

Dantara Jewellers

December 28, 2018

Summary of rated instruments

Instrument	Previous Rated Amount(Rs. crore)	Current Rated Amount(Rs. crore)	Rating Action
Fund based limits – Working Capital Facilities	15.00	15.00	[ICRA]BB- (Stable)/ [ICRA]A4; Withdrawn
Total	15.00	15.00	

^Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the long-term rating of **[ICRA]BB-** (pronounced ICRA double B minus)¹ with a stable outlook and the short-term rating of **[ICRA]A4** (pronounced ICRA A four) assigned to the Rs. 15.00-crore² bank facilities of Dantara Jewellers (DJ/the firm).

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension, at the request of the firm, and on the basis of the no-objection certificate received from its banker.

Outlook: Not applicable

Key rating drivers

Key rating drivers has not been captured as the rated instruments are being withdrawn

Liquidity position

Liquidity position has not been captured as the rated instruments are being withdrawn

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Rating Corporate Credit Rating Methodology Rating Methodology for Entities in the Indian Gems & Jewellery Industry – Cut & Polished Diamonds
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Dantara Jewellers (DJ) was set up in 1998 by two brothers, Mr. Naresh Dantara and Mr. Dipak Dantara, for the manufacturing and wholesale trading of gold jewellery. The promoters have been trading in jewellery for more than two decades. The firm has its gold jewellery manufactured from its trusted set of goldsmiths in Mumbai before selling them to wholesalers and jewellery retailers across the country. The firm sells all forms of jewellery, including earrings, necklaces, bangles, rings, and anklets, etc. The firm has a group concern, Dantara Exports, which is engaged in the exports of gold jewellery manufactured on external job-work basis.

Key financial indicators (audited)

	FY2016	FY2017
Operating Income (Rs. crore)	147.5	105.6
PAT (Rs. crore)	0.4	1.6
OPBDIT/OI (%)	1.5%	2.7%
RoCE (%)	6.6%	10.6%
Total Debt/TNW (times)	0.1	0.1
Total Debt/OPBDIT (times)	0.9	0.9
Interest Coverage (times)	1.3	6.5

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2019)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating	Date & Rating in FY2018	Date & Rating in FY2017	Date & Rating in FY2016
						Dec 2018	Jan 2018	Jan 2017
1	Cash Credit/ Working Capital Demand Loans/Gold Metal Loans	Long Term/ Short Term	15.00	-	[ICRA]BB-(Stable)/ [ICRA]A4; Withdrawn	[ICRA]BB-(Stable)/ [ICRA]A4	[ICRA]BB-(Stable)/ [ICRA]A4	[ICRA]BB-(Stable)/ [ICRA]A4

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: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit/ Working Capital Demand Loans/Gold Metal Loans	-	-	-	15.00	[ICRA]BB- (Stable)/ [ICRA]A4; Withdrawn

Source: Dantara Jewellers

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