



## Press Release

### **Swarnsarita Jewels India Limited (SJIL)**

**August 26, 2025**

#### **Ratings**

| <b>Instrument / Facility</b> | <b>Amount (Rs. crore)</b>                              | <b>Current Ratings</b>                                       | <b>Previous Ratings</b> | <b>Rating Action</b> | <b><a href="#">Complexity Indicator</a></b> |
|------------------------------|--------------------------------------------------------|--------------------------------------------------------------|-------------------------|----------------------|---------------------------------------------|
| Long Term Bank Facilities    | 80.00<br>(Includes proposed limits of Rs. 9.27 crores) | IVR BBB-/ Stable<br>(IVR Triple B Minus with Stable Outlook) | -                       | Rating assigned      | Simple                                      |
| <b>Total</b>                 | <b>80.00</b><br><b>(Rupees Eighty Crores Only)</b>     |                                                              |                         |                      |                                             |

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

#### **Detailed Rationale**

The long-term rating assigned to the bank facilities of Swarnsarita Jewels India Limited (SJIL) considers the common management team and financial linkages between SJIL and its subsidiary, Swarnsarita Trading Private Limited. Infomerics has taken a consolidated view of these entities, referred together as Swarnsarita Group.

The rating assigned to the bank facilities of SJIL considers the comfortable capital structure, enhanced export demand and established customer relation by the Group. The rating also factor in the long track record of operation and experienced management. However, these strengths are constrained by the thin profitability margins, forex risk, volatility in raw material prices leading to susceptibility in profit margins and intense competition from the unorganised sector.

The outlook assigned on the long-term rating of SJIL is Stable as it will continue to benefit from the extensive experience of the promoters coupled with improvement in profitability margins on account of backward integration.

#### **Key Rating Sensitivities**

##### **Upward Factors**

- Significant improvement in scale of operations and profitability margins
- Improvement in working capital management leading to improvement in liquidity



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### **Downward Factors**

- Moderation in the scale of operations and/or profitability impacting the debt protection metrics
- Any significant rise in working capital intensity leading to a deterioration in liquidity

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

#### **Key Rating Strengths**

##### **Established experience of promoters in the jewellery industry**

The promoters of the Group are Chordia family of Mumbai have nearly three-decade long experience in the gold jewellery industry. The extensive experience coupled with long track record of operations has enabled the Group to forge long term relations with customers and suppliers. Infomerics believes that the experience of the management in the industry is likely to favourably impact the business risk profile of the Group over the near to medium term.

##### **Conservative capital structure**

The capital structure of the Group remains healthy. The net worth improved from Rs. 122.80 crores as on March 31, 2024, to Rs. 127.84 crores as on March 31, 2025, mainly on account of accretion of reserves. The overall gearing stood at 0.68x as on March 31, 2025. The total indebtedness of the Group reflected by TOL/TNW stood at 0.76x as on March 31, 2025. Going ahead the capital structure is likely to remain on similar levels since no large debt funded capex is planned.

##### **Established Customer Relationships and Improved Export Demand**

The Group exports its jewellery to overseas clients. Its strong and long-standing client relationships enable a steady flow of repeat orders. In FY25[referred period April 01, 2024, to March 31, 2025], ~30% sales volume was generated through exports. Additionally, the Group has expanded its presence in various new international markets. And its long-standing relation with the domestic players imparts comfort of recurring business.

#### **Key Rating Weaknesses**

##### **Moderation in operation**



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SJIL's TOI declined from Rs. 769.69 crores in FY24[referred period April 01, 2023, to March 31, 2024] to Rs. 761.37 crores in FY25. This was because of the voluntary reduction in the gold bullion trading because of lower margins from that segment. This in turn helped the Group to improve its operating margins marked by EBITDA margins from 1.81% in FY24 to 2.00% in FY25.

### **Susceptibility of profitability to volatility in raw material prices**

Gold is the primary raw material for SJIL. Gold being a commodity metal the price stays volatile and due to which any fluctuation in the price of gold will impact the operating margins significantly.

### **Susceptible to regulatory changes**

As the Group is exporting ~30% exports, changes in economies or government policies of the countries to which the Group is exporting and India may affect the operations and thereby revenue generation of the Group.

### **Exposure to forex risk**

SJIL is exposed to currency fluctuation risk to the extent that there is a mismatch between the currencies in which export sales, import purchase, other expenses and borrowings in foreign currency are denominated and the functional currency of the Group. Though the Group has adequate PAT to absorb losses arising due to the currency fluctuation, profitability of SJIL may get affected by volatility in forex rate. The unhedged forex exposure stands at Rs. 0.54 crores as on March 31, 2025.

### **Analytical Approach:** Consolidated

For arriving at the rating Infomerics has considered consolidated financial statements of SJIL, which includes its subsidiary, Swarnsarita Trading Private Limited. This is because these companies are under the control of the same management.

Considered for consolidated analysis is given at Annexure 4.

### **Applicable Criteria:**

[Rating Methodology for Manufacturing Companies](#)

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



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[Criteria for Assigning Rating Outlook](#)

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

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

[Criteria on Consolidation of Companies](#)

### Liquidity: Adequate

The Group will maintain adequate liquidity position going forward due to steady accruals. The gross cash accruals stood at Rs. 5.33 Cr as on March 31, 2025, as against debt repayment of Rs. 1.05 crores. The cash and bank balances of the Group stood at Rs. 8.33 Cr as on March 31, 2025. Further, the current ratio stood comfortable at 2.25x as on March 31, 2025, and the Quick Ratio stood at 1.09x as on March 31, 2025. The average fund-based limit utilisation remains moderate at around 83% for the last twelve months ended June 2025.

### About the Group

The Swarnsarita group has a presence in Mumbai, Maharashtra, and is backed by team of experienced individuals. The Chairman & Managing Director of the Group Mr. Mahendra M Chordia has more than 30 years of experience in the field of jewellery manufacturing & he has a strong presence in the market.

### About the Company

Swarnsarita Jewels India Ltd. is a manufacturer, wholesaler of high-end Gold Jewellery and Diamond Jewellery. SJIL has customers pan India & abroad. It has a wholly owned subsidiary, Swarnsarita Trading Private Limited (STPL), which trades diamond jewellery.

### Financials (Consolidated):

|                            | (Rs. crore)            |                        |
|----------------------------|------------------------|------------------------|
| For the year ended/ As On* | 31-3-2024<br>(Audited) | 31-3-2025<br>(Audited) |
| Total Operating Income     | 769.69                 | 761.37                 |
| EBITDA                     | 13.95                  | 15.26                  |
| PAT                        | 4.87                   | 5.41                   |
| Total Debt                 | 107.69                 | 86.41                  |
| Tangible Net-worth         | 122.80                 | 127.84                 |
| EBITDA Margin (%)          | 1.81                   | 2.00                   |
| PAT Margin (%)             | 0.63                   | 0.71                   |
| Overall Gearing ratio (x)  | 0.88                   | 0.68                   |
| Interest Coverage (x)      | 1.62                   | 2.23                   |



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*\*Classification as per Infomerics' standards.*

### Financials (Standalone):

|                            | (Rs. crore)            |                        |
|----------------------------|------------------------|------------------------|
| For the year ended/ As On* | 31-3-2024<br>(Audited) | 31-3-2025<br>(Audited) |
| Total Operating Income     | 681.17                 | 673.70                 |
| EBITDA                     | 11.02                  | 12.08                  |
| PAT                        | 5.09                   | 7.29                   |
| Total Debt                 | 100.29                 | 85.42                  |
| Tangible Net-worth         | 123.42                 | 130.60                 |
| EBITDA Margin (%)          | 1.62                   | 1.79                   |
| PAT Margin (%)             | 0.74                   | 1.07                   |
| Overall Gearing ratio (x)  | 0.81                   | 0.65                   |
| Interest Coverage (x)      | 1.28                   | 1.86                   |

*\*Classification as per Infomerics' standards.*

**Status of non-cooperation with previous CRA:** Nil

**Any other information:** Nil

### Rating History for last three years:

| Sr. No. | Name of Security/Facilities | Current Ratings (Year 2025-26) |                                |                  | Rating History for the past 3 years     |                                         |                                         |
|---------|-----------------------------|--------------------------------|--------------------------------|------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
|         |                             | Type                           | 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 |
|         |                             |                                |                                |                  | -                                       | -                                       | -                                       |
| 1.      | Cash Credit*                | Long Term                      | 80.00                          | IVR BBB-/ Stable | -                                       | -                                       | -                                       |

*\*includes proposed cash credit limit of Rs. 9.27 crore*

### Analytical Contacts:

|                                                                                     |                                                                                           |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
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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



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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 |
|-----------------------------|------|------------------|------------------|---------------|------------------------------|--------------------------|
| Cash Credit                 | -    | -                | -                | -             | 70.73                        | IVR BBB-/ Stable         |
| Proposed Cash Credit        | -    | -                | -                | -             | 9.27                         | IVR BBB-/ Stable         |

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-swarnsarita-aug25.pdf>



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

**Annexure 4: List of companies considered for consolidated/Combined analysis:**

| Name of the Company                 | Relationship | Shareholding as on March 31, 2025 | Consolidation Approach |
|-------------------------------------|--------------|-----------------------------------|------------------------|
| Swarnsarita Trading Private Limited | Subsidiary   | 100%                              | Full Consolidation     |

**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).

