

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

Note on complexity levels of the rated instrument

<https://www.smerra.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

Contacts:

Analytical	Rating Desk
Vinayak Nayak, Head – Ratings Operations, SMERA Bond Ratings Tel: 022-67141190 Email: vinayak.nayak@smerra.in	Varsha Bist, Sr. Executive Tel: 022-67141160 Email: varsha.bist@smerra.in
Vishal Choudhary Rating Analyst Tel: 022-67141159 vishal.choudhary@smerra.in	

ABOUT SMERA

SMERA Ratings Limited is a joint initiative of SIDBI, Dun & Bradstreet Information Services India Private Limited (D&B) and leading public and private sector banks in India. SMERA is registered with SEBI as a Credit Rating Agency and accredited by Reserve Bank of India. For more details please visit www.smerra.in.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smerra.in) for the latest information on any instrument rated by SMERA.