

Nathella Sampath Jewelry Private Limited

October 25, 2017

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term/Short-term Bank Facilities	355.00	CARE D/CARE D; ISSUER NOT COOPERATING* [Single D/Single D; ISSUER NOT COOPERATING*]	Revised from CARE BBB/CARE A3; ISSUER NOT COOPERATING [Triple B/A Three; ISSUER NOT COOPERATING] on the basis of best available information
Total	355.00 (Rs. Three hundred and fifty five crore only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

Further to CARE's press release dated August 2, 2017 on Nathella Sampath Jewelry Private Limited (NSJPL) wherein the rating on the company's bank facilities were denoted as "Issuer not cooperating", CARE has been seeking information from the company to monitor the rating vide various e-mail communications and telephone calls. However, despite repeated attempts by CARE, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the publicly available information which however, in CARE'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 ratings.

Detailed description of the key rating drivers

CARE has noted from publicly available information on closure of NSJPL's retail showrooms and failure to meet commitments under the Gold saving's schemes. Further, CARE's interaction with bankers indicates delays in debt servicing by the company.

Analytical approach:

Standalone

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

[Criteria for short term instruments](#)

[CARE's methodology for manufacturing companies](#)

[Financial ratios –Non-Financial Sector](#)

[CARE's methodology for organized retail companies](#)

About the Company

NSJPL, a Chennai-based company was incorporated on April 3, 2007 by the amalgamation of three partnership firms namely, Nathella Sampath Jewellery, NSC Jewellers and NSC & Co. The group was promoted by Sriman Nathella Sampathu Chetty Garu in 1928 and the retail operations commenced in 1998. The company is primarily engaged in trading of gold jewellery and gold bullion which accounted for almost 98% of the income for FY16 at Rs.1,388 crore. The

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; Based on best available information

company derives majority of its revenues from wholesaling of gold jewellery which contributed to 72% (FY15: 74 %) of the company's net sales in FY16.

Brief Financials (Rs. crore)	FY15 (A)	FY16 (A)
Total operating income	1,415	1,428
PBILDT	74	70
PAT	18	16
Overall gearing (times)	2.31	2.42
Interest coverage (times)	1.78	1.64

A: Audited

Status of non-cooperation with previous CRA:

CRISIL had suspended its rating vide press release dated June 30, 2015 on account of its inability to carry out a rating surveillance 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

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT/ ST- Cash Credit	-	-	-	55.00	CARE D / CARE D; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST	-	-	-	300.00	CARE D / CARE D; ISSUER NOT COOPERATING*

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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Fund-based - LT/ ST- Cash Credit	LT/ST	55.00	CARE D / CARE D; ISSUER NOT COOPERATING*	1)CARE BBB / CARE A3; ISSUER NOT COOPERATING* (02-Aug-17)	1)CARE BBB / CARE A3 (25-Oct-16)	1)CARE BBB / CARE A3 (28-Aug-15) 2)CARE BBB- / CARE A3 (15-Apr-15)	-
2.	Fund-based/Non-fund-based-LT/ST	LT/ST	300.00	CARE D / CARE D; ISSUER NOT COOPERATING*	1)CARE BBB / CARE A3; ISSUER NOT COOPERATING* (02-Aug-17)	1)CARE BBB / CARE A3 (25-Oct-16)	1)CARE BBB / CARE A3 (28-Aug-15) 2)CARE BBB- / CARE A3 (15-Apr-15)	-

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