



## Rating Rationale

### Khurana Oleo Chemicals

21 Oct 2019

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹17.86 Crore of Khurana Oleo Chemicals based on best available information, as the issuer did not cooperate. Accordingly the rating for the said instrument is as under

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (Feb 2015)	Present
Fund based	17.86	17.86	Long Term	BWR BBB- (Pronounced as BWR Triple B Minus) Outlook: Stable	Issuer did not cooperate BWR BB+ (Pronounced as BWR Double B Plus) Outlook: Stable Downgraded
Non Fund Based	(2.00)	(2.00)	Short Term	BWR A3 (Pronounced as BWR A Three)	Issuer did not cooperate BWR A4+ (Pronounced as BWR A Four Plus) Downgraded
<b>Total</b>	<b>17.86</b>	<b>17.86</b>	<b>INR Seventeen Crores and Eighty Six Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Issuer did not cooperate; based on best available information

#### Ratings: Downgraded

##### Nature of Non-co-operation:

The rating was due for a review in Feb 2016. BWR took up with the issuer to provide required information over emails. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the Firm, BWR is unable to assess the Firm's financial performance and its ability to service its debt and maintain a valid rating.

##### Limitations of the rating:

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

**About the Firm (Information as available in Feb 2015)**

Khurana Oleo Chemicals (KOC) is partnership Firm established in 2003 and started commercial operation in 2004, under the leadership of Mr. Vinod Khurana. The Firm’s manufacturing unit is located at Amritsar, Punjab with a built-up area of 9.5 Bhiga. KOC is engaged in manufacturing of chemicals like Linear Alkyl Benzene Sulphonic Acid, Alpha Olefin Sulphonate, Sodium Lauryl Sulphate and Sodium Lauryl Ether Sulphate. The Firm has added new production unit ~10 Kms from the current unit which started operations in March, 14. The Firm enjoys fiscal benefits such as exemption from Central Excise Tax and rebate on Central Sales Tax. It procures raw materials from local and international suppliers. The combined manufacturing capacity of both the units is 6.5 MT/hour and current capacity utilization is reportedly 3.7 MT/hour. It has a sister concern namely “MRZ Motors” which is an authorized dealer of Honda Motor and Scooters India Pvt Ltd in Amritsar.

**Rating History**

S.No	Facility	Current Rating (2019)			Rating History			
		Type	Amount (₹ Cr)	Rating^	2018	2017	2016	3.02.2015
1.	Fund Based	Long Term	17.86	Issuer did not cooperate BWR BB+ (Pronounced as BWR Double B Plus) Outlook: Stable Downgraded	Not Rated			BWR BBB- (Pronounced as BWR Triple B Minus) Outlook: Stable
2.	Non Fund Based	Short Term	(2.00)	Issuer did not cooperate BWR A4+ (Pronounced as BWR A Four Plus) Downgraded				BWR A3 (Pronounced as BWr A Three)
<b>Total</b>			<b>17.86</b>	<b>INR Seventeen Crores and Eighty Six Lakhs Only</b>				

^Issuer did not cooperate; based on best available information

**Status of non-cooperation with previous CRA: Not Known**

**Any other information: Not Available**

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain [hyperlinks](#) from website

**Khurana Oleo Chemicals**  
**Annexure I**

Particulars	Units	2014 (Audited)	2013 (Audited)
Net Sales/Revenues	₹ Cr	27.71	28.05
EBIDTA	₹ Cr	3.20	3.67
PAT	₹ Cr	0.12	2.18
Tangible Net worth	₹ Cr	19.70	20.42
Total Debt : TNW	Times	1.05	0.33
Current Ratio	Times	1.03	1.83

*Note: As per the information available with BWR*

<b>Analytical Contacts</b>	<b>Investor Contacts</b>
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<p><b>K S Nagaraj</b> Associate Director - Ratings B :+91 80 4040 9940 <a href="mailto:nagaraj.ks@brickworkratings.com">nagaraj.ks@brickworkratings.com</a></p> <p><b>Dimple Bhut</b> Ratings Analyst B :+91 80 4040 9940 Ext :334 <a href="mailto:dimple.b@brickworkratings.com">dimple.b@brickworkratings.com</a></p>	<p>Liena Thakur Assistant Vice President - Corporate Communications  +91 84339 94686  <a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p>
<b>1-860-425-2742</b>	

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