

FEBRUARY 24, 2016

## CARE REAFFIRMS RATING TO THE BANK FACILITIES OF SHREE GANESH JEWELLERS LIMITED

### Ratings

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	-	-	Withdrawn*
Long-term Bank Facilities	28.75	<b>CARE BB (Double B)</b>	Reaffirmed
<b>Total</b>	<b>28.75</b> <b>(Rupees Twenty Eight crore and Seventy Five lakh only)</b>		

\*CARE has withdrawn the rating assigned to the term loan facility of Shree Ganesh Jewellers Limited, with immediate effect since there is no amount outstanding under the facility as on date.

### Rating Rationale

The rating assigned to the bank facilities of Shree Ganesh Jewellers Ltd (SGJL) continues to remain constrained by the high volatility in the income and profitability margins, working capital-intensive nature of operations and moderately weak leverage ratios. The rating also takes into account the geographical concentration risk and competition from players in the organised and the unorganised sectors. The rating, however, favourably factors in experience of the promoters, long track record of operations and established brand image in the Ludhiana (Punjab) market.

The ability of the company to profitably scale-up its operations, effectively manage the working capital requirements, while improving its leverage ratios and extent of support to group entities would remain the key rating sensitivities.

### Background

SGJL, incorporated in year 1997, is engaged in the business of manufacturing and trading of gold jewellery, diamond/precious stones, gold coins, etc. The company sells its jewellery and precious stones to retail customers at its showroom located at First Mall, Mall Road, Ludhiana, under the brand name of 'Ganpati Jewellers'.

SGJL reported a PAT of Rs. 0.35 crore on a total income of Rs.83.65 crore in FY15 (Audited; refers to the period April 01 to March 31) as against the PAT of Rs.2.55 crore on a total income of Rs.335.98 crore in FY14. In 9MFY16 (Prov.), SGJL has reported a total income of Rs.40.74 crore.

### Analyst Contact

Name: Mr Sudeep Sanwal  
 Tel: 0172-5171101  
 Cell: +919958043187  
 Email: [sudeep.sanwal@careratings.com](mailto:sudeep.sanwal@careratings.com)

**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

**Disclaimer:** CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

**CONTACT****Head Office Mumbai****Mr. Sanjay Kumar Agarwal**

Mobile: + 91 8108007676

E-mail: sanjay.agarwal@careratings.com

**Mr. Amod Khanorkar**

Mobile: + 91 9819084000

E-mail: amod.khanorkar@careratings.com

**CREDIT ANALYSIS & RESEARCH LIMITED**

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

Tel: +91-22-6754 3456 | Fax: +91-22-6754 3457 | E-mail: care@careratings.com

**AHMEDABAD****Mr. Mehul Pandya**32, Titanium, Prahaladnagar Corporate Road,  
Satellite, Ahmedabad - 380 015

Cell: +91-98242 56265

Tel: +91-79-4026 5656

E-mail: mehul.pandya@careratings.com

**BENGALURU****Mr. Dinesh Sharma**Unit No. 1101-1102, 11th Floor, Prestige Meridian II,  
No. 30, M.G. Road, Bangalore - 560 001.

Cell: +91-99000 41975

Tel: +91-80-4115 0445, 4165 4529

E-mail: dinesh.sharma@careratings.com

**CHANDIGARH****Mr. Sajjan Goyal**2nd Floor, S.C.O. 196-197, Sector 34-A,  
Chandigarh - 160 022.

Cell: +91 99888 05650

Tel: +91-172-5171 100 / 09

Email: sajan.goyal@careratings.com

**CHENNAI****Mr. V Pradeep Kumar**Unit No. O-509/C, Spencer Plaza, 5th Floor,  
No. 769, Anna Salai, Chennai - 600 002.

Cell: +91 98407 54521

Tel: +91-44-2849 7812 / 0811

Email: pradeep.kumar@careratings.com

**COIMBATORE****Mr. V Pradeep Kumar**T-3, 3rd Floor, Manchester Square  
Puliakulam Road, Coimbatore - 641 037.

Tel: +91-422-4332399 / 4502399

Email: pradeep.kumar@careratings.com

**HYDERABAD****Mr. Saikat Roy**401, Ashoka Scintilla, 3-6-502, HimayatNagar,  
Hyderabad - 500 029.

Cell : + 91 9820998779

Tel: +91-40-4010 2030

E-mail: saikat.roy@careratings.com

**JAIPUR****Mr. Rakesh Jayaraman**304, PashupatiAkshatHeights, Plot No. D-91,  
Madho Singh Road, NearCollectorateCircle,  
Bani Park, Jaipur - 302 016.

Cell: +91 - 7665596136

Tel: +91-141-402 0213 / 14

E-mail: rakesh.jayaraman@careratings.com

**KOLKATA****Ms. Priti Agarwal**3rd Floor, Prasad Chambers, (Shagun Mall Bldg.)  
10A, Shakespeare Sarani, Kolkata - 700 071.

Cell: +91-98319 67110

Tel: +91-33- 4018 1600

E-mail: priti.agarwal@careratings.com

**NEW DELHI****Ms. Swati Agrawal**13th Floor, E-1 Block, Videocon Tower,  
Jhandewalan Extension, New Delhi - 110 055.

Cell: +91-98117 45677

Tel: +91-11-4533 3200

E-mail: swati.agrawal@careratings.com

**PUNE****Mr. Rahul Patni**9th Floor, Pride Kumar Senate,  
Plot No. 970, Bhamburda, SenapatiBapat Road,  
ShivajiNagar, Pune - 411 015.

Cell: +91-78754 33355

Tel: +91-20- 4000 9000

E-mail: rahul.patni@careratings.com

**CIN - L67190MH1993PLC071691**