



Press Release

Musaddilal Jewellers Private Limited

December 31, 2021

Ratings:

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action
Long Term Fund Based Limits - Cash Credit	65.00	IVR D (ISSUER NOT COOPERATING)*	Reaffirmed at IVR D and continued at ISSUER NOT COOPERATING category
Total	65.00		

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

Details of Facilities are in Annexure 1

Detailed Rationale:

The rating is reaffirmed because of continuous lack of adequate information regarding Musaddilal Jewellers Private Limited's 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 company to provide the required data to monitor its assigned rating to the bank facilities, vide mails communications dated December 27th, 2021, November 29th, 2021, November 08th, 2021, and October 30th, 2021 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company'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



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aggregating to INR65.00 Crore of Musaddilal Jewellers Private Limited shall be reaffirmed to the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D: ISSUER NOT CO-OPERATING; based on best available information (IVR Single D: ISSUER NOT CO-OPERATING); based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by clients.

Criteria on Default Recognition and Post-Default Curing Period

About the Company:

Musaddilal Jewellers Pvt. Ltd (MJPL) was incorporated in 1992, with a vision of establishing its presence in the retail jewellery segment. The company commenced operation by setting up one retail outlet at Basheerbagh in Hyderabad. Subsequently, the company shifted operations to a larger store located at Punjagutta in Hyderabad in 2005, along with setting up another store in Vijayawada in 2009. The promoter group is engaged in this line of business for around twelve decades through various entities. The company is engaged in trading and manufacturing of designer gold, silver and diamond jewellery.

Financials: Standalone

For the year ended/ As on	31-03-17	31-03-18
	Audited	Audited
Total Operating Income	235.32	154.20
EBITDA	6.92	6.33
PAT	2.10	1.67
Tangible Net-worth	40.74	43.54
<u>Ratios</u>		
PAT Margin (%)	0.89	1.08
Overall Gearing Ratio (x)	1.42	1.29



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Status of non-cooperation with previous CRA: Vide Press release dated January 25, 2021, Brickwork Ratings respectively have continued to maintain rating under ISSUER NOT COOPERATING category.

Any other information: NA

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount Outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 (November 23, 2020)	Date(s) & Rating(s) assigned in 2019-20 (October 12, 2019)	Date(s) & Rating(s) assigned in 2018-19 (March 25, 2019)
1.	Long Term Fund Based Limits – Cash Credit	Long Term	65.00	IVR D; ISSUER NOT COOPERATING	IVR D; ISSUER NOT COOPERATING	IVR D; ISSUER NOT COOPERATING	IVR BB+/Stable

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

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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. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. 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



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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 Facilities:

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits	--	--	--	65.00	IVR D; ISSUER NOT COOPERATING

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

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 5: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1.	Cash Credit	Simple

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