

Mahalaxmi Jewellers Private Limited

May 16, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	7.50	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	7.50 (Rs. Seven Crore and Fifty Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 04, 2021, placed the rating(s) of Mahalaxmi Jewellers Private Limited (MJPL) under the 'issuer non-cooperating' category as MJPL 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. MJPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 18, 2022, January 28, 2022 and February 07, 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 [March 04, 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

Mahalaxmi Jewellers Private Limited (MJPL), a Gulbarga (Karnataka) based company, was initially setup in 1985 as a partnership entity by Mr. Raghavendra Mailapur, Mr. Mallikarjun K Mailapur, Mr. Dattatreya Mailapur and family members. Later in the year 1998, the constitution of the entity changed to Private Limited. The company is engaged in jewellery retailing business, which includes customized ornaments made up of gold, diamond and silver with single store at Gulbarga, Karnataka. The company procures bullion (gold & silver) and diamond from Karnataka and Maharashtra. MJPL outsources 100% of its ornaments making (including gold, diamond and silver) to job workers who in turn get wages on contract basis. The company does not have in-house craftsmen for jewellery making. Furthermore, the company has marketing and sales team to get the orders and expand business. The company gets 80% of the total revenue from gold jewellery business. The diamonds and silvers are majorly procured domestically and sold across Karnataka, Telangana and Maharashtra. MJPL has its own brands in the name of 'Mahalaxmi'. MJPL holds 80% stake in Ambizone Infrastructure Pvt Ltd (AIPL), which is engaged in construction business.

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	FY22 (Prov.)
Total operating income	16.98	22.32	NA
PBILDT	1.95	2.08	NA
PAT	0.32	0.20	NA
Overall gearing (times)	3.40	3.44	NA
Interest coverage (times)	1.42	1.30	NA

A: Audited; Prov.: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

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

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.50	CARE B-; Stable; 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 (Rs. 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-Cash Credit	LT	7.50	CARE B-; Stable; ISSUER NOT COOPERATING *	-	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (04-Mar-21)	1)CARE B; Stable (23-Dec-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-Cash Credit	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 for any clarifications

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About CARE Ratings:

Established in 1993, CARE Ratings Ltd is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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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