

Press Release

Blue Star Diamonds Private Limited

December 22, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	660.00	ACUITE C Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	660.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

*The issuer did not co-operate;

Based on best available information Acuite has downgraded its long term rating to '**ACUITE C (read as ACUITE C)**' from '**ACUITE BB- (read as ACUITE double B minus)**' on the Rs.660.00 crore bank facilities of Blue Star Diamonds Private Limited.

The rating continues to be flagged as "Issuer Not-Cooperating". The downgrade is on the basis that the company has ongoing delays in debt servicing as recognized from publicly available information.

About the Company

Blue Star Diamonds Private Limited

Maharashtra based – Blue Star Diamonds Private Limited, 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:

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

This rating continues to be flagged as "Issuer notcooperating", 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, 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.

Rating Sensitivity

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

Material Covenants

None

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

Infomerics vide its press release dated Dec 19, 2022 had downgraded the rating of BSDPL as 'IVR D'.

Any other information

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

Applicable Criteria

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

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 May 2022	Packing Credit	Long Term	610.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	50.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
15 Feb	Packing Credit	Long Term	610.00	ACUITE BB (Downgraded and Issuer not co-operating*)

2021	Proposed Long Term Loan	Long Term	50.00	ACUITE BB (Downgraded and Issuer not co-operating*)
10 Dec 2019	Packing Credit	Long Term	610.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	50.00	ACUITE BB+ (Downgraded and Issuer not co-operating*)
28 Feb 2019	Packing Credit	Long Term	610.00	ACUITE A- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	50.00	ACUITE A- (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Indusind Bank Ltd	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	610.00	ACUITE C Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE C Downgraded Issuer not co-operating*

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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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