



## Press Release

### Amore Jewels Private Limited

**May 16, 2025**

#### **Ratings**

<b>Instrument / Facility</b>	<b>Amount (Rs. crore)</b>	<b>Current Ratings</b>	<b>Previous Ratings</b>	<b>Rating Action</b>	<b>Complexity Indicator</b>
Long Term Facilities	97.68	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	<a href="#">Simple</a>
Proposed Long- Term Facilities	17.32	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	Assigned	<a href="#">Simple</a>
<b>Total</b>	<b>115.00</b> <b>(Rupees One Hundred and Fifteen Crore only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### **Detailed Rationale**

Infomerics Ratings has assigned its rating to the Bank facilities of Amore Jewels Private Limited (AJPL). The ratings derive comfort from extensive experience of the promoters and established track record, established relationship with customers, and comfortable capital structure with adequate debt protection metrics. However, these rating strengths remain constrained by profitability exposed to volatility in raw material prices fluctuations and intense competition.

The stable outlook is assigned due to comfortable capital structure and experienced promoters

#### **Key Rating Sensitivities:**

##### **Upward Factors**

- Steady revenue growth and improved operating margin
- Sustained improvement in working capital cycle



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### **Downward Factors**

- Decline in revenue or lower operating profit margin
- Any further significant rise in working capital intensity or unplanned capex leading to deterioration in the liquidity position.

### **List of Key Rating Drivers with Detailed Description**

#### **Key Rating Strengths**

##### **Extensive experience of the promoters and established track record**

AJPL is led by promoters Mr. Shantilal Barmecha, Mr. Bhavesh Barmecha, and Mr. Viral Barmecha, who have extensive experience in the diamond industry. Mr. Shantilal Barmecha began his journey in the diamond trade, establishing a strong foundation in sourcing, grading, and understanding global market dynamics. Mr. Bhavesh Barmecha oversees strategic procurement of polished diamonds, playing a key role in acquiring high-quality stones for the company's jewellery manufacturing. Mr. Viral Barmecha, a graduate of Franklin Pierce University in the USA, contributes with his international exposure in business management, marketing, and operational strategy.

##### **Established relationship with customers**

The promoters have extensive experience in the diamond and jewellery industry which has enabled company to establish strong position in industry across India and abroad. The company has, over the years, maintained longstanding relations with established Jewellers and has expanded its base in domestic market with marquee customers like Kalyan Jewellers India Ltd, Titan Company Limited Mumbai, MBMG Diamond Pvt Ltd etc.

##### **Comfortable capital structure with adequate debt protection metrics**

The company's capital structure remains comfortable, supported by a healthy gearing ratio and a satisfactory TOL/TNW. The gearing ratio improved from 0.90x as on 31st March 2023, to 0.76x as on March 31, 2024, driven by an increase in net worth and a reduction in term loans during FY24 (1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024). However, it stood moderated at 0.87x as on 31st March 2025(Prov) because of increase in total debt from Rs 52.80 crore as on 31<sup>st</sup> March 2024 to Rs 63.59 crore as on 31<sup>st</sup> March 2025 (Prov). Similarly, TOL/TNW ratio



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increased from 1.56x as on March 31, 2024, to 1.78x as of March 31, 2025 (Prov). Interest coverage ratio improved to 1.91x as on March 31, 2025, compared to 1.83x as on March 31, 2024, owing to increased profitability. However, DSCR declined slightly from 1.13x as on 31<sup>st</sup> March 2024 to 1.11x in as on 31<sup>st</sup> March 2025 (Prov), primarily due to higher current maturity of long-term debt in FY25(1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025). Despite this decline, the DSCR is expected to remain adequate given the minimal outstanding term loan.

### **Key Rating Weaknesses**

#### **Profitability exposed to volatility in raw material prices fluctuation**

AJPL's primary raw materials are gold and diamonds, which constitute a significant portion of its total cost of sales. Gold prices have been highly volatile due to factors such as demand-supply dynamics, regulatory measures, and fluctuations in foreign exchange rates. Hence the operating margin has been moderate at 3.6%-3.4% over the last three years and remains exposed to risks related to volatility in diamond and gold prices. Further, the PAT margin decreased from 1.16% in FY24 to 0.99% in FY25 (Prov) on account of increase in interest cost.

#### **Intense Competition**

The jewellery industry in India is highly fragmented with presence of numerous unorganised players, apart from some very large integrated Gold and Jewellery manufacturers leading to highly competitive intensity. The firm faces stiff competition from both organised as well as unorganised players. The industry players must continuously offer new designs and innovative marketing practices to attract and retain customers. The competitive and fragmented nature of the industry impacts the firm's profit margins.

**Analytical Approach:** Standalone

#### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)



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### **Liquidity – Adequate**

AJPL is projected to generate adequate GCA during FY26–FY28, against its scheduled debt repayment obligations over the same period. The average working capital utilization stood at 81.26% for the 12 months ending March 2025. The current ratio remains comfortable at 1.53x in FY25 (Prov). These factors collectively indicate an adequate liquidity position for the company.

### **About the Company**

AJPL, established in the year 2005 is primarily engaged in the manufacturing of diamond-studded jewellery, offering a wide range of intricately designed products, particularly of princess cut and baguette diamonds jewellery. Its factory is located in Mumbai, Maharashtra. Presently, the business is overseen by its directors Mr. Shantilal Barmecha, Mr. Bhavesh Barmecha, and Mr. Viral Barmecha. In addition to its core manufacturing activities, the company is also involved in the trading of cut and polished diamonds, as well as diamond-studded gold jewellery.

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	347.60	426.06
EBITDA	12.46	14.52
PAT	4.06	4.24
Total Debt	52.80	63.59
Tangible Net Worth	69.09	73.33
EBITDA Margin (%)	3.58	3.41
PAT Margin (%)	1.16	0.99
Overall Gearing Ratio (x)	0.76	0.87
Interest Coverage (x)	1.83	1.91

\* Classification as per Infomerics' standards.



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

**Any other information:** Nil

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date	Date	Date
					Rating	Rating	Rating
1.	Fund based Facilities	Long Term	97.68	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	-	-
2.	Proposed - Fund based Facilities	Long Term	17.32	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	-	-	-

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (previously Infomerics Valuation and Rating Private Limited) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks. Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com)

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### Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Long term fund based- Term Loan	-	-	-	30 <sup>th</sup> Nov 2026	2.68	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)
Long term fund based- Working Capital Demand Loan	-	-	-	-	*95.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)
Long term fund based Proposed	-	-	-	-	17.32	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)

*\*Pre -Shipment Export credit of Rs 9 crore (Sublimit of working capital demand loan)*

*\*PCFC against unfinanced bills of Rs 9 crore (Sublimit of working capital demand loan)*

*\*Cash Credit of Rs 38 crore (Sublimit of working capital demand loan)*

*\*Standby Letter of credit of Rs 30 crore (Sublimit of working capital demand loan)*

*\*Foreign bill discount of Rs 16 crore (Sublimit of working capital demand loan)*

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-amore-may25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).