



Press Release

LAKSHMI SILVER

March 28, 2019

Rating Update

Total Bank Facilities Rated*	Rs. 5.00 Cr. #
Long Term Rating	ACUITE BB Issuer not co-operating*

Refer Annexure for details

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

Acuite has reviewed long-term rating of „**ACUITE BB**“ (read as **ACUITE double B**) on the Rs. 5.00 crore bank facilities of LAKSHMI SILVER (LS). This rating is now an indicative rating and is based on best available information.

LS, a Pondicherry based partnership firm is part of the PSLJ group. The firm, established in 2013 by Mr. K. Nagarajan, Mr. N. Naveen Baalaji and Ms. N. Sukanya is engaged in the retail trade of silver jewellery through its showroom at Kasakadai Street, Pondicherry.

The PSLJ group constitutes three partnership firms - Pondicherry Sri Lakshmi Jewellers (PSLJ), LS and Lakshmi Sovrn alongwith Pondicherry Sri Lakshmi Jewellers Private Limited (PSLJPL). LS and Lakshmi Sovrn were established in 2013. Subsequently, PSLJPL was incorporated in 2014 with commercial operations commencing in August, 2017. PSLJ took over the operations of Lakshmi Sovrn in FY2017-18. The group is engaged in the retailing of jewellery - gold, silver, diamond and platinum with operations spread across Pondicherry, Karaikal, Neyveli and Chidambaram

Analytical Approach

Acuite has considered the consolidated business and financial risk profile of Pondicherry Sri Lakshmi Jewellers (PSLJ), Lakshmi Silver (LS), Lakshmi Sovrn and Pondicherry Sri Lakshmi Jewellers Private Limited (PSLJPL). The consolidation is due to the common management, shared brand name, and financial synergies within the group. The operations in Lakshmi Sovrn were discontinued in April, 2017 and moved to PSLJ in FY2017-18. Extent of Consolidation: Full.

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/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>
- Consolidation Of Companies - <https://www.acuite.in/view-rating-criteria-22.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.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 (Consolidated)

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	322.03	511.59	377.11
EBITDA	Rs. Cr.	18.30	20.14	21.80
PAT	Rs. Cr.	4.47	3.47	4.83
EBITDA Margin	(%)	5.68	3.94	5.78
PAT Margin	(%)	1.39	0.68	1.28
ROCE (%)	(%)	9.51	8.65	9.03
Total Debt/Tangible Net Worth	Times	0.39	0.94	1.13
PBDIT/Interest	Times	1.42	1.28	1.39
Total Debt/PBDIT	Times	2.29	5.10	5.70
Gross Current Assets	Days	203	203	298

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

Not Applicable

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
29-Jan-2018	Cash Credit	Long Term	5.00	ACUITE BB / Stable

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB Issuer not co-operating*

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

Contacts

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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.

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