

Press Release**Musaddilal Jewellers Private Limited****October 12, 2019****Ratings**

Sl. No.	Instrument / Facility	Amount (Rs. Crores)	Rating	Rating Action
1	Long Term Fund Based Limits – Cash Credit	65.00	IVR D ISSUER NOT COOPERATING*	Revised from IVR BB+ with Stable Outlook (IVR Double B Plus with Stable Outlook) and moved to Issuer Not Cooperating category

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

Details of Facilities are in Annexure 1**Detailed Rationale**

The rating takes in to account of the delays in debt servicing of the company. Post which, the credit facilities of Musaddilal Jewellers Private Limited have been suspended and classified as a non-performing asset.

Non co-operation by Issuer

Observed from our records, despite repeated requests, the company has failed to submit 'No Default Statement (NDS)'. In the absence of the relevant information, in consonance with SEBI guidelines, Infomerics has moved the Long Term Rating for bank loan facilities of Musaddilal Jewellers Private Limited, aggregating to Rs.65.00 crore to the 'ISSUER NOT COOPERATING' category. The rating is now denoted as 'IVR D ISSUER NOT COOPERATING' (pronounced as IVR D ISSUER NOT COOPERATING). Accordingly, 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 & Applicable Criteria

Standalone

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria on Default Recognition and Post – Default Curing Period

Guidelines on what constitutes Non-Cooperation by Clients

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

(Rs. crore)

For the year ended* / As On	31-03-2017 (Audited)	31-03-2018 (Audited)
Total Operating Income	235.32	154.20
EBITDA	10.98	9.73
PAT	2.10	1.67
Total Debt	57.80	55.99
Tangible Net worth	40.74	43.54
EBITDA Margin (%)	4.67	6.31
PAT Margin (%)	0.89	1.08
Overall Gearing Ratio (x)	1.42	1.29

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Brickwork Ratings which has earlier rated the company, has classified it as “Issuer Not Cooperating” category due to non-submission of information as per Press Release dated March 8, 2018.

Any other information: N.A

Rating History for last three years:

Sl. No.	Name of Instrument/ Facilities	Current Rating (Year 2019-20)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2018-19	Date(s) & Rating(s) assigned in 2017-18	Date(s) & Rating(s) assigned in 2016-17
1.	Long Term Bank Facilities – Cash Credit	Long Term	65.00	IVR D (IVR D) ISSUER NOT COOPERATING*	IVR BB+/ Stable Outlook (March 25, 2019)	--	--

*Issuer did not cooperate; based on best available information

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 .

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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. 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 Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits – Cash Credit	--	--	--	65.00	IVR D (IVR D) ISSUER NOT COOPERATING*

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