

Press Release

Abhilasha Jewellers Private Limited

December 22, 2022



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	61.82	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	3.18	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	65.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and reaffirmed the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.65.00 Cr. bank facilities of Abhilasha Jewellers Private Limited (AJPL). The rating is now be flagged as "Issuer Not Cooperating" and is based on the best available information. The rating has been downgraded on account of information risk.

About the Company

Chennai-based Abhilasha Jewellers Private Limited (AJPL) was incorporated in 2003 by Mr. Prakash Chand Jain and Mr. Abhilash Kumar Mutha. The company is engaged in the manufacturing and wholesale of gold, silver and diamond jewellery in domestic and export markets. Further, AJPL also undertakes job work for Tanishq and Reliance.

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 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 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). Acuite endeavored to gather information about the entity / industry from the public domain. Therefore, Acuite 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.

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

Key Financials:

Particulars	Unit	FY21 (Provisional)	FY20 (Actual)
Operating Income	Rs. Cr.	99.16	154.67
PAT	Rs. Cr.	0.12	0.53
PAT Margin	(%)	0.13	0.34
Total Debt/Tangible Net Worth	Times	1.47	1.36
PBDIT/Interest	Times	1.04	1.13

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

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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
29 Sep 2021	Bank Guarantee	Short Term	3.18	ACUITE A4 (Downgraded from ACUITE A4+)
	Working Capital Term Loan	Long Term	11.57	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	50.25	ACUITE BB- Stable (Downgraded from ACUITE BB)

16 Aug 2021	Cash Credit	Long Term	58.00	ACUITE BB (Issuer not co-operating*)
	Bank Guarantee	Short Term	3.42	ACUITE A4+ (Issuer not co-operating*)
02 Jun 2020	Bank Guarantee	Short Term	3.42	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	58.00	ACUITE BB Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	23.58	ACUITE BB (Withdrawn)
07 May 2020	Proposed Bank Facility	Long Term	23.58	ACUITE BB Stable (Downgraded from ACUITE BB+ Negative)
	Cash Credit	Long Term	58.00	ACUITE BB Stable (Downgraded from ACUITE BB+ Negative)
	Bank Guarantee	Short Term	3.42	ACUITE A4+ (Assigned)
28 Mar 2019	Proposed Bank Facility	Long Term	5.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB Stable)
	Cash Credit	Long Term	80.00	ACUITE BB+ Negative (Downgraded from ACUITE BBB Stable)

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	3.18	ACUITE A4 Reaffirmed Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	50.25	ACUITE B+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Covid Emergency Line.	Dec 1 2020 12:00AM	7.95	Jan 31 2025 12:00AM	Simple	11.57	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

Analytical	Rating Desk
<p>Pooja Ghosh Vice President-Rating Operations Tel: 022-49294041 pooja.ghosh@acuite.in</p> <p>Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in</p>	<p>Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in</p>

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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.