

August 16, 2019

Diagold Designs Ltd.: Rating withdrawn

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short-term – Fund-based- Working Capital Facilities	20.00	20.00	[ICRA]A4; Withdrawn
Short-term - Non-fund Based- Working Capital Facilities	8.00	8.00	[ICRA]A4; Withdrawn
Short-term - Unallocated Limits	5.00	5.00	[ICRA]A4; Withdrawn
Total	33.00	33.00	

*Instrument details are provided in Annexure-1

Rating action

ICRA has withdrawn the short-term rating of [ICRA]A4 (pronounced ICRA A four) assigned to the Rs. 33.00-crore¹ bank facilities of Diagold Designs Ltd. ('DDL' or 'the company')² in accordance with ICRA's policy on withdrawal and suspension. The rating was earlier placed under review due to non-submission of 'No Default Statement (NDS)'.

Rationale

The ratings are withdrawn in accordance with ICRA's policy on withdrawal and suspension on receipt of No Objection Certificate from the banker, and as desired by the company.

Outlook: Not Applicable

Key rating drivers: Not Applicable

Liquidity Position:

Liquidity position has not been captured as the rated instrument(s) are being withdrawn

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications
www.icra.in

About the company:

DDL was incorporated as a public limited company in October 2000 with commercial production starting from September 2002. The company belongs to the Goldiam Group and is a subsidiary of GIL. DDL is involved in manufacture and export of diamond and coloured stone-studded gold and silver jewellery. The production facility, registered office as well as the marketing office of the company is located at Goregaon, Mumbai. It was a 100% EOU, however, from 2011 it has moved to domestic tariff area (DTA) zone, wherein the tax exemption benefits have been withdrawn. Diagold Designs Limited has a holding of 51% in its associate company "Temple Designs LLP" (TDLLP), which was non-operational as on March 31, 2017.

GIL (shares listed in BSE/NSE) holds 51% of DDL's shares and is one of the pioneers in jewellery manufacturing with a setup in Santa Cruz Electronics Export Processing Zone (SEEPZ). Once GIL was able to establish itself in the U.S markets and develop a brand recognition, DDL was incorporated to foray into the international jewellery business, with a clear focus on medium to high-end jewellery, catering to other alternate markets namely the Middle East, the UK, Europe, Russia, Japan, and South Africa so as to capitalise upon that brand building.

Key financial indicators: Not Applicable

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Current Rating (FY2020)					Chronology of Rating History for the past 3 years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating August 2019	Date & Rating in FY2019 March 2018	Date & Rating in FY2018	Date & Rating in FY2017 December 2016
1 Fund-based-Working Capital Facilities	Short Term	20.00	-	[ICRA]A4; Withdrawn	[ICRA]A4; Reaffirmed	-	[ICRA]A4; Reaffirmed
2 Non-fund Based-Working Capital Facilities	Short Term	8.00	-	[ICRA]A4; Withdrawn	[ICRA]A4; Reaffirmed	-	[ICRA]A4; Reaffirmed
3 Unallocated Limits	Short Term	5.00	-	[ICRA]A4; Withdrawn	[ICRA]A4; Reaffirmed	-	-

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	Packing Credit/Pre-shipment Credit in Foreign Currency	Oct-2017	9.1%	NA	14.00*	[ICRA]A4; Withdrawn
NA	FOBP/FOUBP/FABC	Oct-2017	9.1%	NA	13.00*	[ICRA]A4; Withdrawn
NA	Standby Letter of Credit	Oct-2017	NA	NA	8.00	[ICRA]A4; Withdrawn
NA	Unallocated Limits	NA	NA	NA	5.00	[ICRA]A4; Withdrawn

*Maximum working capital utilisation is Rs 15.00 crore

Source: DDL

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