

Press Release

Prakash Gold Palace Private Limited

August 12, 2021

Rating Downgraded



Total Bank Facilities Rated*	Rs.250.00 crore#
Long Term Rating	ACUITE D (Downgraded from ACUITE BB/Stable) Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE D' (read as ACUITE 'D')** from '**ACUITE BB' (read as ACUITE double 'B')**' on the Rs.250.00 crore bank facilities of Prakash Gold Palace Private Limited (PGPPL). The rating is flagged as "Issuer Not-Cooperating" and is based on the best available information.

Rationale for revision of ratings

The revision of ratings takes into account the continuous overdrawals of the cash credit account for more than 30 days and company's inability to service the bank obligations.

About the Company

The Chennai-based PGPPL was established in 1980, as a proprietorship concern by Mr. Prakash Chand Jain. Later in 1998 the constitution was changed to private limited. Mr. Mukesh Kumar Jain joined as Additional Director. The company is engaged in the manufacturing, wholesale, retail and exports of gold, silver and diamond jewellery.

Non-cooperation by the issuer/borrower

Acuité 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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with an 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.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-53.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

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). Acuité has endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
02 June, 2020	Cash Credit	Long Term	185.00	ACUITE BB/ Stable (Reaffirmed)
	Export Packing Credit	Long Term	40.00	ACUITE BB/ Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BB/ Stable (Reaffirmed)
	Proposed fund based facility	Long Term	162.50	ACUITE BB (Withdrawn)
07 May, 2020	Cash Credit	Long Term	262.50	ACUITE BB/ Stable (Downgraded)
	Export Packing Credit	Long Term	75.00	ACUITE BB/ Stable (Downgraded)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BB/ Stable (Downgraded)
	Proposed fund based facility	Long Term	62.50	ACUITE BB/ Stable (Downgraded)
28 March, 2019	Cash Credit	Long Term	262.50	ACUITE BB+/ Negative (Downgraded)
	Export Packing Credit	Long Term	75.00	ACUITE BB+/ Negative (Downgraded)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BB+/ Negative (Downgraded)
	Proposed fund based facility	Long Term	62.50	ACUITE BB+/ Negative (Downgraded)
22 February, 2018	Cash Credit	Long Term	262.50	ACUITE BBB/ Stable (Reaffirmed)
	Export Packing Credit	Long Term	75.00	ACUITE BBB/ Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	25.00	ACUITE BBB/ Stable (Reaffirmed)
	Proposed fund based facility	Long Term	62.50	ACUITE BBB/ Stable (Reaffirmed)

***Annexure – Details of instruments rated**

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
State Bank of India	Cash Credit	Not Applicable	Not Applicable	Not Applicable	185.00#	ACUITE D (Downgraded; Issuer not co-operating*)
State Bank of India	Export Packing Credit	Not Applicable	Not Applicable	Not Applicable	40.00	ACUITE D (Downgraded; Issuer not co-operating*)
State Bank of India	Working Capital Demand Loan	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE D (Downgraded; Issuer not co-operating*)

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

#Consortium limits which includes 100% interchangeability with Metal Loan, Working capital demand loan, Export Packing credit.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,000 credit 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 Mumbai.

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