

Press Release
JAIPUR JEWELS GLOBAL LIMITED
July 05, 2023



Rating Downgraded, Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Ra
Bank Loan Ratings	34.00	ACUITE C Downgraded Issuer not co-operating*	-
Bank Loan Ratings	35.00	-	ACUITE A4 Reaffirmed Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	69.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to 'ACUITE C' (read as ACUITE C)' from 'ACUITE B+' (read as ACUITE B plus) on bank facilities of Rs 34.00 cr. and reaffirmed the short term rating is 'ACUITE A4' (read as ACUITE A four) on bank facilities of Rs 35.00 Cr of Jaipur Jewels Global Limited. The rating continues to be flagged as "Issue Not Cooperating", and is based on the best available information.

The downgrade is on account of delays in servicing of debt obligations as informed by the banker.

About the Company

Mumbai based Jaipur Jewels Global Limited (JJGL) was incorporated in 2012. The company is engaged in the business of processing, trading and export of all kinds of precious and semiprecious stones including diamonds and pearls, Jewellery and ornaments under the brand name 'Jaipur Jewels'. The company operations are managed by Mr. Amit Subhash Naheta, Mr. Vineet Subhash Naheta, Mr. Subhash Milapchand Naheta and Mr. Amish Manekchand Jhaveri. JJGL has two showrooms located at Nepean Sea Road in Mumbai (1000 sq. feet) and Sunder Nagar Market in New Delhi (1700 sq. feet). It also has its own design studio located at grant road in Mumbai (Maharashtra). The company has also started franchise store in Varanasi (3000 sq. feet) and is in process of launching online store.

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 the 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 is flagged as "Issuer not-cooperating", 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, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

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

Not Applicable

Key Financials

Particulars	Unit	FY 20 (Actual)	FY 19 (Actual)
Operating Income	Rs. Cr.	241.94	290.28
PAT	Rs. Cr.	1.87	5.07
PAT Margin	(%)	0.77	1.75
Total Debt/Tangible Net Worth	Times	3.23	3.15
PBDIT/Interest	Times	1.45	2.01

Status of non-cooperation with previous CRA

Brickworks vide its press release dated 26 July 2021, has classified JJGL as 'Issuer Not Cooperating' and rated 'BWR BB-/Stable/A4'.

Any other information

None

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. Acuité'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
21 Jun 2022	Packing Credit	Short Term	10.00	ACUITE A4 (Issuer not co-operating*)
	Bank Guarantee	Short Term	25.00	ACUITE A4 (Issuer not co-operating*)
	Secured Overdraft	Long Term	15.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	19.00	ACUITE B+ (Downgraded and Issuer not co-operating*)
23 Mar 2021	Secured Overdraft	Long Term	15.00	ACUITE BB- Negative (Downgraded from ACUITE BBB- Negative)
	Cash Credit	Long Term	14.50	ACUITE BB- (Downgraded and Withdrawn)
	Bank Guarantee	Short Term	25.00	ACUITE A4 (Downgraded from ACUITE A3)
	Packing Credit	Short Term	10.00	ACUITE A4 (Downgraded from ACUITE A3)
	Cash Credit	Long Term	19.00	ACUITE BB- Negative (Downgraded from ACUITE BBB- Negative)
27 Feb 2020	Packing Credit	Short Term	10.00	ACUITE A3 (Reaffirmed)
	Secured Overdraft	Long Term	15.00	ACUITE BBB- Negative (Reaffirmed)
	Cash Credit	Long Term	14.50	ACUITE BBB- Negative (Reaffirmed)
	Bank Guarantee	Short Term	25.00	ACUITE A3 (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Karnataka Bank Ltd	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	25.00	ACUITE A4 Reaffirmed Issuer not co-operating*
The Saraswat Cooperative Bank Ltd	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	19.00	ACUITE C Downgraded Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	10.00	ACUITE A4 Reaffirmed Issuer not co-operating*
Karnataka Bank Ltd	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	15.00	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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