



Press Release

Davanam Jewellers Private Limited (DJPL)

December 06, 2021

Ratings

Sl. No.	Instrument / Facility	Amount (INR Crores)	Rating*	Rating Action
1.	Long term Fund Based Bank Facilities – Cash Credit	73.00	IVR B+ ISSUER NOT COOPERATING (IVR B Plus; Issuer not cooperating)	Revised from IVR BB- / Stable (IVR Double B Minus with Stable Outlook)
	Total	73.00 (Seventy Three Crore)		

* Issuer not cooperating; Based on best available information

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in ratings of the bank facilities of Davanam Jewellers Private Limited reflect lack of adequate information available, non-payment of annual surveillance fees 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 lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Manufacturing companies

Financial Ratios & Interpretation (Non-Financial Sector)

Guidelines on what constitutes Non-Cooperation by Clients

About the Group and Company

Davanam Jewellers Private Limited is a well-known retail jewellery company located in Bengaluru. Company is managed by members of Davanam Family who are into this business



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since 1905. Company was established on 1st April 2005. Company is involved in the retail business of Gold, silver, platinum and diamond Jewellery. It has 3 stores in Bengaluru located at Avenue Road, Malleshwaram and Commercial Street junction. Company either procures gold jewellery from wholesale jewellers for standard designs or procures raw gold in bullion form from bullion traders to manufacture jewellery from artisans for customised and unique designs.

Financials (Standalone)*:

(INR crore)

For the year ended/ As On	31-03-2018	31-03-2019	31-03-2020
	(Audited)	(Audited)	(Provisional)
Total Operating Income	378.4	326.2	247.2
EBITDA	14.48	13.48	13.95
PAT	2.51	2.69	3.54
Total Debt	102.68	106.70	110.02
Tangible Net-worth	48.7	51.2	54.7
Ratios			
EBITDA Margin (%)	3.83	4.13	5.64
PAT Margin (%)	1.07	0.82	1.43
Overall Gearing Ratio (x)	2.11	2.09	2.01

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Brickworks ratings in their press release dated June 14th, 2021 has classified the case under issuer not cooperating status on account of non-submission of relevant information.

Any other information: Nil

Rating History for last three years:

Sl. No.	Name of Instrument / Facilities	Type	Current Rating (Year 2021-22)		Rating History for the past 3 years		
			Amount outstanding (INR crore)	Assigned Rating*	Date(s) Rating(s) assigned 20-21 (24/09/20)	& in	Date(s) & Rating(s) assigned in 19-20
							Date(s) & Rating(s) assigned



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							in 18-19
1.	Long term Bank Facilities – Cash Credit	Fund Based	43.00	IVR B+ ISSUER NOT COOPERATING (IVR B Plus; ISSUER NOT COOPERATING)	IVR BB- / Stable Outlook (IVR Double B Minus with stable outlook)	--	--
2.	Long term Bank Facilities – Cash Credit	Fund Based	30.00	IVR B+ ISSUER NOT COOPERATING (IVR B Plus; ISSUER NOT COOPERATING)	IVR BB- / Stable Outlook (IVR Double B Minus with stable outlook)	--	--

* Issuer not cooperating; Based on best available information

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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



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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 (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based - Cash Credit	-	-	Revolving	43.00	IVR B+; ISSUER NOT COOPERATING
Long Term Fund Based - Cash Credit	-	-	Revolving	30.00	IVR B+ ISSUER NOT COOPERATING

Annexure 2: List of companies considered for consolidated analysis: Nil

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Davanam-Jewellers-lenders-dec21.pdf>

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.