

Press Release

Blue Star Diamonds Private Limited

December 10, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 660.00 Cr. #
Long Term Rating	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*

Refer Annexure for details

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

Acuité has downgraded the long term rating of Blue Star Diamonds Private Limited (BSDPL) to '**ACUITE BB+** (read as **ACUITE double B plus**) from '**ACUITE A-**' (read as **ACUITE A minus**). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

BSDPL, a partnership firm established in 1966 by Mr. Vasantlal Mehta, was reconstituted as a closely held company in 2008. The flagship entity of the Blue Star Group, the company is engaged in the business of cutting and polishing diamonds. The operations are managed by the second generation promoters - Mr. Akshay Mehta, Mr. Anuj Mehta and Mr. Ashit Mehta. While Mr Ashit M was instrumental in setting up the rough division in Antwerp in 1981 by the name M/s Arjav Diamonds NV, his elder brothers, Mr. Akshay M and Mr. Anuj M focused on the manufacturing and polishing operations to cater to national and international clients.

BSDPL has been a Diamond Trading Company (DTC) sight holder since 1994 apart from being a consistent buyer from other players since 2009.

Non-cooperation by the issuer/borrower

Acuité 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.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité 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.

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

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
28-Feb-2019	Packing Credit	Long Term	610.00	ACUITE A- (Indicative)
	Proposed Long Term	Long Term	50.00	ACUITE A- (Indicative)
06-Dec-2017	Packing Credit	Long Term	610.00	ACUITE A- / Stable (Assigned)
	Proposed Long Term	Long Term	50.00	ACUITE A- / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Packing Credit	Not Applicable	Not Applicable	Not Applicable	610.00	ACUITE BB+ (Downgraded from ACUITE A-) Issuer not co-operating*
Proposed Long Term	Not Applicable	Not Applicable	Not Applicable	50.00	ACUITE BB+ (Downgraded from ACUITE A-) 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 Ratings Tel: 022-49294041 aditya.gupta@acuite.in Kashish Shah Senior Analyst - Rating Operations Tel: 022-49294042 kashish.shah@acuite.in	Varsha Bist Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

Disclaimer: An Acuité 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. Acuité 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, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité 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. Acuité 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.acuite.in) for the latest information on any instrument rated by Acuité.