



## Amrut Gems

Instrument	Amount	Rating Action
Fund Based Limits	Rs. 53.24 crore (enhanced from Rs. 51.62 crore)	[ICRA]BB+(stable)/[ICRA]A4+ Revised from [ICRA]BBB-(Stable)/[ICRA]A3

ICRA has revised the long term and short term ratings assigned to the Rs. 53.24 crore\* (enhanced from Rs. 51.62 crore) fund based bank facilities of Amrut Gems (AG or the firm)<sup>†</sup> to [ICRA]BB+ (pronounced as ICRA double B plus) and [ICRA]A4+ (pronounced as ICRA A four plus) from [ICRA]BBB- (pronounced as ICRA triple B minus) and [ICRA]A3 (pronounced as ICRA A three). The outlook on the long term rating is stable.

The rating revision factors in the de-growth in firm's revenues in FY 2015, deterioration in the liquidity position of the firm following substantial increase in firm's inventory levels and consequent stretch on payable days entailing a high TOL/TNW of 3.65 times as on March 31, 2015. The ratings also take into account exposure of firm's margins to the intense competition from organized as well as unorganized players in the industry and volatility in exchange rates. The ratings are further constrained by risk of capital withdrawals inherent in partnership entities which could materially impact the firm's credit profile.

The ratings, however, continues to factor in the established track record of the partners in the gems & jewellery industry and the firm's diversified customer base.

### About the Entity

Incorporated in 1994, AG is a partnership firm. The partners are actively involved in the day to day operations of the business. AG is engaged in processing and export of cut and polished diamonds ranging between 5 cents to 2 carats. The firm has its registered office at Opera House, Mumbai and a state of the art manufacturing facility at Surat, Gujarat.

### Recent Results

AG recorded a net profit of Rs. 3.27 crore on an operating income of Rs. 203.18 for the year ending March 31, 2014 and a net profit of Rs. 3.08 crore on an operating income of Rs. 171.06 crore for the year ending March 31, 2015.

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<sup>1</sup>100 lakh = 1 crore = 10 million

<sup>†</sup> For complete rating scale and definitions, please refer to ICRA's website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications



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