

Press Release

Gold Star Centoquattro Jewellery Private Limited

February 11, 2019

Rating Downgraded & Withdrawn



Total Instruments Rated*	Rs.8.00 Cr.
Short Term Rating	ACUITE A4+ (Downgraded & Withdrawn)

* Refer Annexure for details

Rating Rationale

Acuite has downgraded and withdrawn the short term rating to **'ACUITE A4+' (read as ACUITE A four plus)** from **'ACUITE A3' (read as ACUITE A three)** to the Rs. 8.00 crore bank facilities of Gold Star Centoquattro Jewellery Private Limited (GSCJPL). The rating withdrawal is in accordance with the Acuite's 'policy on withdrawal of rating'.

The rating is being downgraded & withdrawn on account of request received from the company and NOC received from the banker. The rating has been downgraded on account of significant deterioration in operating income and EBITDA losses incurred by GSCJPL. The operating income stood at Rs.31.38 crore in FY2018 as against Rs.90.32 crore in FY2017. The company has incurred EBITDA loss of Rs.4.25 crore in FY2018 as against EBITDA of Rs.5.79 crore in the previous year. The Gross Current Asset (GCA) has also been deteriorated to 251 days for FY2018 as against 156 days in the previous year.

GSCJPL is part of the Gold Star group, an established player in the gold and diamond jewellery business. The group comprises Gold Star Jewellery Private Limited (GSJPL), Gold Star Diamond Private Limited (GSDPL) and GSCJPL.

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of GSCJPL.

About the Rated Entity Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	31.38	90.32	79.47
EBITDA	Rs. Cr.	(4.25)	5.79	5.31
PAT	Rs. Cr.	(3.29)	3.30	3.09
EBITDA Margin	(%)	(13.55)	6.41	6.69
PAT Margin	(%)	(10.48)	3.65	3.88
ROCE	(%)	(6.40)	18.97	18.51
Total Debt/Tangible Net Worth	Times	0.69	0.87	1.06
PBDIT/Interest	Times	(0.76)	3.95	3.88
Total Debt/PBDIT	Times	(7.10)	2.41	2.54
Gross Current Assets (Days)	Days	251	156	205

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

None

Any other information

None

Applicable Criteria

- Manufacturing entities-<https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios and Adjustments: <https://www.acuite.in/view-rating-criteria-20.htm>
- Default Recognition:<https://www.acuite.in/view-rating-criteria-17.htm>

Note on complexity levels of the rated instrument
<https://www.acuite.in/criteria-complexity-levels.htm>
Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
28-Dec-17	Export Packing Credit/ Packing Credit Foreign Currency/ Post Shipment Credit/ Bullion Loan	Short term	8.00	ACUITE A3 (Reaffirmed)
	Proposed Export Packing Credit/ Post Shipment Credit	Short term	22.00	ACUITE A3 (Withdrawn)
25-Oct-16	Bullion Loan	Short term	8.00 [^]	ACUITE A3 (Reaffirmed)
	Export Packing Credit/ Packing Credit Foreign Currency/ Post Shipment Credit	Short term	6.59 [^]	ACUITE A3 (Reaffirmed)
	Proposed Export Packing Credit/ Post Shipment Credit	Short term	22.00	ACUITE A3 (Assigned)
23-July-15	Export Packing Credit/ Post Shipment Credit	Short term	8.00	ACUITE A3 (Assigned)

[^]Maximum utilisation of Rs. 8.00 crore between bullion loan and EPC

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Bullion Loan	Not Applicable	Not Applicable	Not Applicable	8.00 [^]	ACUITE A4+ (Downgraded & Withdrawn)
Export Packing Credit/ Packing Credit Foreign Currency/ Post Shipment Credit	Not Applicable	Not Applicable	Not Applicable	6.59 [^]	ACUITE A4+ (Downgraded & Withdrawn)

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Head - Corporate and Infrastructure Sector Ratings Tel: 022-49294041 aditya.gupta@acuite.in</p> <p>Kashish Shah Senior Analyst - Rating Operations Tel: 022-49294031 kashish.shah@acuite.in</p>	<p>Varsha Bist Manager - Rating Desk Tel: 022-67141160 rating.desk@acuite.in</p>

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (erstwhile SMERA Ratings 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 6,000 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.

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. Acuité ratings 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. Acuité ratings 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