

December 18, 2025

Oro Precious Metals Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund-based working capital^	-	297.00	[ICRA]A- (Stable)/ [ICRA]A2+; Reaffirmed/ assigned for enhanced amount
Long term – Cash credit	227.75	-	-
Long term/Short term - Interchangeable limits – Gold metal loan	(135.75)	-	-
Long term – Fund based -Emergency credit line	11.32	-	-
Total	239.07	297.00	

*Instrument details are provided in Annexure I; ^Includes Cash Credit/WCDL/Gold Metal Loan

Rationale

The ratings reaffirmation for Oro Precious Metals Private Limited (OPMPL) factors in the extensive experience of the promoters and the established market position of the company in the gold and platinum jewellery manufacturing business. The company acts both as a job worker and as a vendor of engineered (machine-made) gold, platinum and fusion jewellery to jewellery retailers, including large branded players having pan-India presence, as well as strong regional players. OPMPL's adequate product quality and its long association with reputed clientele ensure repeat orders. The ratings also favourably consider OPMPL's healthy ROCE and comfortable debt coverage metrics. An established market position as well as regular capacity expansion have led to an increase in the company's scale of operations; however, the same remains modest compared to large, established players in the jewellery manufacturing business. The company has expertise in manufacturing bangles, which currently has a share of 60-65% in the overall product mix, reflecting high product concentration. However, the company has been diversifying its product profile over the last few years by introducing other jewellery categories, which would continue going forward.

OPMPL's revenue grew at a healthy CAGR of 29% during FY2021-FY2025, supported by an increase in sales volume and realisations. In the current fiscal, buoyant gold and platinum prices have negatively impacted consumption volumes across the industry, resulting in a drop in OPMPL's sales volume. However, a sharp rise in realisation is likely to result in double-digit revenue growth in the current fiscal. In addition, the gains arising from price rise, on carried-forward, low-value inventory are expected to further enhance the company's profitability and improve its debt coverage metrics in the current fiscal. In 7M FY2026, OPMPL achieved an operating income (OI) of Rs. 1,086 crore and its operating margin improved to around 9% (provisional) vis-à-vis around 5% in FY2025. In the full year of FY2026, the operating margin is likely to remain lower than 7M FY2026, as the sizeable gain achieved from rising gold prices so far is unlikely to continue through the rest of the fiscal; however, it is expected to remain considerably higher compared to FY2025. OPMPL's working capital requirement has increased significantly because of the rally in precious metal prices; however, expected healthy fund flow from operations and an enhancement of the working capital limits by around Rs. 94 crore in the current fiscal would support the liquidity position. Nevertheless, the ratings continue to be constrained by the susceptibility of OPMPL's margins to volatility in precious metal prices, intense competition prevailing in the jewellery manufacturing industry, limiting the company's pricing flexibility, seasonality in gold jewellery demand and regulatory risks inherent in the industry, which impacted the demand-supply dynamics in the past. However, increasing regulatory interventions in the jewellery industry, aimed towards greater transparency and standardisation over the years, have accelerated the shift in the market share from unorganised to organised

jewellers. The industry tailwind would continue to benefit jewellery manufacturers like OPMPL going forward, as it caters mainly to organised retailers.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will continue to maintain a healthy market position and revenue growth, given its strong operational track record, improving product profile and the accelerated growth of the organised sector in the jewellery industry. Its liquidity and debt coverage metrics are likely to remain comfortable, despite an increase in working capital requirements due to elevated precious metal prices and susceptibility of earnings to price fluctuations.

Key rating drivers and their description

Credit strengths

Experience of the promoters in jewellery business – The company's operations are managed by Mr. Avinash Pahuja, having more than three decades of experience in the gems and jewellery business and Mr. Ravish Pahuja (brother of Mr. Avinash Pahuja), who has more than two decades of experience in the industry. Besides, the business carries a legacy spanning four generations of the promoter family, which mitigates operational risks to an extent.

Established market position aided by adequate product quality and association with reputed customers across geographies – OPMPL, incorporated in 2008, has an established presence in the gold and platinum jewellery manufacturing industry. The product profile of the company includes gold and platinum jewellery, with bangles accounting for the majority of revenues. The company sells bangles under its own brand 'Oro' to most jewellery retailers, reflecting adequate product quality and consumer acceptance of the brand. Such a strong operational track record and long relationship with its marquee customers in the gold jewellery retail industry, having showrooms across various regions of the country, result in repeat orders. Increasing formalisation of the industry has fuelled a shift in the market share of the jewellery retailing industry to organised players, who are mostly catered to by OPMPL, thus benefiting the company.

Financial profile characterised by healthy ROCE and comfortable coverage metrics – OPMPL's debt mainly comprises working capital to fund inventory (mainly gold and platinum). However, around 60% of the company's production is through job work for customers who supply bullions, thereby reducing the overall inventory requirement. OPMPL's ROCE remained healthy at 20-23% over the last three fiscals, aided by comfortable profitability and low working capital requirement for job work operations. Its coverage metrics also remained comfortable, as reflected by an interest coverage of 5.4 times and DSCR of 3.1 times in FY2025. In the current fiscal, OPMPL's profits are likely to improve significantly, supported by gains on unhedged inventory arising from a sharp rise in precious metal prices, translating into an improvement in its ROCE and coverage metrics.

Credit Challenges

Moderate scale of operations and product diversity, despite improvement in recent years – OPMPL has an annual manufacturing capacity of 6 tonne per annum (tpa) for gold jewellery and 0.6 tpa for platinum and fusion jewellery. Bangles dominate OPMPL's product profile, with a share of 60-65% of overall output. The company has increased its capacity significantly in recent years and has also diversified its product mix to include other jewellery categories. Nevertheless, its scale of operation and product diversity continue to be moderate.

Increasing working capital requirement – The company's working capital intensity of operations, as reflected by net working capital relative to operating income (NWC/OI), remained 16-19% over the last three fiscals. The company does not receive any credit for procurement of bullion, while receivables are recovered within 30 days, and average inventory holding remains within 60 days, except during peak seasons. While the company's job work operation has low working capital intensity, the overall working capital requirement has been increasing in tandem with the company's rising scale of operations and buoyant precious metal prices. In H1 FY2026, its working capital borrowing increased by around Rs. 85 crore due to a sharp rise in gold and platinum prices, even though production and sales volumes declined due to a drop in jewellery consumption amid high

prices. Nevertheless, the company’s improved fund flow from operations, aided by gains on carried-forward inventory due to rise in precious metal prices and enhancement in working capital limits by around Rs. 94 crore in the current fiscal would keep the liquidity position adequate.

Vulnerability of earnings to volatile precious metals prices – The company’s profitability remains exposed to fluctuations in the prices of gold and platinum, its key raw materials. It aligns volumes of daily purchases and sales to mitigate price fluctuation risks; however, it does not opt for any formal hedging mechanism. Nevertheless, its job work operation (around 60% of production) does not face any price fluctuation risk, as raw materials are supplied by customers. Besides, the company’s production is mostly order-backed, which help it mitigate price fluctuation risks to some extent.

Exposure to intense competition, regulatory risks and seasonality in demand inherent in the business – Intense competition from unorganised players and other established peers in the jewellery manufacturing industry limits the company’s pricing flexibility. Further, the domestic jewellery sector continues to remain exposed to regulatory risks, which could have an adverse impact on the business. Restrictions on bullion imports, mandatory PAN disclosure on transactions above a threshold limit, imposition of GST and demonetisation are some regulatory developments that have impacted demand and supply in the past. Revenues and cash flows of jewellery players are also exposed to seasonality in demand, based on the number of auspicious days, festivals, crop harvest, etc.

Liquidity position: Adequate

The company’s liquidity position is adequate. Its fund flow from operations stood at around Rs. 53 crore in FY2025 and is expected to improve significantly to more than Rs. 90 crore in FY2026, on the back of rise in revenue and profit margins, supported by a sharp increase in precious metal prices. This is likely to keep the cash flow from operations comfortable, despite a significant increase in working capital requirement in tandem with the revenue growth. The company’s long-term debt repayment is estimated at Rs. 18 crore for FY2026; however, the same is likely to decline to less than Rs. 4 crore per annum in the following two fiscals. Its capex in FY2026 is likely to remain moderate at around Rs. 10 crore. An enhancement in OPMPL’s working capital limit by around Rs. 94 crore in the current fiscal would support the liquidity position. The company had encumbered cash of around Rs. 10 crore as on March 31, 2025, in the form of cash collateral/ margin against sanctioned limits. However, its unutilised working capital limit stood at around Rs. 20 crore as on September 30, 2025, amid the festive season. The cushion in working capital limit is expected to increase in the near term, given healthy fund flows from operations and a likely moderation in the inventory level after the festive season.

Rating sensitivities

Positive factors – ICRA may upgrade OPMPL’s ratings if the company is able to register a significant growth in revenues and earnings on a sustained basis, while maintaining comfortable debt coverage metrics and liquidity position.

Negative factors – Pressure on the ratings could arise if a significant decline in OPMPL’s revenues and profitability adversely impacts the company’s debt coverage indicators and liquidity position on a sustained basis. Specific credit metric that could lead to a ratings downgrade includes interest cover below 4 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on standalone financials of the company

About the company

The company was incorporated in 2008 as Raia Jewels Private Limited and was renamed Oro Precious Metals Private Limited (OPMPL) in 2021. OPMPL is primarily involved in the manufacturing of engineered (machine-made) gold, platinum and fusion jewellery. It either works on a job-work basis or sells jewellery to retailers. Gold bangle remains the company's main product under its flagship brand 'ORO'; however, OPMPL has diversified its product mix in recent years by introducing other jewellery categories. The company is jointly owned and managed by its directors, Mr. Avinash Pahuja and Mr. Ravish Pahuja. OPMPL's manufacturing facility is located in Navi Mumbai (Maharashtra), with an annual capacity of 6 tonne per annum (tpa) for gold jewellery and 0.6 tpa for platinum and fusion jewellery.

Key financial indicators (audited)

OPMPL (Standalone)	FY2024	FY2025
Operating income	1,087.8	1,626.4
PAT	27.1	45.5
OPBDIT/OI	5.4%	5.2%
PAT/OI	2.5%	2.8%
Total outside liabilities/Tangible net worth (times)	1.7	1.8
Total debt/OPBDIT (times)	2.9	2.9
Interest coverage (times)	4.7	5.4

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
		FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 18, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based working capital*	Long term/Short term	297.00	[ICRA]A-(Stable)/[ICRA]A2+	-	-	-	-	-	-
Fund based – Cash credit	Long term	0.00	-	Feb 7, 2025	[ICRA]A-(Stable)	-	-	-	-
				Mar 21, 2025	[ICRA]A-(Stable)				
Interchangeable limits – Gold metal loan	Long term/Short term	0.00	-	Mar 21, 2025	[ICRA]A-(Stable)/[ICRA]A2+				
Emergency credit line	Long term	0.00	-	Mar 21, 2025	[ICRA]A-(Stable)				

*Includes Cash Credit/WCDL/Gold Metal Loan

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund-based working capital*	Simple

*Includes Cash Credit/WCDL/Gold Metal Loan

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	Fund-based working capital*	NA	NA	NA	297.00	[ICRA]A- (Stable)/[ICRA]A2+

Source: Company; *Includes Cash Credit/WCDL/Gold Metal Loan

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Sujoy Saha

+91 33 6521 6805

sujoy.saha@icraindia.com

Sovanlal Biswas

+91 33 6521 6808

sovanlal.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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