



## Press Release

Swaminarayan Diamonds Private Limited

June 07, 2024

Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	38.00	ACUITE C   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	38.00	-	-

## Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE B+**' (read as **ACUITE B Plus**) on the Rs.38.00 crore bank facilities of Swaminarayan Diamonds Private Limited (SDPL). This rating is now an indicative rating and is based on best available information. The downgrade is on account of information risk.

## About the Company

Swaminarayan Diamonds Private Limited, incorporated in 2012, is a Mumbai-based company promoted by Mr. Deepak Patel and Ms. Sweta Patel which is engaged in the bulk trading and processing of rough, cut, and polished diamonds for retailers.

## Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. Acuite believes that information risk is a critical component in such ratings, and non co-operation by the issuer along with 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 endeavored 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.

### **Rating Sensitivities**

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

### **Liquidity Position**

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

**Outlook: Not Applicable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	220.25	275.93
PAT	Rs. Cr.	0.44	0.46
PAT Margin	(%)	0.20	0.17
Total Debt/Tangible Net Worth	Times	2.30	2.81
PBDIT/Interest	Times	1.11	1.13

## Status of non-cooperation with previous CRA

Not Applicable

## Any other information

None

## Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Trading Entity: <https://www.acuite.in/view-rating-criteria-61.htm>

## Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Mar 2024	Cash Credit	Long Term	38.00	ACUITE B+   Stable (Reaffirmed)
22 Nov 2023	Cash Credit	Long Term	38.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-   Stable)
30 Aug 2022	Cash Credit	Long Term	38.00	ACUITE BB-   Stable (Upgraded from ACUITE B+)
24 Jan 2022	Cash Credit	Long Term	38.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-   Stable)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Complexity Level</b>	<b>Quantum (Rs. Cr.)</b>	<b>Rating</b>
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	38.00	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE B+ )

## 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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