



Press Release
TANVIRKUMAR AND CO
July 07, 2025
Rating Downgraded and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	16.20	ACUITE B+ Stable Downgraded	-
Bank Loan Ratings	48.30	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	64.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to ‘ACUITE B+’ (read as ACUITE B plus) from ‘ACUITE BB-’ (read as ACUITE double B minus) and reaffirmed its short-term rating of ‘ACUITE A4’ (read as ACUITE A four) on the Rs. 64.50 crore bank facilities of Tanvirkumar and Co. The outlook is 'Stable'.

Rationale for rating downgrade

The downgrade in the rating reflects overall deterioration in the firm’s operating performance marked by decline in revenue in FY2025(Prov) and stagnant operating profitability. The firm’s financial risk profile further moderated marked by deterioration in coverage indicators and continued stretched liquidity position. However, rating is supported by the firm’s long track record of operations and extensive experience of the partners in the industry.

Going ahead, the firm’s ability to improve its operating performance along with financial risk profile and liquidity will remain key rating monitorable.

About the Company

Tanvirkumar and Co incorporated in 1976 is based in Andheri, Mumbai. The manufacturing unit is also located in MIDC, Andheri East, Mumbai. The firm is engaged in trading of Cut & Polished Diamonds and manufacturing of studded diamond & gold jewellery. The firm is currently managed by Mr. Mihir Kamlesh Jhaveri, Mr. Milan Tanvir Chokshi, Mr. Nailesh Kirtilal Choksi and Mr. Shanay Nailesh Chokshi.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Tanvirkumar & Co. to arrive at the rating.

Key Rating Drivers

Strengths

Established business and reputed clientele in the Diamond Industry

Tanvirkumar and Co; formerly known as Milan jewellers has been in operation as a partnership firm since 1976. The firm is engaged in manufacturing and trading of polished diamonds and studded diamond & gold jewellery under the brand Moksh. The family has been into this business for over four decades. The firm was set up by Mr. Tanvir Kirtilal Chokshi and Mr. Kamlesh Jhaveri. Currently, Mr. Milan Choksi, Mr. Mihir Jhaveri, Mr. Shanay Choksi, and Mr. Nilesh Choksi are the key partners. The key clientele for Tanvirkumar & Co are Tanishq, TBZ,

Caratlane etc.

Acuite believes that firm will continue to benefit from its established presence in diamond industry and extensive experience of the partners along with a healthy relationship with reputed clientele.

Weaknesses

Volatility in the revenue along with stagnant operating profitability

The firm's revenue remained volatile over the past three financial years ending FY2025(Prov.). It declined to Rs.188.53 Cr. in FY2025 (Prov.) against Rs.256.55 Cr. in FY2024 and Rs.249.25 Cr. in FY2023. In FY2025 (Prov.), trading of diamonds contributed to about 38% to the revenue and the rest came through manufacturing. The operating profit margin stagnated over the past 3 years at 3.05% in FY2025 (Prov.) against 3.04% in FY2024 and FY2023. However, the PAT margin declined to 0.02% in FY2025(Prov.) against 0.45% in FY2024 and 0.78% in FY2023. The deterioration in operating performance is primarily due to subdued global demand. Around 50% of the revenue comes from exports. To mitigate this, the firm is strategically shifting focus from diamond trading to increasing revenue through the manufacturing of gold-studded jewellery.

Acuite believes that the ability of the firm to improve its operating performance over the medium term will remain a key monitorable.

Working capital intensive operations

The firm's working capital operations are intensive in nature marked by GCA days of 269 days in FY2025 (Prov.) against 197 days in FY2024. The debtor days stood at 125 days in FY2025 (Prov.) against 83 days in FY2024. The inventory days stood at 143 days in FY2025 (Prov.) against 110 days in FY2024. The creditors days stood at 106 days in FY2025 (Prov.) against 85 days in FY2024. The bank limit utilization for fund based limits stood high at ~97.22% for the last 06 months ended May 25.

Acuite believes the firm's ability to restrict further elongation in working capital cycle will be a key rating sensitivity.

Average financial risk profile

Tanvirkumar & Co. has an average financial risk profile marked by moderate net worth, gearing and average debt protection metrics. The net worth stood at Rs. 41.75 Cr. as on March 31, 2025 (Prov.), against Rs.37.46 Cr. as on March 31, 2024. The gearing ratio stood moderate at 1.41 times as on March 31, 2025 (Prov.), against 1.43 times as on March 31, 2024. The TOL/TNW stood at 2.55 times as on March 31, 2025 (Prov.), against 2.88 times as on March 31, 2024. The firm's coverage ratios remained average on account of subdued operating profitability with Interest Coverage Ratio of 1.16 times in FY2025 (Prov.) against 1.49 times in FY2024 and DSCR of 0.94 times in FY2025 (Prov.) against 0.84 times in FY2024. Debt/EBITDA level further elevated to 9.67 times in FY2025 (Prov.) against 6.55 times in FY2024.

Acuite' believes that financial risk profile of the firm is expected to remain at similar levels over the medium term.

Rating Sensitivities

- Sustained improvement in operating performance and financial risk profile.
- Any further elongation in its working capital cycle leading to further stretch in liquidity.

Liquidity Position Stretched

Tanvirkumar and Co has stretched liquidity position marked by insufficient net cash accruals of Rs. 0.81 Cr. in FY2025 (Prov.) against repayment obligation of Rs.1.22 Cr. during the same period. The shortfall in debt servicing obligations has been met through capital infusion by the partners. Going forward, in the event of any further shortfall, the partners are expected to continue to support the firm through additional capital infusions. The firm's reliance on bank limits stood high with average utilisation at ~97.22% for the last 06 months ended May 25. The current ratio stood at 1.43 times as on March 31, 2025 (Prov.). The firm maintained unencumbered cash and bank balance of Rs. 0.28 Cr. as on March 31, 2025 (Prov.).

Going ahead, the firm's ability to improve its liquidity position in near to medium term will remain key monitorable.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	188.53	256.55
PAT	Rs. Cr.	0.04	1.14
PAT Margin	(%)	0.02	0.45
Total Debt/Tangible Net Worth	Times	1.41	1.43
PBDIT/Interest	Times	1.16	1.49

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Apr 2024	Post Shipment Credit	Short Term	6.30	ACUITE A4 (Reaffirmed)
	Post Shipment Credit	Short Term	42.00	ACUITE A4 (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	6.67	ACUITE BB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	7.93	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	1.10	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	0.50	ACUITE BB- Stable (Reaffirmed)
04 May 2023	Post Shipment Credit	Short Term	48.80	ACUITE A4 (Assigned)
	Cash Credit	Long Term	1.10	ACUITE BB- Stable (Assigned)
	Covid Emergency Line.	Long Term	9.95	ACUITE BB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	4.65	ACUITE BB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.10	Simple	ACUITE B+ Stable Downgraded (from ACUITE BB-)
Kotak Mahindra Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE B+ Stable Downgraded (from ACUITE BB-)
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Jul 2025	1.82	Simple	ACUITE B+ Stable Downgraded (from ACUITE BB-)
Kotak Mahindra Bank	Not avl. / Not appl.	Metal Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.50	Simple	ACUITE B+ Stable Downgraded (from ACUITE BB-)
Union Bank of India	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	33.80	Simple	ACUITE A4 Reaffirmed
Kotak Mahindra Bank	Not avl. / Not appl.	Post Shipment Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	14.50	Simple	ACUITE A4 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.28	Simple	ACUITE B+ Stable Downgraded (from ACUITE BB-)

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About Acuité Ratings & Research

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