



Press Release

Prism Enterprises Private Limited (PEPL)

March 13, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	167.00 (Enhanced from Rs. 107.00 crore)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating reaffirmed	Simple
Short Term Bank Facilities	3.50 (Enhanced from Rs. 2.50 crore)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating reaffirmed	Simple
Total	170.50 (Rupees One Hundred Seventy crore and Fifty lakh only)				

Details of Facilities are in Annexure 1. Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has reaffirmed its rating assigned to the bank facilities of PEPL as PEPL continues to derive strength from stable revenue with improvement in margins, comfortable capital structure and long track record of the operations and extensive experience of the promoters in jewellery manufacturing business. The ratings are however constrained by intensive competition from organised and unorganised players and susceptibility to regulatory changes in India.

The outlook is expected to remain stable through extensive support of promoters, increasing scale of operations and accruals along with comfortable debt protection metrics.

Key Rating Sensitivities:



Press Release

Upward Factors

- Substantial and sustained increase in revenues and profitability leading to improvement in cash accruals and liquidity position.
- Improvement in capital structure.

Downward Factors

- Any decline in scale of operations and/or profitability and/or any unplanned debt led capex leading to sustained deterioration of liquidity and/or debt protection parameters.
- Any un-envisaged incremental debt funded capital expenditure leading to a deterioration in the capital structure and thereby debt protection metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Stable revenue with improvement in margins

PEPL's revenue has remained stable at Rs. 318.98 crore in FY24 from Rs. 307.19 crore in FY23 as sales volume and realisations remained at similar level. Further, PEPL has achieved revenue of Rs. 377.33 crore in 10MFY25 and is expected to achieve revenue in excess of Rs. 500.00 crore in FY25.

EBITDA margins have improved to 6.66% in FY24 from 5.89% in FY23 on account of improvement in scale of operations and operational efficiencies.

Comfortable capital structure

PEPL's capital structure continued to remain comfortable as overall gearing and TOL/TONW remained at similar level at 1.43x and 1.84x respectively in FY24 from 1.38x and 1.74x respectively in FY23. Further, PEPL's interest coverage has improved to 1.66x in FY24 from 1.47x in FY23 due to increase in EBITDA. However, Total debt/ NCA ratio has deteriorated to 16.51x in FY24 from 19.01x in FY23 due to increase in Net Cash Accruals.

Long track record of the operation and extensive experience of the promoters in jewellery manufacturing business



Press Release

Incorporated in 1999, PEPL has established its presence in gems and jewellery business. PEPL is a family-owned business headed by Mr. Jitendra Bhansali having an experience of more than three decades in the jewellery business, along with his sons Mr. Nirav Jitendra Bhansali. The extensive experience of the promoter has enabled PEPL to establish healthy relationship with its reputed clientele. Namely Tanishq, Kalyan Jewellers, Orra Fine Jewellery Private Limited and P N Gadgil Jewellers Private Limited.

Key Rating Weaknesses

Intense competition from organised and unorganised players

Revenue and profitability are susceptible to intense competition in the jewellery industry, and to volatility in gold and diamond prices. It faces severe competition from local players and from other national brands. Jewellery retailing in India is largely dominated by unorganized players which have a stronghold in their regions. Jewellery sector had seen heightened regulatory action in the past, and the company will continue to remain susceptible to changing regulatory norms. The competitive and fragmented nature of the industry impacts the company's profit margins.

Susceptible to regulatory changes in India

Gold is an important commodity traded in the international market, so trading in gold and gold jewellery is highly influenced by several government policies and regulations, which change from time to time.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Criteria on assigning rating outlook](#)

[Criteria on Default Recognition and Post-Default Curing Period](#)

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



Press Release

Liquidity – Adequate

The liquidity position of the company remains adequate as cash accruals are expected to match adequately with debt repayment obligations. The average working capital utilization for 12 months ending December 2024 has been 88.92%. The current ratio and quick ratio stood at 1.54x and 0.43x respectively in FY24.

About the Company

Prism Enterprises Private Limited (PEPL) incorporated in the year 1999 is engaged in designing, manufacturing of diamond-studded gold and platinum jewellery. PEPL was promoted by Mr. Jitendra K. Bhansali who ventured into the diamond business since 1963 through his entity J.K. Bhansali & Co (JKBC) and was later supported by Prism Jewellery which has an established presence within the domestic as well as international market as a leading Indian jewellery manufacturer.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	307.19	318.98
EBITDA	18.10	21.23
PAT	3.93	5.11
Total Debt	112.59	119.42
Adjusted Tangible Net Worth	81.75	83.32
EBITDA Margin (%)	5.89	6.66
PAT Margin (%)	1.27	1.60
Overall Gearing Ratio (x)	1.38	1.43
Interest Coverage (x)	1.47	1.66

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil



Press Release

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (December 18, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1.	Cash Credit	Long Term	157.00*	IVR BBB-/ Stable	IVR BBB-/ Stable	--	--
2.	Working Capital Demand Loan/ Gold Metal Loan	Long Term	10.00	IVR BBB-/ Stable	--	--	--
4.	Bank Guarantee	Short Term	3.50	IVR A3	IVR A3	--	--

*Cash Credit of Rs. 60.00 crore is interchangeable with Working Capital Demand Loan/ Gold Metal Loan, Sub-limit of Working Capital Demand Loan: Rs. 72.00 crore and Post – Shipment Credit in Foreign Currency: Rs. 20.00 crore and Sub-limit of Working Capital Demand Loan: Rs. 25.00 crore.

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.



Press Release

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.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	--	--	--	157.00*	IVR BBB-/ Stable
Working Capital Demand Loan/ Gold Metal Loan	--	--	--	10.00	IVR BBB-/ Stable
Bank Guarantee	--	--	--	3.50	IVR A3

*Cash Credit of Rs. 60.00 crore is interchangeable with Working Capital Demand Loan/ Gold Metal Loan, Sub-limit of Working Capital Demand Loan: Rs. 72.00 crore and Post – Shipment Credit in Foreign Currency: Rs. 20.00 crore and Sub-limit of Working Capital Demand Loan: Rs. 25.00 crore.

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-prisme-mar25.pdf>

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



Press Release

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.

