

Press Release

Arjav Diamonds India Private Limited

May 19, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	550.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	550.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-' (read as ACUITE double B minus)** from '**ACUITE BB' (read as ACUITE double B)** on the Rs. 550.00 crore bank facilities of Arjav Diamonds (INDIA) Private Limited. The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Maharashtra based - Arjav Diamonds (India) Pvt Ltd (ADIPL) was established in 1981 as a partnership firm and subsequently converted into a private limited company in 2007 and is owned by M/s Arjav Diamonds NV. ADIPL is mainly engaged in the distribution/trading of rough diamonds and also manufactures cut and polished diamonds. The operations are managed by the second & third generation promoters, Mr. Anuj Mehta, Mr. Arnab Mehta and Mr. Ashit Mehta. While Mr Ashit M was instrumental in setting up the rough division in Antwerp in 1981 in the name of 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 through Blue Star.

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 an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

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.

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

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

None

Any other information

Acuite 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>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Feb 2021	Proposed Long Term Loan	Long Term	72.00	ACUITE BB (Downgraded and Issuer not co-operating*)
	Packing Credit	Long Term	478.00	ACUITE BB (Downgraded and Issuer not co-operating*)
10 Dec 2019	Proposed Long Term Loan	Long Term	72.00	ACUITE BB+ (Issuer not co-operating*)
	Packing Credit	Long Term	478.00	ACUITE BB+ (Issuer not co-operating*)
28 Feb 2019	Packing Credit	Long Term	478.00	ACUITE A- (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	72.00	ACUITE A- (Issuer not co-operating*)
06 Dec 2017	Packing Credit	Long Term	478.00	ACUITE A- Stable (Assigned)
	Proposed Long Term Loan	Long Term	72.00	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	478.00	ACUITE BB- Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	72.00	ACUITE BB- 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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