



Press Release

Shyama Jewels Madikeri Private Limited

September 21, 2022

Rating

Facilities	Amount (Rs. crore)	Rating	Rating Action	Complexity Indicator
Long Term Fund based Limits – Cash Credit	9.00	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised from IVR BBB-/ Credit Watch with Developing Implications (IVR Triple B Minus under Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Long Term Fund based Limits – Term Loan	1.74	IVR BB+; ISSUER NOT COOPERATING* (IVR Double B Plus; ISSUER NOT COOPERATING*)	Revised from IVR BBB-/ Credit Watch with Developing Implications (IVR Triple B Minus under Credit Watch with Developing Implications) and moved to ISSUER NOT COOPERATING category	Simple
Total	10.74 (Rupees Ten crore and Seventy Four lakh only)			

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the rating assigned to the bank facilities of Shyama Jewels Madikeri Private Limited (SJEMPL) reflects lack of adequate information available and 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 lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.



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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 email communications dated June 30, 2022, July 8, 2022, July 21, 2022, August 02, 2022, August 05, 2022, August 16, 2022, August 24, 2022, September 07, 2022, and concurrently over several phone calls. However, despite the repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the rating.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information. Accordingly, the rating for the bank facilities of SJMPL aggregating Rs.10.74 crore has been moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Analytical Approach: Consolidated

For arriving at the rating, Infomerics has taken the consolidated approach by combining financial profiles of Shyama Jewels Gonikoppal Private Limited (SJGPL), Shyama Jewels Madikeri Private Limited (SJMPL), Shyama Jewels Puttur Private Limited (SJPPL) and Shyama Jewels Sourcing Private Limited (SJSPL) collectively referred as Shyama Jewels Group. The consolidation is on account of common management and significant operational & financial linkages.

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by Clients](#)

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for trading companies](#)

[Financial Ratios & Interpretation \(Non- Financial Sector\)](#)

About the Company

Muliya Group was established during 1944 by Muliya Keshav Bhat and was primarily engaged in retail sale of gold and silver jewelry operating from a small shop in Court Road, Puttur. Currently, the reins is managed by two brothers (Third generation) Mr. Keshav Prasad Muliya and Mr. Krishna Narayana Muliya since 2000. While Mr Keshav Prasad is a postgraduate in Gemology, Mr. Krishna Narayana is a Postgraduate (MBA) in marketing management. These two brothers own all these business establishments with equal shareholdings at 50 % each. The group is managing its jewellery



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division under a holding company namely Shyama Jewels Pvt. Ltd and subsidiary companies namely M/s Shyama Jewels Puttur Pvt. Ltd, Shyama Jewels Madikeri Pvt. Ltd, Shyama Jewels Gonikoppal Pvt. Ltd and Shyama Jewels Sourcing Pvt. Ltd.

Financials (Consolidated):

(Rs. crore)

For the year ended* As on	31-03-2019	31-03-2020	31-03-2021
	Audited	Audited	Provisional
Total Operating Income	245.13	214.87	258.67
EBITDA	8.07	7.63	9.79
PAT	2.45	2.52	4.08
Total Debt	48.84	46.34	58.00
Tangible Net worth	28.73	31.70	33.49
Ratios			
EBITDA Margin (%)	3.29	3.55	3.78
PAT Margin (%)	1.00	1.17	1.57
Overall Gearing Ratio (x)	1.70	1.46	1.73

*Classification as per Infomerics' standard

Financials (Standalone):

(Rs. crore)

For the year ended* As on	31-03-2019	31-03-2020	31-03-2021
	Audited	Audited	Provisional
Total Operating Income	45.75	51.53	47.08
EBITDA	1.73	1.68	2.37
PAT	0.40	0.34	0.72
Total Debt	10.15	9.62	11.62
Tangible Net worth	5.60	5.97	6.70
Ratios			
EBITDA Margin (%)	3.78	3.25	5.04
PAT Margin (%)	0.87	0.65	1.52
Overall Gearing Ratio (x)	1.81	1.61	1.73

*Classification as per Infomerics' standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 (July 01, 2021)	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Cash Credit	Long Term	9.00	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB-; Credit Watch with Developing Implications	-	-
2.	Term Loan-CCECL	Long Term	1.74	IVR BB+; ISSUER NOT COOPERATING*	IVR BBB; Credit Watch with Developing Implications	-	-

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com.



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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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	9.00	IVR BB+; ISSUER NOT COOPERATING*
Term Loan - CCECL	-	-	March 2025	1.74	IVR BB+; ISSUER NOT COOPERATING*

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

Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Extent of Consolidation
Shyama Jewels Gonikoppal Private Limited	Full*
Shyama Jewels Madikeri Private Limited	Full*
Shyama Jewels Puttur Private Limited	Full*
Shyama Jewels Sourcing Private Limited	Full*

**Intercompany transaction has been adjusted as per Infomerics standard.*

Annexure 3: Facility wise lender details: Not available

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

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.