

June 02, 2022

## Emerald Jewel Industry India Limited: Migration of the rating outstanding from the medium-term rating scale to the long-term rating scale; removed from notice of withdrawal

### Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fixed Deposits	100.0	100.0	[ICRA]A- (Stable); Migrated from MA- (Stable); removed from notice of withdrawal
Fund-based Term Loans	113.81	113.81	[ICRA]A-(Stable); outstanding
Long-term fund-based working capital facilities	540.00	540.00	[ICRA]A-(Stable); outstanding
Short-term non-fund based	4.00	4.00	[ICRA]A2+; outstanding
Long/ Short term – Interchangeable	(388.00)	(388.00)	[ICRA]A-(Stable)/[ICRA]A2+; outstanding
Long/ Short term – Unallocated	2.19	2.19	[ICRA]A-(Stable)/[ICRA]A2+; outstanding
<b>Total</b>	<b>760.00</b>	<b>760.00</b>	

### Rationale

In compliance with the circular [SEBI/HO/MIRSD/MIRSD\_CRADT/P/CIR/2021/594] issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent circular SEBI/HO/MIRSD/MIRSD\_CRADT /P/CIR/2022/43 of April 1, 2022, for standardizing the rating scales used by the Credit Rating Agencies, ICRA has discontinued the medium-term rating scale which was being used to assign ratings to the fixed deposit programmes of entities.

Accordingly, ICRA has migrated the rating currently outstanding for the fixed deposits programme of **Emerald Jewel Industry India Limited** from the medium-term rating scale to the long-term rating scale. The medium-term rating scale of ICRA was a 14-point scale, while the long-term rating scale is a 20-point scale. The migration of the rating has resulted in a change in the rating symbol; however, this is to be construed only as a recalibration of the rating from one scale to another, and not as a reflection of a change in the credit risk of the fixed deposit programme. As per client's request, the ratings have been removed from notice of withdrawal placed earlier.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	Not Applicable

**Consolidation/Standalone**

For arriving at the rating, ICRA has considered the consolidated financials of Emerald Jewel Industry India Limited, Emerald Jewellers DMCC (Dubai) and India Jewellery Company Private Limited

## About the company

EJIL was promoted by Mr. K Srinivasan as a Private Limited Company in 2004. EJIL is involved in the business of manufacturing and marketing of gold jewellery, under the brand 'JewelOne' and as job work for customers. Targeting both local and export markets, the company has four manufacturing facilities in Coimbatore catering to different activities – namely machine made jewellery manufacturing, hand-made jewellery, electro-forming, fusion technology, etc. Though gold jewellery has been its major source of revenue, the company also manufactures and sells diamond and silver jewellery (under its brand 'Zilara'). EJIL also retails gold jewellery through its 14 showrooms spread across South India. EJIL has two subsidiaries at present - India Jewellery Company P Limited and Emerald Jewellers DMCC, Dubai.

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

	Instrument			Current Rating (FY2023)		Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding as of Jun 18, 2021 (Rs. crore)	Date & Rating in FY2023	Date & Rating in FY2022		Date & Rating in FY2021	Date & Rating in FY2020
					June 02,2022	Jul 29, 2021	Jun 29, 2021		
1	Term Loan	Long term	113.81	113.81	[ICRA]A-(Stable)	[ICRA]A-(Stable)	[ICRA]A-(Stable)	-	[ICRA]A-(Stable)
2	Fund based limits	Long term	540.00	-	[ICRA]A-(Stable)	[ICRA]A-(Stable)	[ICRA]A-(Stable)	-	[ICRA]A-(Stable)
3	Fund based limits	Short term	-	-	-	-	-	-	[ICRA]A2+
3	Non-fund based limits	Short term	4.00	-	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	-	[ICRA]A2+
4	Interchangeable limits	Long / Short term	(388.00)	-	[ICRA]A- (Stable)/ [ICRA]A2+	[ICRA]A-(Stable)/ [ICRA]A2+	[ICRA]A-(Stable)/ [ICRA]A2+	-	[ICRA]A-(Stable)/ [ICRA]A2+
5	Unallocated facilities	Long / Short term	2.19	-	[ICRA]A- (Stable)/ [ICRA]A2+	[ICRA]A-(Stable)/ [ICRA]A2+	-	-	[ICRA]A-(Stable)/ [ICRA]A2+
6	Fixed Deposit Programme	Long term	100.00	-	[ICRA]A-(Stable);migrated from MA-(Stable);removed from notice of withdrawal	MA-(Stable); placed on notice of withdrawal for a	MA-(Stable)	-	MA- (Stable)

					period of 6 months			
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### Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund-based Term Loans	Simple
Long-term fund-based working capital facilities	Simple
Short-term non-fund based	Very Simple
Long/ Short term - Interchangeable	Simple
Long/ Short term – Unallocated	Not Applicable
Fixed Deposit	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [www.icra.in](http://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	Term Loan 1	Nov 2017	-	Mar 2023	8.94	[ICRA]A-(Stable)
NA	Term Loan 2	Mar 2020	-	Oct 2023	12.25	[ICRA]A-(Stable)
NA	Term Loan 3	Dec 2020	-	Dec 2025	12.48	[ICRA]A-(Stable)
NA	Term Loan 4	Apr 2020	-	Q1FY2023	3.25	[ICRA]A-(Stable)
NA	Term Loan 5	Feb 2021	-	Feb 2027	4.50	[ICRA]A-(Stable)
NA	Term Loan 6	Dec 2020	-	Dec 2025	16.65	[ICRA]A-(Stable)
NA	Term Loan 7	Dec 2020	-	Dec 2026	25.80	[ICRA]A-(Stable)
NA	Term Loan 8	Dec 2020	-	Dec 2026	4.25	[ICRA]A-(Stable)
NA	Term Loan 9	Dec 2020	-	Dec 2026	10.38	[ICRA]A-(Stable)
NA	Term Loan 10	Mar 2021	-	Mar 2027	4.64	[ICRA]A-(Stable)
NA	Term Loan 11	Jun 2018	-	Jan 2024	10.67	[ICRA]A-(Stable)
NA	Cash Credit	-	-	-	540.00	[ICRA]A-(Stable)
NA	Bank Guarantee	-	-	-	4.00	[ICRA]A2+
NA	Interchangeable limits	-	-	-	(388.00)	[ICRA]A-(Stable)/ [ICRA]A2+
NA	Unallocated facility	-	-	-	2.19	[ICRA]A-(Stable)/ [ICRA]A2+
NA	Fixed Deposit Programme	-	-	-	100.00	[ICRA]A-(Stable);migrated from MA-(Stable);removed from notice of withdrawal

Source: Company

## Annexure-2: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation
Emerald Jewellers Singapore Pte Ltd	100%	Full Consolidation
Emerald Jewellers DMCC (Dubai)	100%	Full Consolidation
Indiana Jewellery Company Private Limited	72.50%	Full Consolidation

Source: annual report FY2021

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### Branches



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