

April 02, 2020

Kiran Gems Private Limited: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term, Fund-based Facilities	2,376.70	2,376.70	[ICRA]A- (Negative); withdrawn
Short-term, Non fund-based Facilities	192.00	192.00	[ICRA]A2+; withdrawn
Long-term / Short term – Unallocated	56.30	56.30	[ICRA]A- (Negative)/[ICRA]A2+; withdrawn
Total	2,625.00	2,625.00	

*Instrument details are provided in Annexure-1

Rationale

The rating is withdrawn at the request of the company upon receipt of no objection certificate/no dues certificate from the bankers, in accordance with ICRA's policy on withdrawal and suspension of rating of bank facilities.

Key rating drivers and their description: Not applicable

Liquidity position: Not applicable

Rating sensitivities: Not applicable

Link to the previous detailed rationale: [Link](#)

Analytical approach

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

About the company

Kiran Gems Private Limited is the flagship company of the Kiran Group. Promoted by Mr. Vallabhbhai Patel, Mr. Babubhai Lakhani and Mr. Mavjibhai Patel, and closely held by the promoters/promoters' families, KGPL commenced business as a partnership firm (erstwhile Kiran Exports) in 1985. It was incorporated as a private limited company in September 2007. KGPL is engaged in manufacturing CPDs of all shapes (such as rounds,

marquise, pears, princess, emeralds, hearts, and ovals). KGPL has established itself as one of the world's largest manufacturers of CPDs, exporting them primarily to Hong Kong, the United Arab Emirates (UAE), the United States of America (USA), Israel and Belgium. The company's manufacturing facilities are located at Surat and Ahmedabad in Gujarat.

Key financial indicators

	Standalone		Consolidated	
	FY2018	FY2019	FY2018	FY2019
Operating Income (Rs. crore)	9,327.8	9,597.4	12,344.5	13,300.1
PAT (Rs. crore)	341.0	218.4	321.0	367.9
OPBDIT/ OI (%)	6.2%	5.9%	6.4%	5.8%
RoCE (%)	14.9%	11.0%	13.8%	13.6%
Total Outside Liabilities/Tangible Net Worth (times)	1.2	1.1	1.3	1.2
Total Debt/OPBDIT (times)	3.0	2.5	2.5	2.1
Interest Coverage (times)	3.7	3.7	4.6	4.5
DSCR	3.9	3.0	3.7	3.8

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2020)						Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Current Rating	Earlier Rating		FY2019	FY2018	FY2017
					2-Apr-2020	30-Aug-2019	9-Jul-2019	30-Nov-2018	17-Nov-2017	19-Sep-2016
1	Fund-Based Facility	Long-term	2376.70	NA	[ICRA]A- (Negative); withdrawn	[ICRA]A- (Negative)	[ICRA]A+&; watch with developing implications	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2	Non-fund Based Facility	Short-term	192.00	NA	[ICRA]A2+; withdrawn	[ICRA]A2+	[ICRA]A1&; watch with developing implications	[ICRA]A1	[ICRA]A1	[ICRA]A1
3	Unallocated	Long-term / Short-term	56.30	NA	[ICRA]A- (Negative)/ [ICRA]A2+; withdrawn	[ICRA]A- (Negative) / [ICRA]A2+	[ICRA]A+& / [ICRA]A1&; watch with developing implications	[ICRA]A+ (Stable) / [ICRA]A1	[ICRA]A+ (Stable) / [ICRA]A1	[ICRA]A+ (Stable) / [ICRA]A1

Amount in Rs. crore

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	Long-term, Fund-based Facility	-	-	-	2376.70	[ICRA]A- (Negative); withdrawn
NA	Short-term, Non-fund based Facility	-	-	-	192.00	[ICRA]A2+; withdrawn
NA	Unallocated	-	-	-	56.30	[ICRA]A- (Negative) / [ICRA]A2+; withdrawn

Source: Kiran Gems Private Limited

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