

May 27, 2024

Mundhra Jewellers Private Limited: Long Term Rating downgraded and Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	10.00	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable); ISSUER NOT COOPERATING and continues to remain under the 'Issuer Not Cooperating' category.
Long Term/Short Term – Non-Fund Based – Letter of Credit	10.00	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4; ISSUER NOT COOPERATING*; Long-term Rating downgraded from [ICRA]BB (Stable); ISSUER NOT COOPERATING and both the ratings continues to remain under the 'Issuer Not Cooperating' category.
Total	20.00	20.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding Mundhra Jewellers Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its “Policy in respect of non-cooperation by a rated entity” available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.”

As part of its process and in accordance with its rating agreement with Mundhra Jewellers Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity’s management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the “Issuer Not Cooperating” category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

MJPL is a part of the Mundhra Group and is a wholesale trader of jewellery in India. Based out of Chennai, the company derives majority of its revenues from exports to Dubai and domestic sales to Tamil Nadu and Karnataka. It was established in 1996 as a partnership firm and was converted into a private limited company in September 2019. MJPL is now managed by Ashish Mundhra and his family members.

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickwork	[BWR]B/[BWR]A4; ISSUER NOT COOPERATING	September 08, 2023
CRISIL	[CRISIL]B(Stable)/[CRISIL]A4; ISSUER NOT COOPERATING	October 16, 2023

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	Date & Rating in	Date & Rating in	Date & Rating in	
				May 27, 2024	Mar 07, 2023	Jan 05, 2022	-	
1 Fund Based-Cash Credit	Long Term	10.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]BB(Stable)	-	
2 Non-Fund Based – Letter of Credit	Long/Short Term	10.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING/[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]BB(Stable)/[ICRA]A4;ISSUER NOT COOPERATING	[ICRA]BB(Stable)/[ICRA]A4	-	

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long Term-Fund Based-Cash Credit	Simple
Long Term/Short Term – Non-Fund Based – Letter of Credit	Very 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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Long Term-Fund Based-Cash Credit	-	-	-	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Long Term/Short Term – Non-Fund Based – Letter of Credit	-	-	-	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING

Source: Mundhra Jewellers Private Limited

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

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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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.

For more information, visit www.icra.in

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