

March 16, 2020

Amrut Gems: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term/Short term – Fund based	40.00	40.00	[ICRA]BB+(Stable)/ [ICRA]A4+; Withdrawn
Long Term / Short Term - Unallocated	4.24	4.24	[ICRA]BB+(Stable)/ [ICRA]A4+; Withdrawn
Total	44.24	44.24	

*Instrument details are provided in Annexure

Rationale

The ratings assigned for the bank facilities of Amrut Gems have been withdrawn at the request of the company and based on the No Objection Certificate received from its banker. However, ICRA does not have information to suggest that the credit risk has changed since the time the ratings were last reviewed.

Key rating drivers

Key rating drivers have not been captured as the rated instrument(s) are being withdrawn.

Liquidity position

Liquidity position has not been captured as the rated instrument is being withdrawn.

Rating sensitivities

Rating sensitivities have not been captured as the rated instrument is being withdrawn.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	Standalone

About the company:

Established in 1994, Amrut Gems is a partnership firm, managed by four partners - Mr. Hitesh M. Chheta, Mr. Ashish Chheta, Mr. Sanjay Chheta and Mr. Amit Chheta. The partners are actively involved in the firm's daily operations. AG processes and exports CPDs ranging between 5 cents and 2 carats. AG primarily imports rough diamonds from Belgium and Israel, while polished diamonds are exported to Hong Kong, Belgium, the US and the UAE. The firm's registered office is in Mumbai and its manufacturing facility is in Surat (Gujarat).

Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	193.07	208.27
PAT (Rs. crore)	3.46	3.59
OPBDIT/OI (%)	3.55%	5.42%
RoCE (%)	15.43%	15.74%
Total Outside Liabilities/Tangible Net Worth (times)	2.38	1.53
Total Debt/OPBDIT (times)	4.26	1.25
Interest Coverage (times)	2.51	4.06
DSCR	3.12	2.76

Source: Financial statements of AG and ICRA research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating		FY2019	FY2018	FY2017
					16-Mar-2020	17-Sep-2019	14-Sep-2018	31-Aug-2017	23-Aug-2016
1	Fund-based Limits	Long Term/Short Term	40.00	-	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn	[ICRA]BB+(Stable)/[ICRA]A4+	[ICRA]BB+(Stable)/[ICRA]A4+	[ICRA]BB+(Stable)/[ICRA]A4+	[ICRA]BB+(Stable)/[ICRA]A4+
2	Unallocated Limits	Long Term/Short Term	4.24	-	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn	[ICRA]BB+(Stable)/[ICRA]A4+	[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	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Post Shipment Credit	-	-	-	24.50	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
NA	Export Packing Credit	-	-	-	10.50	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
NA	Standby Limit	-	-	-	4.00	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
NA	Forward Contract	-	-	-	1.00	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn
NA	Unallocated Limits	-	-	-	4.24	[ICRA]BB+(Stable)/[ICRA]A4+; Withdrawn

Source: Amrut Gems

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