

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Rating Downgraded & Withdrawn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Short Term Rating	ACUITE A4+ (Downgraded & Withdrawn)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

Acuité has downgraded and withdrawn the short term rating to '**ACUITE A4+** (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) to the Rs. 8.00 crore bank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 Acuité'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The rating is being downgraded & withdrawn on account of request received from the company and NOC received from the banker.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

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

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.

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