

Press Release

22 March, 2017

Shreyanshu Impex

Rating Assigned

Total Bank Facilities Rated *	Rs. 150.00 Cr.
Short Term Rating	SMERA A4

Refer Annexure for details

Rating Rationale

SMERA has assigned short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs. 150.00 crore bank facilities of Shreyanshu Impex.

Shreyanshu Impex (SI) was established in 2011 by Mr. Ashwinbhai L. Viradiya and Mr. Harenbhai L. Viradiya. The partners possess a decade of experience in the gems and jewellery industry. The firm manufactures and trades in gold, silver and diamond jewellery. SI imports raw material - diamond, gems, silver etc from Hong Kong, Italy, Malaysia and exports to Singapore, Hong Kong and several European countries.

Key Rating Drivers

Strengths

- **Experienced promoters**

Shreyanshu Impex was established in 2011 by Mr. Ashwinbhai L. Viradiya and Mr. Harenbhai L. Viradiya. The promoters possess extensive experience of over a decade in the manufacturing and trading of jewellery.

Weaknesses

- **Fragmented and competitive industry**

SI operates in a highly fragmented and competitive gems and jewellery industry.

- **Working capital intensive operations and stressed liquidity**

SI's operations are working capital intensive marked by high GCA of 267 days in FY2015-16 as compared to 329 days in FY2014-15. This is owing to high debtor days of 241 in FY2015-16 as compared to 229 days in FY2014-15.

- **Below average financial risk profile**

SI has below average financial risk profile marked by negative networth of Rs.(4.71) cr as on 31 March 2016. The Interest coverage ratio stood low at 0.90 times in FY2015-16 as compared to 0.98 times in FY2014-15. The RoCE of the firm stood low at 4.62 percent as on 31 March 2016.

Analytical Approach

SMERA has considered the standalone financial and business risk profiles of the firm.

About the Rated Entity - Key Financials

For FY2015-16, SI registered loss after tax of Rs.(0.97) cr on operating income of Rs.337.23 cr as against loss after tax of Rs.(0.01) cr on operating income of Rs.273.52 cr in FY2014-15. The networth of the firm stood at Rs.(4.71) cr as on 31 March 2016 as compared to Rs.(0.68) cr as on 31 March 2015.

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	150.00	SMERA A4

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ABOUT SMERA

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