



SMERA RATINGS LIMITED

# Gold Star Centoquattro Jewellery Private Limited (GSCJPL)

## Rating Rationale

**July 23, 2015**

Facilities	Amount (Rs. Crore)	Rating
Export Packing Credit/Post Shipment Credit	8.00	SMERA A3 (Assigned)

SMERA has assigned a short-term rating of '**SMERA A3**' (read as **SMERA A three**) to the Rs.8.00 crore bank facilities of Gold Star Centoquattro Jewellery Private Limited (GSCJPL).

The rating derives comfort from the company's experienced management and moderate financial risk profile. However the rating is constrained by the company's small-scale operations coupled with customer concentration risk. The rating is also constrained by the company's working capital-intensive operations. The rating notes that the company's business is exposed to foreign exchange fluctuation risk.

### About the Group

Incorporated in 2008, GSCJPL is a joint venture between Shah Family (promoters of the Gold Star Group), and Gypsophilis Limited (Italian jewellery manufacturing company). The ratio of the joint venture is 67:33. GSCJPL manufactures plain gold and diamond-studded jewellery. The company is a 100% Export Oriented Unit (EOU) catering to customers in European markets like UK (Great Britain), Italy, France, Germany and Spain.

For FY2014-15 (provisional), GSCJPL reported profit before tax (PBT) of Rs.3.04 crore on operating income of Rs.74.03 crore, as compared with profit after tax (PAT) of Rs.1.59 crore on operating income of Rs.60.73 crore in the previous year. The company's net worth stood at Rs.10.58 crore (provisional) as on March 31, 2015, as compared with Rs.7.53 crore a year earlier.

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