

Moksh Ornaments Limited

November 14, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	36.00 (Reduced from 55.00)	CARE BBB; Stable	Upgraded from CARE BBB-; Stable
Long Term / Short Term Bank Facilities	19.72	CARE BBB; Stable / CARE A3+	Assigned
Short Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings upgrade reflects the improvement in Moksh Ornaments Limited (MOL) net worth base and capital structure following the equity infusion of Rs. 45.13 crore through a rights issue in FY25 and another Rs. 13.50 crore through a preferential issue of equity shares and convertible warrants in H1 FY26 (Rs. 5.06 crore remains receivable as on September 30, 2025 pending conversion of warrants) which has been largely utilised towards funding of working capital and repayment of borrowings, translating into better debt coverage metrics as indicated by improvement in overall gearing and TOL/TNW to 0.28x and 0.32x, respectively, as on March 31, 2025 (PY: 0.88x and 0.92x, respectively). The company's debt coverage metrics including profit before interest, lease rentals, depreciation, and taxation (PBILDT) interest cover and total debt to gross cash accruals (TD/GCA) also improved to 3.03x and 3.78x, respectively, in FY25 (PY: 2.53x and 7.81x, respectively). MOL's overall performance remained adequate with revenue growth of ~23% YoY in FY25, largely driven by rising gold prices even as volume growth remained muted. CARE Ratings Limited (CareEdge Ratings) expects the company's revenue to grow by 8-10% p.a. over the next 2-3 years while maintaining PBILDT margins between 2.5-3%, translating into sustained comfortable capital structure and coverage metrics.

The ratings continue to favourably factor in the established experience and track record of company's promoters in the domestic jewellery business and its diversified customer base. The ratings also consider the company's adequate financial risk profile with comfortable coverage metrics and working capital cycle. The ratings, however, remain constrained by MOL's moderate scale of operations and exposure to volatility in gold prices. MOL's profitability remains constrained by intense competition in the industry and low-margin product profile.

CareEdge Ratings has withdrawn the outstanding ratings on the bank facilities from Saraswat Bank based on the withdrawal request received from MOL and no-dues certificate received from the lender, in line with CareEdge Ratings' withdrawal policy.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Volume-driven increase in scale of operations and improvement in PBILDT margin above 3% on a sustained basis translating into better gross cash accruals.
- Improvement in Total Debt / Gross Cash Accruals below 3x on a sustained basis.

Negative factors

- Significantly lower-than-envisaged turnover and profitability leading to deterioration in cash accruals.
- Deterioration in working capital cycle beyond 100 days on a sustained basis.
- Deterioration in the capital structure with TOL/TNW exceeding unity on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectations that the company will continue to maintain adequate debt coverage metrics over the medium term while benefitting from its experienced promoters and established track record.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Detailed description of key rating drivers:

Key strengths

Comfortable capital structure and debt coverage indicators

The company's capital structure has substantially improved in FY25 following the increase in net worth base due to equity infusion and the consequent reduction in borrowings. MOL raised Rs. 45.13 crore in FY25 by way of a rights issue of equity shares and another Rs. 13.5 crore in H1 FY26 by way of preferential allotment of equity shares and convertible warrants. The fund raise, coupled with business accruals, bolstered the company's net worth to ~Rs. 110 crore as on March 31, 2025 (PY: Rs. 57 crore), translating into improvement in overall gearing to 0.29x as on March 31, 2025 (PY: 0.88x). CareEdge Ratings also notes that the company has maintained its borrowings at steady levels over the last five years despite sizeable increase in scale of operations. MOL is expected to sustain its comfortable capital structure with limited reliance on borrowings, which is expected to support improvement in its debt coverage metrics in the coming years. Its total debt to gross cash accruals (GCA) remained at 3.78x as on March 31, 2025 compared to 7.81x as on March 31, 2024 and PBILDT interest coverage stood adequate at 3.03x in FY25 compared to 2.53x in FY24.

Growing scale of operation with steady profitability

MOL's revenue grew by ~23% YoY to Rs. 582.19 crore in FY25 from Rs. 450.32 crore in FY24 largely driven by over 33% YoY rise in average realisations, backed by steep rise in gold prices, even as sales volumes declined by ~3% YoY. The trend continued in Q1 FY26 with ~44% rise in realisations translating into ~10% YoY increase in revenue. MOL's revenue has grown at a compounded annual growth rate (CAGR) of 14.5% over the last four years since FY21. The growing scale of operations is likely to support realisations of economies of scale for the company. Its PBILDT margin has remained steady in the range of 2-3% p.a. over the last five years and is expected to sustain around 3% over the coming years.

Diversified customer base

The company has a diversified customer base with top 5 customers contributing 30-40% of revenue over the last three years and no single customer accounting for more than 20% of revenue. Moreover, the company has track record of repeat orders from key customers, which provides some revenue visibility. Additionally, export of jewellery to the Middle East contributes 15-20% of the company's revenue thereby providing some geographical diversification.

Experienced management and established market position in gold jewellery industry

The company is promoted by Mr. Jawanmal M Shah and Mr. Amrit J Shah, who have experience of over two decades in the jewellery industry. This has helped them develop strong and long-standing relationships with customers and suppliers, supporting smooth day-to-day business operations.

Key weaknesses

Working capital intensive nature of operations

The company's working capital cycle remained moderate at 72 days in FY25, increasing from 69 days in FY24 owing to increased inventory days. Inventory days stood at 50 days in FY25 compared to 41 days in FY24, however, in absolute term the inventory almost doubled as on March 31, 2025 due to the steep rise in gold prices. Collection days declined to 21 days in FY25 from 28 days in FY24. The high inventory holding blocks a sizeable portion of the capital and exposes the company's margins to gold price fluctuations.

Exposed to volatility in gold prices and foreign exchange rates

MOL's revenue and profitability remain susceptible to fluctuations in gold prices, which are influenced by the international commodity market and exhibit high volatility, which could lead to sizeable inventory loss/gain. The company follows the practice to match daily purchase quantity with sales quantity to maintain average inventory valuation at a discount to market prices, which mitigates the risk to some extent. Nevertheless, a sharp decline in gold prices could adversely affect MOL's margins. The company also remains exposed to fluctuation in forex rates as it derives 15-20% of revenue from exports while sourcing is largely domestic. The company recently commenced importing gold from the United Arab Emirates (UAE), benefiting from a 1% tariff concession under the Tariff Rate Quota (TRQ) and offering the benefit of natural hedge.

Presence in highly competitive and fragmented Gems & Jewellery industry

The gems and jewellery (G&J) industry is a highly fragmented industry with a high level of competition from both the organised and largely unorganised sector. Moreover, the global macroeconomic environment continues to remain uncertain and poses a major challenge for the G&J industry, which is mainly export-driven. In light of recent adverse global macroeconomic developments, the G&J industry has seen a slowdown in demand and industry players are offering extended credit periods to customers.

Liquidity: Adequate

Liquidity remains adequate, marked by expected gross cash accruals in the range of ₹10-12 crore p.a. in FY26 and FY27 against negligible debt repayment obligations and planned capex of Rs. 3-4 crore p.a. over the next 2 years for expansion of manufacturing facilities. While the average utilisation of fund-based limits stood at 92% in the past 12 months ending September 2025, the company had free cash and bank balance of ₹5.32 crore as of March 31, 2025, indicating some liquidity cushion. Cash flow from operating activities remained negative at ₹22.58 crore in FY25 compared to negative ₹13.62 crore in FY24. Current ratio and quick ratio remained comfortable at 4.27x and 1.08x as of March 31, 2025, compared to 2.21x and 1.09x, respectively, as of March 31, 2024.

Assumptions/Covenants: Not Applicable**Environment, social, and governance (ESG) risks:** Not Applicable**Applicable criteria**
[Definition of Default](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Rating Outlook and Rating Watch](#)
[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)
[Withdrawal Policy](#)
[Short Term Instruments](#)
About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Gems, Jewellery And Watches

Moksh Ornaments Limited (MOL) is engaged in the manufacturing and wholesale of gold jewellery, including bangles, chains, and necklaces, largely on a job-work basis. The company was incorporated on July 19, 2012 by Mr. Jawanmal M. Shah and Mr. Amrit J. Shah, who together bring over two decades of experience in the jewellery industry. It operates two manufacturing facilities – one at Kolkata and another at Mumbai. The Kolkata unit is into manufacturing of bangles, primarily hand-work jewellery and Mumbai unit is engaged in producing machine-made jewellery, focusing on vertical chains.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1 FY26 (UA)
Total operating income	450.32	582.19	150.81
PBILDT	13.31	16.00	4.31
PAT	6.25	8.43	2.42
Overall gearing (times)	0.88	0.29	NA
Interest coverage (times)	2.53	3.03	4.18

A: Audited UA: Unaudited NA Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable**Any other information:** Not Applicable**Rating history for last three years:** Annexure-2**Detailed explanation of covenants of rated instrument / facility:** Annexure-3**Complexity level of instruments rated:** Annexure-4**Lender details:** Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	36.00	CARE BBB; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	-	-	-	19.72	CARE BBB; Stable / CARE A3+
Non-fund-based - ST-Forward Contract	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (03-Jan-25)	1)CARE BBB-; Stable (07-Nov-23)	1)CARE BBB-; Stable (01-Dec-22)
2	Fund-based - LT-Cash Credit	LT	36.00	CARE BBB; Stable	-	1)CARE BBB-; Stable (03-Jan-25)	1)CARE BBB-; Stable (07-Nov-23)	1)CARE BBB-; Stable (01-Dec-22)
3	Non-fund-based - ST-Forward Contract	ST	-	-	-	1)CARE A3 (03-Jan-25)	1)CARE A3 (07-Nov-23)	1)CARE A3 (01-Dec-22)
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	19.72	CARE BBB; Stable / CARE A3+	-	-	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
3	Non-fund-based - ST-Forward Contract	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not Applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact Us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: ankur.sachdeva@careedge.in	Analytical Contacts Akhil Goyal Director CARE Ratings Limited Phone: +91-022-6754 3590 E-mail: akhil.goyal@careedge.in Raunak Modi Assistant Director CARE Ratings Limited Phone: 91-22-6754 3537 E-mail: raunak.modi@careedge.in Lavish Mittal Rating Analyst CARE Ratings Limited E-mail: lavish.mittal@careedge.in
---	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**