

## Dwarka Gems Limited

October 14, 2022

### Ratings

| Facilities / Instruments               | Amount (Rs. crore)   | Rating <sup>1</sup>  | Rating Action  |
|--|--|--|--|
| Long Term / Short Term Bank Facilities | 10.38  | <b>CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (Single B Minus ; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)</b> | Rating continues to remain under ISSUER NOT COOPERATING category |
| <b>Total Facilities</b>                | <b>10.38<br/>(Rs. Ten Crore and Thirty-Eight Lakhs Only)</b> |  |  |

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 20, 2021, placed the rating(s) of Dwarka Gems Limited (DGL) under the 'issuer non-cooperating' category as DGL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DGL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 06, 2022, July 16, 2022, July 26, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

### Detailed description of the key rating drivers

Please refer to PR dated [August 20, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Dwarka Gems Limited (DGL) is the flagship company of Dwarka Group which was promoted by Mr. Krishna Behari Goyal and Mr. Ashok Goyal as a private limited company in 1992 and was converted into public limited company in 1996. DGL has a track record of more than two decades and is engaged in the manufacturing, whole selling and retailing of plain gold & diamond studded jewellery and gold coins. DGL is also involved in the export of jewellery mainly through its two subsidiaries companies namely Dwarka Gems Inc (New York) and Dwarka Gems (Europe) Ltd. (London).

| Brief Financials (Rs. crore) | FY20(A) | FY21(A) | FY22(A) | H1FY23(Prov.) |
|------------------------------|---------|---------|---------|---------------|
| Total operating income       | 14.60   | 17.28   | NA      | NA            |
| PBILDT                       | 1.24    | 3.36    | NA      | NA            |
| PAT                          | 0.38    | 0.00    | NA      | NA            |
| Overall gearing (times)      | 0.87    | 0.81    | NA      | NA            |
| Interest coverage (times)    | 1.29    | 3.72    | NA      | NA            |

*A - Audited, Prov. Provisional, NA – Not Available*

**Status of non-cooperation with previous CRA:** CRISIL has continued the rating assigned to the bank facilities of DGL into Issuer Not Cooperating category vide press release dated December 24, 2021 on account of its inability to carry out a review in the absence of requisite information.

**Any other information:** Not Applicable

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE Ratings Ltd.'s publications

\*Issuer did not cooperate; Based on best available information

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Please refer Annexure 3

**Complexity level of various instruments rated for this Company:** Please refer Annexure 4

**Annexure-1: Details of Instruments/ Facilities**

| Name of the Instrument                     | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook          |
|--|------|------------------|-----------------|---------------|-----------------------------|--|
| Fund-based - LT/ ST-CC/Packing Credit      |      | -                | -               | -             | 6.50                        | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* |
| Fund-based - LT/ ST-CC/PC/Bill Discounting |      | -                | -               | -             | 3.88                        | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* |

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

**Annexure-2: Rating History of last three years**

| Sr. No. | Name of the Instrument / Bank Facilities   | Current Ratings |                              | Rating History                                     |   |  |  |  |
|---------|--|-----------------|------------------------------|--|---|--|--|--|
|         |  | Type            | Amount Outstanding (₹ crore) | Rating   | Date(s) & Rating(s) assigned in 2022-2023 | Date(s) & Rating(s) assigned in 2021-2022                        | Date(s) & Rating(s) assigned in 2020-2021                        | Date(s) & Rating(s) assigned in 2019-2020                        |
| 1       | Fund-based - LT/ ST-CC/PC/Bill Discounting | LT/ST           | 3.88                         | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (20-Aug-21) | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (25-Jun-20) | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (02-May-19) |
| 2       | Fund-based - LT/ ST-CC/Packing Credit      | LT/ST           | 6.50                         | CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (20-Aug-21) | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (25-Jun-20) | 1)CARE B-; Stable / CARE A4; ISSUER NOT COOPERATING* (02-May-19) |

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

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities - Not Applicable**

**Annexure 4: Complexity level of various instruments rated for this Company**

| Sr. No. | Name of Instrument                         | Complexity Level |
|---------|--|------------------|
| 1       | Fund-based - LT/ ST-CC/Packing Credit      | Simple           |
| 2       | Fund-based - LT/ ST-CC/PC/Bill Discounting | Simple           |

**Annexure 5: Bank Lender Details for this Company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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