



Press Release

Surajmull Gouti

May 26th, 2020

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Fund Based Limits	75.00	IVR BB- /Stable; ISSUER NOT COOPERATING* (IVR Double B Minus with Stable outlook; Issuer Not Cooperating)	Rating revised from IVR BB/Stable (IVR Double B with Stable Outlook) and moved to ISSUER NOT COOPERATING Category
Total	75.00		

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The rating downgrade is because of lack of adequate information regarding Surajmull Gouti performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

Non-cooperation by Issuer

Infomerics has been regularly following up with the firm to provide the required data to monitor its assigned rating to the bank facilities vide mail communications dated April 28 2020, April 30 2020, May 01 2020, May 02 2020, May 04 2020, May 07 2020, May 08 2020, May 12 2020 and May 14 2020 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the firm's management has not submitted the essential details and fees for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the long term ratings for the bank loan facilities aggregating to Rs. 75.00 Crore of Surajmull Gouti shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB-/Stable: Issuer Not Co-operating; based on best available information (IVR Double B Minus /Stable: Issuer Not Co-operating); based on best available information.



Press Release

Analytical Approach & Applicable Criteria

Standalone

Financial Ratios & Interpretation – (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by clients

About the Firm

M/s Surajmull Gouti (SG) was incorporated in 1950 by Mr. Surajmull Gouti with a vision of establishing its presence in the wholesale jewellery segment. Mr. Sumatichand Gouti, his nephew, looks after the day-to-day affairs of the firm at present. Mr. Sumatichand Gouti was a part of this entity since early 1970s. The firm is engaged export of handcrafted jewellery and bullion trading business. The firm currently has its manufacturing facility located in Kolkata. The firm only exports in bulk to Dubai, where it has an established customer base which it has built over the years.

Financials (Standalone)

(Rs. Crore)

For the year ended / As on	31-03-17	31-03-18
	Audited	Audited
Total Operating Income	553.41	501.95
Interest	2.59	2.79
PAT	1.37	0.89
Tangible Net worth	18.43	23.39
Ratios		
PAT Margin (%)	0.25	0.18
Overall Gearing Ratio	4.08	3.20

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/ Facilities	Current Rating (Year 2020-21)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2019-20 (April 18th, 2019)	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18
1.	Fund Based Limits:- CC/Gold Metal Loan*	Long Term	75.00	IVR BB-/ Stable (INC)	IVR BB/Stable Outlook	--	--



Press Release

*CC Limit is fully interchangeable with Gold Metal Loan

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

Name and Contact Details of the Rating Analyst:

Name: Ms. Shreshtha Singhvi Tel: (022) 62396023 Email: ssinghvi@infomerics.com	Name: Mr. Avik Podder Tel: (022) 62396023 Email: apodder@infomerics.com
---	---

About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Fund Based Limits:-CC/Gold Metal Loan**	-	-	-	75.00	IVR BB-/Stable Outlook ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information

**CC Limit is fully interchangeable with Gold Metal Loan