

Sonigara Jewellers Private Limited

May 29, 2024

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|---|--|
| Long Term Bank Facilities | 12.00 | CARE B; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; |

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information

Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 10, 2023, placed the rating(s) of Sonigara Jewellers Private Limited (SJPL) under the 'issuer non-cooperating' category as SJPL 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. SJPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated February 24, 2024, March 05, 2024, March 15, 2024.

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).

The ratings assigned to the bank facilities of SJPL have been revised on account of non-availability of requisite information. Further, the revision considers the increase in debt levels which has led to deterioration in capital structure in FY23 as against FY22.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [April 10, 2023](#)

Applicable criteria

[CARE Ratings' criteria on information adequacy risk and issuer non-cooperation](#)

[Policy on default recognition](#)

[Rating Outlook and Credit Watch](#)

About the company

Incorporated in 2006, Sonigara Jewellers Private Limited (SJPL) is managed by Mr. Jitendra Sonigara, and Ms. Shwetal Sonigara who have more than two decades of experience the jewelry business. SJPL is engaged in manufacturing and retailing of gold jewellery such as chains and bracelet, amongst others. The company has obtained certification from BIS under hallmarking scheme as well as importing license for gold upto 2 MT/annum. The manufacturing facility is spread over 7000 Sq. feet and houses a laboratory for quality inspections.

| Brief Financials (Rs. crore) | March 31, 2022 (A) | March 31, 2023 (A) |
|------------------------------|--------------------|--------------------|
| Total operating income | 68.56 | 62.80 |
| PBILDT | 2.85 | 3.00 |
| PAT | 0.46 | 1.32 |
| Overall gearing (times) | 1.25 | 1.64 |
| Interest coverage (times) | 1.93 | 1.54 |

A: Audited; Note: 'the above results are latest financial results available'

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

Status of non-cooperation with previous CRA: CRISIL has continued the rating assigned to the bank facilities of SJPL under Issuer Not Cooperating category vide press release dated January 23, 2024 on account of its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Detailed explanation of the covenants of the rated instruments/facilities is given in Annexure-3

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

Lender details: Annexure 5

Annexure-1: Details of Instruments/Facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned along with Rating Outlook |
|-----------------------------|------|-------------------------------|-----------------|----------------------------|-----------------------------|---|
| Fund-based - LT-Cash Credit | | - | - | - | 12.00 | 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 (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 | Date(s) and Rating(s) assigned in 2021-2022 |
| 1 | Fund-based - LT-Cash Credit | LT | 12.00 | CARE B; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (10-Apr-23) | - | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (28-Jan-22) |

*Issuer did not cooperate; Based on best available information

LT: Long term

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

Annexure-4: Complexity level of the various instruments rated

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|-----------------------------|------------------|
| 1 | Fund-based - LT-Cash Credit | Simple |

Annexure-5: Lender details

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

Note on complexity levels of the rated instrument: CARE Ratings 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.

Contact us

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About us:

Established in 1993, CARE Ratings 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 by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows 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 has played a pivotal role in developing bank debt and capital market instruments including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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