

July 09, 2015

Facility	Amount (Rs. Crore)	Rating
Cash Credit	9.50	SMERA BB+/Stable (Assigned)

SMERA has assigned a rating of '**SMERA BB+**' (read as **SMERA double B plus**) to the above mentioned bank facility of D Gem Mount (DGM). The outlook is '**Stable**'. The rating derives comfort from the firm's healthy financial profile especially interest coverage, healthy profitability and experienced management. However, the rating is constrained by the firm's moderate scale of operations, intense market competition and volatility in raw material prices.

Outlook: Stable

SMERA believes that DGM would continue to derive benefit from the rich industry experience of the promoters and established operational track record of the firm. The outlook maybe revised to 'Positive' in case of increase in cash accruals with improvement in the firm's effective working capital management. Conversely, the outlook maybe revised to 'Negative' in case of stretch in working capital management and deterioration of financial profile.

About the Company

Established in 2007, D Gem Mount (DGM) is a partnership firm engaged in the manufacture of diamond studded jewellery. The partners of the firm are Mr. Visvanathan and Mr. K. Selvam .

For FY2013-14, DGM reported PAT of Rs. 2.01 crores on operating income of Rs. 53.80 crores as compared with PAT of Rs. 2.05 crores on operating income of Rs. 54.78 crores for FY2012-13. For FY2013-14 (provisional financials), Company reported PAT of Rs. 2.19 crores on operating income of Rs. 57.03 crores.

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