# Chintamanis Jewellery Arcade Pvt. Ltd.

April 26, 2019

## Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|---|---|---|
| Fund Based – Term Loans | 5.00 | 5.00 | [ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]BB- (Stable); Rating continues to be in 'Issuer not cooperating' category |
| Fund Based – Cash Credit | 18.00 | 18.00 | [ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]BB- (Stable); Rating continues to be in 'Issuer not cooperating' category |
| Non-fund Based – Bank Guarantee^ | (10.00) | (10.00) | [ICRA]D ISSUER NOT COOPERATING*; downgraded from [ICRA]A4; Rating continues to be in 'Issuer not cooperating' category |
| **Total** | **23.00** | **23.00** | |

**Instrument details are provided in Annexure-1*
*^ Sublimit of fund based limit*

## Rating action

ICRA has downgraded the long-term rating to [ICRA]D (pronounced ICRA D) – 'ISSUER NOT COOPERATING' from [ICRA]BB- (Stable) – 'ISSUER NOT COOPERATING' and has also downgraded the short term rating to [ICRA]D – 'ISSUER NOT COOPERATING', from [ICRA]A4 – 'ISSUER NOT COOPERATING', for the bank facilities of Rs. 23.00 crore of Chintamanis Jewellery Arcade Pvt. Ltd. (CJAPL). The rating continues to be in the 'Issuer Not Cooperating' category. The ratings are now denoted as "[ICRA]D ISSUER NOT COOPERATING /[ICRA]D ISSUER NOT COOPERATING ".

ICRA has been trying to seek information from the company so as to monitor its performance, but despite repeated requests by ICRA, the company's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available information on the issuers' performance. Accordingly the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

## Rationale

The rating downgrade factors in the delays in debt servicing as confirmed by the lender.

## Analytical approach

| Analytical Approach | Comments |
|---|---|
| Applicable Rating Methodologies | Corporate Credit Rating Methodology<br>Policy in respect of non-cooperation by the rated entity<br>Policy on Default Recognition |
| Parent/Group Support | Not applicable |
| Consolidation/Standalone | Based on standalone financials |

## About the company

Chintamanis Jewellery Arcade Pvt. Ltd. ('CJAPL' or 'the company') is involved in the retailing of gold, silver and diamond ornaments. It was established in 1972 as a proprietorship concern by Mr. Arun Kaigaonkar. In the year 2003, it was converted into a private limited company and the name was changed to its current name. CJAPL is a family run business and primarily deals in gold based jewellery which contributes more than 95% of the total sales. The company sources gold, silver and diamond from the local market in Mumbai. CJAPL has five retail outlets in Mumbai and one retail outlet in Goa.

In FY2018, the company reported a net profit of Rs. 0.4 crore on an operating income (OI) of Rs. 85.5 crore compared to a net profit of Rs. 0.3 crore on an OI of Rs. 78.3 crore in the previous year.

**The previous detailed rating rationale is available on the following link:** Click here

## 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) Mar 2018 | Date & Rating Apr 2019 | Date & Rating in FY2019 Aug 2018 | Date & Rating in FY2018 Nov 2017# | Date & Rating in FY2017 Feb 2017 |
| 1 | Term Loans | Long Term | 5.00 | 3.92 | [ICRA]D ISSUER NOT COOPERATING* | [ICRA]BB- (Stable) ISSUER NOT COOPERATING* | [ICRA]BB- (Stable) ISSUER NOT COOPERATING* | [ICRA]BB- (Stable) |
| 2 | Cash Credit | Short Term | 18.00 | - | [ICRA]D ISSUER NOT COOPERATING* | [ICRA]BB- (Stable) ISSUER NOT COOPERATING* | [ICRA]BB- (Stable) ISSUER NOT COOPERATING* | [ICRA]BB- (Stable) |
| 3 | Bank Guarantee^ | Short Term | (10.00) | - | [ICRA]D ISSUER NOT COOPERATING* | [ICRA]A4 ISSUER NOT COOPERATING* | [ICRA]A4 ISSUER NOT COOPERATING* | [ICRA]A4 |

*^Sublimit of letter of credit limit*

**Issuer did not co-operate, based on best available information*

*#for non submission of no default statement*

## 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 | Fund Based – Term Loans | 2015 | 9.75% | Dec 2030 | 5.00 | [ICRA]D ISSUER NOT COOPERATING* |
| NA | Fund Based – Cash Credit | - | - | - | 18.00 | [ICRA]D ISSUER NOT COOPERATING* |
| NA | Non-fund Based – Bank Guarantee^ | - | - | - | (10.00) | [ICRA]D ISSUER NOT COOPERATING* |

*Source: Chintamanis Jewellery Arcade Pvt. Ltd.*

## ANALYST CONTACTS

**K. Ravichandran**
+91 44 4596 4301
ravichandran@icraindia.com

**Suprio Banerjee**
+91 22 6114 3443
supriob@icraindia.com

**Srinivas Menon**
+91 22 6169 3354
srinivas.menon@icraindia.com

**Sonam Kumari Agarwal**
+91 22 6169 3357
sonam.agarwal@icraindia.com

## RELATIONSHIP CONTACT

**Jayanta Chatterjee**
+91 80 4332 6401
jayantac@icraindia.com

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**
Tel: +91 124 4545 860
communications@icraindia.com

## Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

## About ICRA Limited:

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## ICRA Limited


**Corporate Office**
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

**Registered Office**
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

**Branches**

| | |
|---|---|
| Mumbai | + (91 22) 24331046/53/62/74/86/87 |
| Chennai | + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294, |
| Kolkata | + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008, |
| Bangalore | + (91 80) 2559 7401/4049 |
| Ahmedabad | + (91 79) 2658 4924/5049/2008 |
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