

Press Release

Shilpi Jewellers Private Limited

May 18, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	63.00	ACUITE B+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	7.00	-	ACUITE A4 Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	70.00	-	-
Total Withdrawn Quantum (Rs.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 downgraded the short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 70.00 crore bank facilities of Shilpi Jewellers Private Limited (SJPL). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

The Mumbai-based SJPL, a proprietorship firm (Shilpi Jewellers) established in 1988 was converted to a private limited company in 2008. The company, a manufacturer and wholesaler of gold, silver and diamond jewellery, caters to retailers across India. It recently set up a processing unit at Ghatkopar in Mumbai (Maharashtra). The day-to-day operations are managed by Mr. Padam Soni and his two nephews, Mr. Pramod Mehta and Mr. Rajneesh Mehta.

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 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 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 has endeavoured 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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

"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

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

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

Note on Complexity Levels of the Rated Instrument

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
17 Feb 2021	Cash Credit	Long Term	50.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	4.40	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	6.60	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
10 Dec 2019	Cash Credit	Long Term	2.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	50.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	6.60	ACUITE BB (Downgraded and Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A4+ (Downgraded and Issuer not co-operating*)
	Proposed Cash Credit	Long Term	4.40	ACUITE BB (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	50.00	ACUITE BBB- (Issuer not co-operating*)
	Term Loan	Long Term	6.60	ACUITE BBB- (Issuer not co-operating*)

08 Mar 2019	Bank Guarantee	Short Term	7.00	ACUITE A3 (Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BBB- (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	4.40	ACUITE BBB- (Issuer not co-operating*)
10 Jan 2018	Cash Credit	Long Term	50.00	ACUITE BBB- (Issuer not co-operating*)
	Term Loan	Long Term	6.60	ACUITE BBB- (Issuer not co-operating*)
	Cash Credit	Long Term	2.00	ACUITE BBB- (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.00	ACUITE A3 (Issuer not co-operating*)
	Proposed Cash Credit	Long Term	4.40	ACUITE BBB- (Issuer not co-operating*)
06 Oct 2016	Cash Credit	Long Term	50.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	6.60	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE BBB- Stable (Reaffirmed)
	Bank Guarantee	Short Term	7.00	ACUITE A3 (Reaffirmed)
	Proposed Cash Credit	Long Term	4.40	ACUITE BBB- Stable (Reaffirmed)
31 Aug 2015	Cash Credit	Long Term	42.00	ACUITE BBB- Stable (Assigned)
		Long		
	Term Loan	Term	8.80	ACUITE BBB- Stable (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A3 (Assigned)
	Proposed Cash Credit	Long Term	17.20	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Kotak Mahindra Bank	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	7.00	ACUITE A4 Downgraded Issuer not co-operating*
Karur Vysya Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE B+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.40	ACUITE B+ Downgraded Issuer not co-operating*
Kotak Mahindra Bank	Not Applicable	Term Loan	Not available	Not available	Not available	6.60	ACUITE B+ Downgraded Issuer not co-operating*

Contacts

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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.

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