVR BB+, INC	IVR BB+, Stable (September 15, 2021)
2.	Proposed Long/ Short Term Banking Facilities	Long Term/ Short Term	0.82	IVR BB+, INC/ A4+/INC	IVR BB+, Stable/ A4+ (September 15, 2021)

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities- Working Capital Demand Loan	-	-	On demand	24.18	IVR BB+/ INC
Proposed Bank Facilities- Long Term/Short Term	-	-	-	0.82	IVR BB+/ INC, IVR A4+/INC

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Khandelwal-Jewellers-lenders-dec21.pdf>

Annexure 3: List of companies considered for consolidated analysis: NA



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Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 5: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1	Working Capital Demand Loan	Simple
2	Proposed Bank Facilities- Long Term/Short Term	Simple

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.