

Arafa Gold and Diamonds Private Limited

September 27, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	17.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category and Downgraded 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 July 12, 2023, placed the rating(s) of Arafa Gold and Diamonds Private Limited (AGDPL) under the 'issuer non-cooperating' category as AGDPL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. AGDPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated May 27, 2024, June 06, 2024, June 16, 2024, September 26, 2024 among others.

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 AGDPL have been revised on account of delays in debt servicing recognized from publicly available information i.e. CIBIL check.

Analytical approach: Standalone revised from combined

CARE has taken a combined view of the four entities viz Arafa Gold and Diamonds Private Limited (AGDPL), R.R.Arafa Gold (RRAG), Zoya Gold (ZG) and SK Gold (SG), herein after referred to as "Arafa Group". All the entities are managed by the same promoter family and are engaged in similar line of business with cash flow fungibility in between them. However, updated information is not available to ascertain financial as well as operational linkages that warrant a continuation of combined approach.

Outlook: Not Applicable

Detailed description of the key rating drivers:

Please refer to PR dated [July 12, 2023](#)

Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)
[Policy on Default Recognition](#)

About the Company

Arafa Gold and Diamonds Private Limited (AGDPL) was a part of Arafa Group and was incorporated during April, 2015 by Mr. K. Abdul Salam and Ms. Remeela Beevi. The company is primarily engaged in trading of gold jewellery and bullions (BIS 916 Hallmarked), silver bullions and diamonds on wholesale and retail basis. It also undertakes job work of processing of gold jewellery on order specific from its four showrooms located at Tamil Nadu and Kerala.

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

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

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

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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	17.00	CARE D; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for 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	17.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Jul-23)	1)CARE BB-; Stable (16-Sep-22)	1)CARE BB-; Stable (28-Jul-21)

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

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of 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
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Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for 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, it has 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 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 its 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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