

RATING RATIONALE

26 Mar 2020

R. K Das Jewellers

Brickwork Ratings downgrades the Rating for the Bank Loan Facility of INR 12.80 crores of R.K. Das Jewellers based on the best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Sep, 2018)	Present
Fund Based	12.80	12.80	Long Term	BWR BB- <u>Stable</u> Assigned	BWR B+ <u>Stable</u> Downgraded Issuer Not Cooperating*
Total	12.80	12.80	INR Twelve Crores and Eighty Lakhs Only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure-I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

Downgraded the rating to BWR B+ (Outlook: Stable); (Issuer Not Cooperating) based on the best available information as the issuer did not cooperate.

The rating was due for review in Sep, 2019. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the company, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain the valid rating. Hence, on account of inadequate information and lack of management cooperation, Brickwork Ratings has downgraded the rating to BWR B+ (Outlook: Stable); Issuer Not Cooperating.

LIMITATIONS OF THE RATING: Information availability risk is the key factor in the assessment of the credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit rating should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR in Sep, 2018]

Key Parameters	Units	FY 2017	FY 2016
Result Type		Audited	Audited
Operating Revenue	INR crs.	53.70	43.46
EBITDA	INR crs.	0.65	1.17
PAT	INR crs.	0.29	0.21
TNW	INR crs.	3.59	3.63
Total Debt/TNW	Times	2.10	2.55
Current Ratio	Times	2.20	3.35

FIRM'S PROFILE

RK Das Jewellers is a HUF which was established in the year 1999. Also, RK Das Jewellers is a franchisee of Tanishq Jewellers. As of now the HUF has 2 showrooms, both in Varanasi. The second showroom was established in October, 2017. The key management personnels of the HUF have moderate amount of experience, with Subodh Kumar Aggarwal being the karta of the HUF has 30 years of experience and is a graduate, Madhulika Agarwal is a graduate and has 25 years of experience and Mr. Ashutosh Agrawal has 6 years of experience and he is also a graduate.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: IND B+/Stable under Issuer Non Cooperation as on 02 Feb 2018.

RATING HISTORY

Facility	Current Rating (2020)			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	Sep, 2018	2017
Fund Based	Long Term	12.80	BWR B+ Stable Downgraded Issuer Not Cooperating*	-	BWR BB- Stable Assigned	-
Total		12.80	INR Twelve Crores and Eighty Lakhs Only			

* Issuer did not cooperate, based on best available information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [What Constitutes Non-Cooperation](#)

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ANNEXURE I

R.K. Das Jewellers

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Punjab National Bank	Cash Credit	8.00	-	8.00
2.		Term Loan	4.80	-	4.80
TOTAL					12.80

Total Rupees Twelve Crores and Eighty Lakhs Only.

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