

August 05, 2025

## ACPL Exports Private Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Working capital	25.00	25.00	[ICRA]BBB(Stable); reaffirmed
Long-term Fund-based – Overdraft	5.00	5.00	[ICRA]BBB(Stable); reaffirmed
Short-term Non-fund-based – Letter of credit/Bank guarantee	0.50	0.50	[ICRA]A3+; reaffirmed
Short-term Non-fund-based – Others	0.80	0.80	[ICRA]A3+; reaffirmed
<b>Total</b>	<b>31.30</b>	<b>31.30</b>	

\*Instrument details are provided in Annexure I

### Rationale

The reaffirmation of the ratings for ACPL Exports Private Limited (ACPL) factors in the company's steady operational performance and the extensive experience of its promoters in the silver jewellery export business. ACPL recorded a healthy 42% growth in its scale of operations in FY2025, with revenues reaching approximately Rs. 223 crore. The growth was primarily driven by the merger of Agra Chains Private Limited (an associate company) with ACPL Exports, effective from November 2024. Agra Chains was primarily engaged in job work for ACPL Exports and sold jewellery in the domestic market. The merger was strategically undertaken by the management to leverage operational synergies between the two entities.

ACPL's stable operating margins of 9-10% over the years, coupled with low reliance on external debt, have resulted in comfortable debt protection metrics, with an interest coverage ratio of ~3.7 times in FY2025 and a TOL/TNW ratio of 0.44 times as of March 31, 2025. Besides, the company's liquidity remains healthy, supported by free cash and liquid investments of approximately Rs. 29 crore as of March 31, 2025.

The ratings continue to be constrained by the intensely competitive and the fragmented nature of the jewellery industry, which includes numerous unorganised players. The company also faces geographical concentration risk, with the major part of its export sales derived from a single market—the US. Additionally, the ratings factor in the volatility of silver prices and the company's exposure to foreign exchange risk on export receivables, even though the same is partially mitigated through forward contracts. The working capital intensive nature of operations, driven by high inventory requirements, is another limiting factor. ICRA notes that the US has imposed tariffs of 10% on jewellery exports from India and the same could increase further, going forward. The same has the potential to impact the volumes and profitability of the company in the current fiscal and any development in this regard would be closely monitored.

The Stable outlook reflects ICRA's expectation that the company is likely to generate steady cash flows, which would help it maintain comfortable credit metrics.

### Key rating drivers and their description

#### Credit strengths

**Five-decade long experience of promoters in silver jewellery business** – The promoters and their families have been involved in the silver jewellery business for more than five decades. At present, the company's day-to-day management is looked after by Mr. Dinesh Gupta and Mr. Mukesh Gupta, and their sons, who are also part of the company's senior management.

**Adequate financial risk profile** – The company’s financial risk profile continues to remain steady, as reflected in low gearing levels and comfortable debt coverage indicators. The company’s scale of operations has also increased over the recent past, aided by the merger of its associate company, Agra Chains Private Limited, from November 2024.

### Credit challenges

**Moderate scale of operation** – ACPL continues to have a moderate scale of operations, which constrains its economies of scale and bargaining power against big customers and suppliers. The company reported around Rs. 223 crore of revenues in FY2025.

**Intensely competitive and fragmented industry** – The industry is intensely competitive and fragmented due to low capital investment. Further, ACPL faces stiff competition from countries such as China, Italy and Thailand, which manufacture silver jewellery in bulk. Moreover, the company faces geographical concentration risk as it derives around 54% of export revenues from the US markets.

**Susceptibility of profitability to volatility in raw material prices**– ACPL’s profitability remains susceptible to volatility in silver prices and exchange rate movements. However, the same is partly mitigated by forward cover of foreign currency transaction and order-backed purchase of silver.

**Working capital intensive operations** – The operations of the company are working capital intensive owing to requirement to maintain high inventory levels as reflected by NWC/OI of 40-50% in the past few fiscals.

### Liquidity position: Adequate

ACPL’s liquidity position remains adequate, supported by steady cash flow generation, free cash and liquid investments of ~Rs. 29 crore as on March 31, 2025 and sufficient cushion of Rs. 20 crore as of May 31, 2025 in the form of undrawn bank lines. Further, no long-term debt repayment liability and no major capital expenditure plan in the near term further support the liquidity position.

### Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the company demonstrates a sustained increase in its revenues and operating profit margin, leading to an improvement in net cash accruals.

**Negative factors** – ICRA could downgrade the ratings if a considerable decline in accrual generation and/or a deterioration in the working capital cycle results in significant weakening in the company’s liquidity profile or debt protection metrics.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company.

### About the company

ACPL was incorporated in 2008, following the conversion of a family-run partnership firm. All the partners of the erstwhile partnership firm became shareholders of the company. At present, the company’s day-to-day operations are looked after by Mr. Dinesh Gupta and Mr. Mukesh Gupta, and their sons, who are also on the board of directors. The company designs, manufactures and sells silver jewellery. The product designing is done with a focus on export markets, which account for most of the company’s revenues. Jewellery is manufactured on a job-work basis by artisans and is sold to customers at a margin

over cost. The product profile of ACPL includes basic jewellery such as chains, bangles, anklets and earrings, and fashion jewellery such as bracelets, pendants, and necklaces. Agra Chains Private Limited, an associate concern, got merged with ACPL from November 2024.

### Key financial indicators (audited)

Standalone	FY2024	FY2025*
Operating income	157.9	223.8
PAT	11.1	13.0
OPBDIT/OI	9.8%	9.7%
PAT/OI	7.0%	5.8%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDIT (times)	2.5	1.9
Interest coverage (times)	3.0	3.7

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; \*Provisional financials

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

Any other information: None

### Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	05-Aug-2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund Based-Working Capital	Long-term	25.00	[ICRA]BBB (Stable)	14-Jun-2024	[ICRA]BBB(Stable)	12-Jun-2023	[ICRA]BBB(Stable)	23-May-2022	[ICRA]BBB (Stable)
Fund-based - Overdraft	Long-term	5.00	[ICRA]BBB (Stable)		[ICRA]BBB(Stable)		[ICRA]BBB (Stable)		
Letter of credit/Bank guarantee	Short term	0.50	[ICRA]A3+		[ICRA]A3+		[ICRA]A3+		
Non-fund-based Others	Short term	0.80	[ICRA]A3+		[ICRA]A3+		[ICRA]A3+		

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Working capital	Simple
Long-term Fund-based – Overdraft	Simple
Short-term Non-fund-based – Letter of credit/Bank guarantee	Very Simple
Short-term Non-fund-based – Others	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 analysing 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 are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term Fund-based – Working capital	NA	NA	NA	25.00	[ICRA]BBB(Stable)
NA	Long-term Fund-based – Overdraft	NA	NA	NA	5.00	[ICRA]BBB(Stable)
NA	Short-term Non-fund-based – Letter of credit/Bank guarantee	NA	NA	NA	0.50	[ICRA]A3+
NA	Short-term Non-fund-based – Others	NA	NA	NA	0.80	[ICRA]A3+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis-Not applicable**

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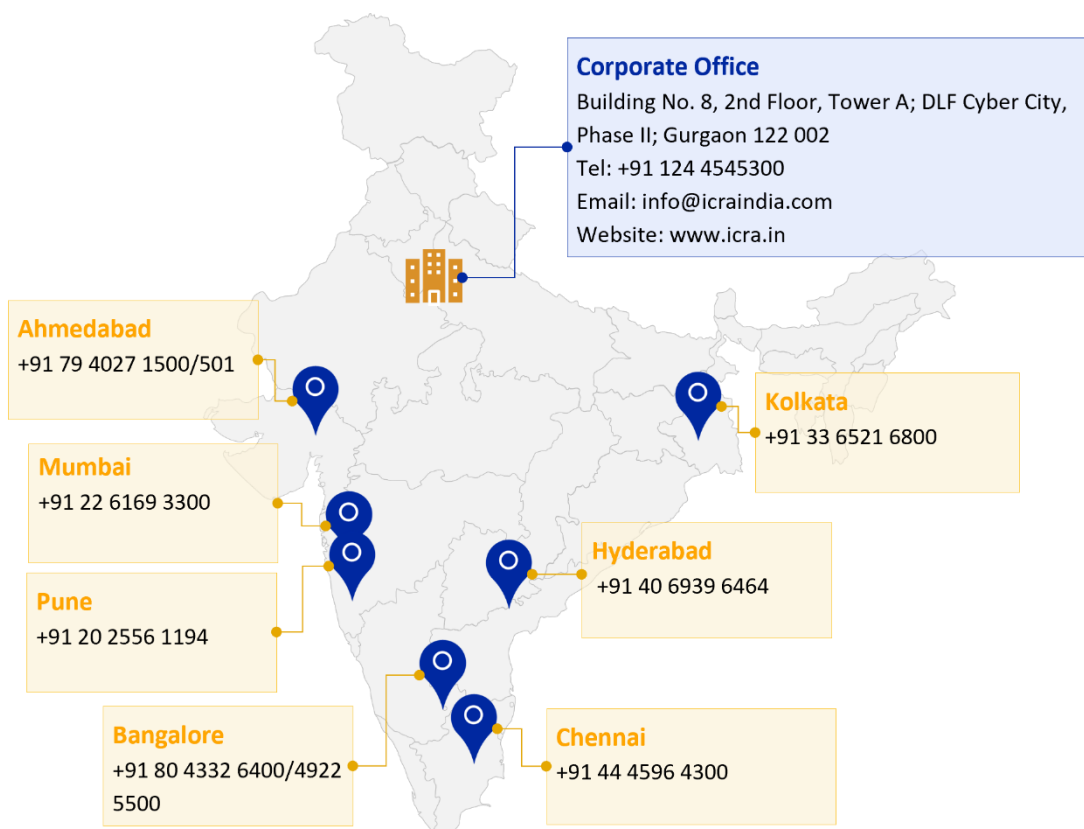
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