

## Press Release

### Kakadiam

June 11, 2019

### Rating Update



<b>Total Bank Facilities Rated*</b>	Rs. 9.50 Cr. #
<b>Long Term Rating</b>	ACUITE BB Issuer not co-operating*

#Refer Annexure for details

\*The issuer did not co-operate; based on best available information.

### Rating Rationale

Acuite has reviewed the long-term rating of '**ACUITEBB**' (read as **ACUITEdouble B**) on the Rs. 9.50 crore bank facilities of Kakadiam. This rating is now an indicative rating and is based on best available information.

Kakadiam was established as a partnership firm by Kakadiya family in Surat, Gujarat. The firm is engaged in trading of diamonds in the "Small Diamond Market". The firm imports rough diamonds from Belgium and Dubai and then goes for cleaving, polishing, assortment, loting process and finally makes the finished product. In domestic market sales are made in places like Mumbai and Surat. The management of Kakadiam has experience of about a decade in the given line of business. Mr. Pravinbhai K. Kakadiya, the founder of the firm has worked in diamond field since 2000.

**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 due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

### Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-17.htm>
- Trading Entities- <https://www.acuite.in/view-rating-criteria-6.htm>

**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 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

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	193.01	118.67	92.30
EBITDA	Rs. Cr.	4.36	2.52	2.45
PAT	Rs. Cr.	2.02	1.07	0.59
EBITDA Margin	(%)	2.26	2.12	2.66
PAT Margin	(%)	1.05	0.90	0.64
ROCE	(%)	11.70	8.90	13.06
Total Debt/Tangible Net Worth	Times	0.73	0.60	0.39
PBDIT/Interest	Times	3.38	2.88	1.89
Total Debt/PBDIT	Times	3.04	3.73	2.12
Gross Current Assets (Days)	Days	152	188	163

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

None

**Any other information**

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

**Rating History (Upto last three years)**

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
21-Mar-18	Cash Credit	Long Term	7.50	ACUITE BB/Stable (Reaffirmed)
	Term Loan	Long Term	1.33	ACUITE BB/Stable (Reaffirmed)
	Proposed Working Capital Loan	Long Term	0.67	ACUITE BB/Stable (Reaffirmed)
28-Dec-16	Cash Credit	Long Term	7.50	ACUITE BB/Stable (Assigned)
	Term Loan	Long Term	1.33	ACUITE BB/Stable (Assigned)
	Proposed Working Capital Loan	Long Term	0.67	ACUITE BB/Stable (Assigned)

**\*Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE BB Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	1.33	ACUITE BB Issuer not co-operating*
Proposed Working Capital Loan	Not Applicable	Not Applicable	Not Applicable	0.67	ACUITE BB Issuer not co-operating*

\*The issuer did not co-operate; based on best available information.

**Contacts**

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel:022-49294041 <a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a>  Kashish Shah Senior Analyst - Rating Operations Tel: 022-49294042 <a href="mailto:kashish.shah@acuite.in">kashish.shah@acuite.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-49294021 <a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a>

**About Acuite Ratings & Research:**

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