May 04, 2017

Manoj Vaibhav Gems 'N' Jewellers Private Limited's (erstwhile Vaibhav Empire Private Limited)

Instruments*	Amount Rated (Rs. crore)	Rating Action
Fund-based limits-Cash credit	262.50 (enhanced from 232.50)	[ICRA]BBB (Stable)/ Outstanding
Term Loan	4.88	[ICRA]BBB (Stable)/ Outstanding
Working Capital Term loan	15.00	[ICRA]A3+ /Outstanding
Long term Unallocated limits	51.54 (reduced from 81.54)	[ICRA]BBB (Stable)/ Outstanding

**Instrument details are provided in Annexure-1*

Rating action

ICRA has outstanding long-term rating of [ICRA]BBB (pronounced ICRA triple B) to the Rs. 267.38 crore[1] fund-based limits(enhanced from Rs.237.38 crore) and Rs. 51.54-crore unallocated limits(reduced from Rs.81.54 crore) of Manoj Vaibhav Gems 'N' Jewellers Private Limited ("MVGJPL", erstwhile Vaibhav Empire Private Limited / "the company")†. ICRA has also an outstanding rating of [ICRA]A3+(pronounced ICRA A three plus) ratings to the Rs. 15.00-crore working capital term loan of the company. The outlook on the long-term rating is Stable.

Rationale

The credit concerns and strengths pertaining to MVGPL remain the same as highlighted in ICRA's earlier rationale issued in November 2016, available at the following link:

http://www.icra.in/Files/Reports/Rationale/Manoj%20Vaibhav%20-R-16112016.pdf

Links to applicable criteria:

Corporate Credit Ratings: A Note on Methodology
ICRA Rating methodology: Retail Jewellery

About the company:

Manoj Vaibhav Gems 'N' Jewellers Private Limited (MVGJPL/the company), erstwhile Vaibhav Empire Private Limited, was instituted as 'Hotel Anant Private Limited' (HAPL) on March 13, 1989. HAPL was acquired by Mr. Manoj Kumar Grandhi and family in 2003, and was renamed as Vaibhav Empire Private Limited. The company is currently involved in the business of gold jewellery retailing along with the trading of bullion .It has six stores ,totalling a retail area of 45,056 sft, across Andhra Pradesh.

Status of non-cooperation with previous CRA: Not applicable.

1 100 lakh = 1 crore = 10 million
† For complete rating scale and definitions please refer to ICRA's website www.icra.in or other ICRA Rating Publications

Any other information: Not applicable.

Rating history for last three years:

Table: Rating History

S. No.	Name of Instrument	Current Rating			Chronology of Rating History for the past 3 years		
		Type	Rated amount (Rs. Crores)	Month - year & rating	Month - year & Rating in FY2017	Month - year & Rating in FY2016	Month - year & Rating in FY2014
				May 2017	**November 2016**	**May 2015**	**March,2014**
1	Fund based	Long term	262.50	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
2	Term Loan	Long term	4.88	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
3	Working Capital Term loan	Short-term	15.00	[ICRA]A3+	[ICRA]A3+	-	-
4	Long term unallocated	Long term	51.54	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1

Details of Instruments

Name of the instrument	Date of issuance	Coupon rate	Maturity Date	Size of the issue (Rs. Crore)	Current Rating and Outlook
Fund based - cash credit	-	-	-	262.50	[ICRA]BBB (Stable)
Term Loan	September, 2014	12.90% p.a.	June,2019	4.88	[ICRA]BBB (Stable)
Working Capital Term Loan	June,2016	10.50% p.a.	25th November, 2016	15.00*	[ICRA]A3+
Long term-unallocated	-	-	-	51.54	[ICRA]BBB (Stable)

Source: MVGJPL

* The working capital term loan has been repaid during November, 2016.ICRA is awaiting receipt of NOC issued by the bank from the client to withdraw the rating.

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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