

May 14, 2024

B. Vijaykumar & Co.: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Short Term - Fund Based – Working Capital Limit	47.00	47.00	[ICRA]A4
TOTAL	47.00	47.00	

*Instrument details are provided in Annexure-I

Rationale

Material Event

On May 9, 2024, ICRA came to know that B. Vijaykumar & Co. (BVC) had missed servicing its principal and interest obligation on an auto loan facility availed from BMW India Financial Services Private Limited in May 2023 and June 2023. The monthly installments of Rs. 0.03 crore were scheduled to be repaid on May 16, 2023 and June 16, 2023 through auto-debit facility from the current account of another bank. As confirmed by the lender, the fund transfer from the current account was not processed due to technical issues in processing the auto-debit mandate. Upon intimation from the lender on the issue, the same was serviced by the company on May 24, 2023 and June 21, 2023 respectively.

Impact of Material Event

In view of the above-mentioned development, ICRA notes that the delays in serving BVC's debt obligations are on account of technical issues in processing the auto-debit mandate and not because of BVC's lack of ability or lack of willingness to pay the dues. ICRA has thus considered the missed payments as technical delays and not a default, in line with its Policy on Default Recognition. BVC's rating remains unchanged at [ICRA]A4.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position and Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Cut & Polished Diamonds Policy on Default Recognition
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

B. Vijaykumar & Co. (BVC), set up as a partnership firm by Mr. Bharat Shantilal Shah in 1971, manufactures cut and polished diamonds. BVC currently trades in rough diamonds and manufactures and exports polished diamonds in the range of 3 cents to 1 carat. The company has its administration and marketing office in Mumbai and a manufacturing unit in Surat.

Key financial indicators (audited)

	FY2022	FY2023
Operating income	210.6	161.6
PAT	15.6	2.2
OPBDIT/OI	7.9%	5.0%
PAT/OI	7.4%	1.4%
Total outside liabilities/Tangible net worth (times)	1.8	0.8
Total debt/OPBDIT (times)	3.7	7.2
Interest coverage (times)	4.2	1.7

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
				May 14, 2024	Jul 07, 2023	May 05, 2022	-
1 Working Capital Limit	Short term	47.00	-	[ICRA]A4	[ICRA]A4	[ICRA]A4	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Short Term - Fund Based – Working Capital Limit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working Capital Limit	NA	NA	NA	47.00	[ICRA]A4

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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