

K.G.P. Gold Palace

July 25, 2024

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|---------------------------|------------------|--|--|
| Long Term Bank Facilities | 11.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | Rating continues to remain under ISSUER NOT COOPERATING category |

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 June 02, 2023, placed the rating(s) of K.G.P. Gold Palace (KGP) under the 'issuer non-cooperating' category as KGP had failed to provide information for monitoring of the rating. KGP continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated April 17, 2024, April 27, 2024, May 07, 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).

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

Please refer to PR dated [June 02, 2023](#)

Applicable criteria

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

[Policy on default recognition](#)

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

About the firm

Davangere (Karnataka) based K.G.P. Gold Palace (KGP) was originally formed as a partnership concern in the name of Khazana Gold Palace by Mr. Ganesh D. Shet and Mrs. Surekha G. Shet in 2013. Later in April 2014, the partnership deed was reconstituted with addition of Mr. Santosh G. Shet, Mrs. Vidya M. Shet, Mr. Ganesh M. Revankar, Mr. Maruthi C. Raikar, Mr. Sandesh Raikar and Mrs. Sharda Raikar as new partners and name of the firm was changed to its present name. Subsequently, Mrs. Vidya M. Shet and Mr. Ganesh M. Revankar retired from the partnership in June, 2014 and Mr. Maruthi C Raikar retired in 2011. KGP is engaged in the business of retailing of gold, diamond, silver and precious stones studded jewellery. The firm offers wide range of products that include rings, earrings, pendants, necklaces, bracelets, bangles and medallions. KGP procures raw materials from local market and outsources its manufacturing activities on job work basis to manufacturers in local markets. KGP has an associate firm, K.G.P. Jewellers (KGPJ) which is engaged in similar business.

| Brief Financials (₹ crore) | March 31, 2018 (A) | March 31, 2019 (A) |
|----------------------------|--------------------|--------------------|
| Total operating income | 18.27 | 39.67 |
| PBILDT | 1.59 | 2.04 |
| PAT | 0.11 | 0.34 |
| Overall gearing (times) | NM | 6.14 |
| Interest coverage (times) | 1.11 | 1.23 |

A: Audited; NM: Not Meaningful; 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: Not Applicable

Any other information: Not Applicable

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

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

Complexity level of various instruments rated: 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 | | - | - | - | 11.00 | CARE B-; Stable; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the 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 | 11.00 | CARE B-; Stable; ISSUER NOT COOPERATING* | - | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (02-Jun-23) | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (20-May-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:

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Disclaimer:

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