



Press Release
H K JEWELS PRIVATE LIMITED
December 05, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	50.00	ACUITE A Stable Assigned	-
Bank Loan Ratings	666.50	ACUITE A Stable Reaffirmed	-
Bank Loan Ratings	8.50	-	ACUITE A1 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	725.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE A**' (read as **ACUITE A**) and its short-term rating of '**ACUITE A1**' (read as **ACUITE A one**) on Rs. 675.00 Cr. bank facilities of H K Jewels Private Limited (HKJPL). The outlook remains '**Stable**.' Further, Acuite has assigned its long term rating of '**ACUITE A**' (read as **ACUITE A**) on Rs. 50.00 Cr. of bank facilities of HKJPL. The outlook is '**Stable**.'

Rationale for reaffirmation

The rating reaffirmation takes into account the healthy financial risk profile and steady operating revenue of the group. The reaffirmation also factors in the healthy demand of jewellery in the domestic market, which is expected to support the group amid the recent tariff impositions and slumped demand in the global market. Further, the rating draws comfort from the established position and experienced management of the group. However, while the revenue remained on similar levels, the profitability margins dipped in FY2025 due to higher raw material and marketing costs for the domestic jewellery brand "Kisna". Further, the rating is constrained on account of working capital intensive operations and susceptibility of operating performance to ongoing regulatory challenges in the industry.

About the Company

Incorporated in 2009, H K Jewels Private Limited (HKJPL) is engaged in manufacturing of diamond studded gold jewellery. The manufacturing unit of company is in Surat and company's 51% shareholding is with Hari Krishna Exports Private Limited (HKEPL). The company caters to two segments - Wholesale and Retail. Under the wholesale segment, the company manufactures jewellery for brands like Malabar Gold and Diamond, Titan, Kalyan Jewellers and Joyalukkas. For the retail segment it has its own brand- 'Kisna'. Mr. Ghanshyambhai Dhanjibhai Dholakia, Mr. Savji Dhanji Dholakia, Mr. Rajesh Himmat Dholakia and Mr. Parag Anantrai Shah are the present directors of the company.

About the Group

Incorporated in 1992 as a partnership firm and later converted to private limited company in 2012, Hari Krishna Exports Private Limited (HKEPL) is primarily engaged in production of cut and polish diamonds and sells majority to wholesalers and jewellery manufacturing companies. With its manufacturing unit in Surat, the company is promoted by Mr. Savji Dholakia, Mr. Ghanshyam Dholakia, Mr. Tulsi Dholakia and Mr. Himmatbhai Dholakiya. The company is a sight holder of Diamond Trading Company (DTC) & also select diamantaire of Rio Tinto.

H K Designs India LLP

Established in 2017, H K Designs India LLP (HKDLLP) is engaged in diamond studded gold jewellery manufacturing for the overseas market. The firm has its manufacturing facilities in SEEPZ in Mumbai. H K Designs India LLP exports to various countries like USA, Canada, Hongkong and UAE. Majority of the exports are to USA and Hong Kong. Mr. Parag Anantrai Shah, Mr. Ghanshyambhai Dhanjibhai Dholakia are the current partners of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered the consolidated approach of the business and financial risk profiles of Hari Krishna Exports Private Limited (HKEPL), H K Jewels Private Limited (HKJPL) and H K Designs India LLP (HKDLLP) to arrive at the rating. The consolidation is in the view of a similar line of business, common shareholding, and significant business & financial interlinkages between these entities. The group is herein referred to as H K Group (HKG).

Key Rating Drivers

Strengths

Experienced management and established market position in the gems and jewellery industry

HKG is engaged in manufacturing and trading of cut & polished diamonds (CPD) and manufacturing of diamond studded gold jewellery. The group is promoted by Mr. Savji Dholakia, Mr. Ghanshyam Dholakia, Mr. Tulsi Dholakia and Mr. Himmatbhai Dholakiya. HKG also has a global presence and is among one of the leading diamond players in India. They have a diversified customer base in around 53 countries namely USA, Europe and Hong Kong. HKEPL, parent company is a sight holder with leading miners such as De Beers, Rio Tinto which ensures steady supply of rough diamonds. Further, the group's venture under the brand "Kisna" has also enhanced its domestic with nearly 122 stores (including "Company owned company operated" & "Franchisee owned franchisee operated") spread across the country. Therefore, the extensive experience of the promoters for over three decades has helped the group to establish long and healthy relationships with reputed customers like Malabar Gold and Diamond, Titan, Kalyan Jewelers and Joyalukkas and suppliers over the years.

Acuite believes that the group is likely to sustain its existing business profile over the medium term on the back of an established track record of operations and experienced management.

Healthy financial risk profile

The financial risk profile of the group is healthy with strong tangible network, low gearing and comfortable debt protection metrics. The tangible network increase to Rs. 3,259.96 Cr. in FY2025 from Rs.3,030.24 Cr. in FY2024 due to profit accretion. Despite increase in the debt primarily due to elevation in lease liabilities and working capital borrowings of HKJPL, gearing remained below unity at 0.54 times in FY2025 (0.55 times in FY). The TOL/TNW levels also remained on similar lines at 0.91 times on March 31, 2025 (0.89 times in FY). Further, the coverage metrics, continue to remain comfortable, with interest coverage ratio (ICR) at 3.97

times and debt service coverage ratio (DSCR) at 3.03 times in FY2025. The Debt-EBITDA levels however, deteriorated to 3.26 times in FY2025 from 2.52 times in FY2024 on account of decline in the EBITDA levels.

Despite slow demand in the export markets, the domestic demand has been rising. Therefore, in line with this HKJPL plans to add new stores; lease liabilities and working capital requirements are to increase over medium term which is expected to moderate the financial metrics to some extent. However, the overall financial risk profile of the group is expected to remain healthy.

Steady revenue with declining profitability

While the revenue of HKEPL declined due to low volumes and pressurized realisations, the revenues of HKJPL and HKDLLP improved, leading to sustenance of the topline. Therefore, the revenue of the group marginally declined to Rs. 7,584.08 Cr. in FY2025 (Rs. 7,658.66 Cr. in FY2024). Further, The group has generated revenue of Rs. 4,047.16 Cr. for H1 FY2026 primarily driven by domestic venture. Therefore, the growing domestic demand is expected to help the group to maintain similar topline over the near term.

However, the profitability margins of the group declined due to increased costs and relatively lower increase in realization prices for natural diamonds amid growing competition from lab grown diamonds. The EBITDA margin stood declined at 6.25 percent in FY2025 from 8.10 percent in FY2024. These margins are expected to decline further due to the ongoing tariff imposition by the US and shall be a key rating monitorable.

Weaknesses

Working capital intensive operations

Over the past three years, there has been a significant stretch in the working capital cycle of the group, evident from its increasing gross current asset (GCA) days of 247 days in FY2025 from 227 days in FY2024 and 180 days in FY2023. The increase is primarily driven by sustained high levels of inventory and increase in the credit period offered to the customers. This is because of slow demand in the export markets resulting in increased inventory holding and elevated storage costs and increased receivable period. The inventory days stood at 193 days (191 days in PY) and receivables period stood at 58 days (44 days in PY) in FY2025. The creditor days stood at 61 days (49 days in PY) in FY2025. However, despite stretch in the working capital cycle, the utilization of the group remains moderate at 78.37 percent for the last eight months ended August 2025. Further stretch in the working capital cycle will be a key monitorable.

Tariff and Lab grown diamond (LGD) competition albeit rise in domestic demand

Over the past two–three years the cut-and-polished diamond sector has faced sustained headwinds from weak overseas demand and growing preference for lab-grown diamonds, which together have compressed realizations and squeezed margins. While exports have softened—prompting production cuts and a search for new markets in Asia, Europe and the Middle East, robust domestic demand, particularly for lightweight, affordable and gold-studded jewellery, has helped sustain overall revenues for the group. Recent US tariff measures are expected to further impact the export revenues and profitability, however, domestic demand fuelled by the ongoing wedding seasons is expected to provide a cushion in the near term.

ESG Factors Relevant for Rating

HKG has taken up various initiatives for environmental and social causes. The group has built 160+ lakes in Amreli and Bhavnagar districts in the Saurashtra region of Gujarat which faces scarcity of water. Further, during Covid-19 the group had taken up initiatives like food grain distribution and donation of 50 oxygen cylinders to Lathi Civil Hospital as part of the group's effort to aid patients in their fight against COVID. In addition to the above the group has taken up various blood donation initiatives. Further, the HKG propels a promising initiative to grow 10 million trees by the year 2030 to offset the environmental challenges posed by deforestation and carbon emissions. On the governance front, the group has adopted requirement of corporate governance from provision of Companies Act 2013. The board of

directors comprises of individuals having expertise and experience in the industry. Further, the group has developed an ethical business policy to ensure a healthy governance mechanism.

Rating Sensitivities

- Deterioration in the financial risk profile leading to stretch in liquidity position
- Restriction of further elongation in the working capital cycle
- Improvement in operating revenue while restricting further decline in profitability margins

Liquidity Position

Strong

The strong liquidity position of the group is evident from its ability to generate healthy net cash accruals (NCAs) of Rs. 334.27 Cr. against minimal repayment obligation of Rs. 19.07 Cr. in FY2025. Going forward, the group is expected to generate sufficient NCAs of around Rs. 300 Cr. against their repayment obligations of Rs. 20 - 30 Cr. (including lease liabilities) for FY2026 and FY2027. Further, the current ratio stood comfortable at 1.79 times on March 31, 2025. The average bank limit utilization stood at 78.37 percent for the last eight months ended August 2025. The group also had an unencumbered cash and bank balance of Rs. 45.21 Cr. on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	7584.08	7658.66
PAT	Rs. Cr.	262.05	324.33
PAT Margin	(%)	3.46	4.23
Total Debt/Tangible Net Worth	Times	0.54	0.55
PBDIT/Interest	Times	3.97	4.56

Key Financials (Standalone)

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	2474.27	1740.81
PAT	Rs. Cr.	103.87	87.81
PAT Margin	(%)	4.20	5.04
Total Debt/Tangible Net Worth	Times	1.68	1.27
PBDIT/Interest	Times	4.15	5.21

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

Not Applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.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. Acuite'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
06 Dec 2024	Cash Credit	Long Term	160.00	ACUITE A Stable (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE A Stable (Reaffirmed)
	Term Loan	Long Term	18.20	ACUITE A Stable (Reaffirmed)
	Working Capital Demand Loan (WC DL)	Long Term	65.00	ACUITE A Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	91.80	ACUITE A Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	97.50	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	75.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	50.00	ACUITE A Stable (Assigned)
	Cash Credit	Long Term	50.00	ACUITE A Stable (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.00	ACUITE A1 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.50	ACUITE A1 (Reaffirmed)
21 Oct 2024	Cash Credit	Long Term	160.00	ACUITE A Stable (Downgraded from ACUITE A+ Negative)
	Cash Credit	Long Term	65.00	ACUITE A Stable (Downgraded from ACUITE A+ Negative)
	Term Loan	Long Term	18.20	ACUITE A Stable (Downgraded from ACUITE A+ Negative)
	Working Capital Demand Loan (WC DL)	Long Term	65.00	ACUITE A Stable (Downgraded from ACUITE A+ Negative)
	Proposed Long Term Bank Facility	Long Term	91.80	ACUITE A Stable (Downgraded from ACUITE A+ Negative)
	Proposed Short Term Bank Facility	Short Term	2.00	ACUITE A1 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.50	ACUITE A1 (Reaffirmed)
24 Jul 2023	Cash Credit	Long Term	160.00	ACUITE A+ Negative (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE A+ Negative (Reaffirmed)
	Term Loan	Long Term	19.00	ACUITE A+ Negative (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE A+ Negative (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	91.00	ACUITE A+ Negative (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	2.00	ACUITE A1 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.50	ACUITE A1 (Reaffirmed)
	Cash Credit	Long Term	100.00	ACUITE A+ Negative (Reaffirmed)
		Long		

07 Jul 2023	Cash Credit	Term	60.00	ACUITE A+ Negative (Assigned)
	Cash Credit	Long Term	65.00	ACUITE A+ Negative (Reaffirmed)
	Term Loan	Long Term	19.00	ACUITE A+ Negative (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE A+ Negative (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	91.00	ACUITE A+ Negative (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.00	ACUITE A1 (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	0.50	ACUITE A1 (Assigned)
16 Jan 2023	Cash Credit	Long Term	100.00	ACUITE A+ Stable (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE A+ Stable (Reaffirmed)
	Term Loan	Long Term	19.00	ACUITE A+ Stable (Reaffirmed)
	Cash Credit	Long Term	65.00	ACUITE A+ Stable (Reaffirmed)
	Proposed Short Term Bank Facility	Short Term	2.00	ACUITE A1 (Reaffirmed)
30 Aug 2022	Cash Credit	Long Term	100.00	ACUITE A+ Stable (Assigned)
	Cash Credit	Long Term	65.00	ACUITE A+ Stable (Assigned)
	Term Loan	Long Term	19.00	ACUITE A+ Stable (Assigned)
	Cash Credit	Long Term	65.00	ACUITE A+ Stable (Assigned)
	Proposed Short Term Bank Facility	Short Term	2.00	ACUITE A1 (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	160.00	Simple	ACUITE A Stable Reaffirmed
The Saraswat Cooperative Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	65.00	Simple	ACUITE A Stable Reaffirmed
YES BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	75.00	Simple	ACUITE A Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	60.00	Simple	ACUITE A Stable Reaffirmed
THE KARUR VYSYA BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A Stable Reaffirmed
INDUSIND BANK LIMITED	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE A1 Reaffirmed
The Saraswat Cooperative Bank Ltd	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A1 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.23	Simple	ACUITE A Stable Reaffirmed
The Saraswat Cooperative Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2026	12.27	Simple	ACUITE A Stable Reaffirmed
INDUSIND BANK LIMITED	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	200.00	Simple	ACUITE A Stable Reaffirmed
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A Stable Reaffirmed
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE A Stable Assigned

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company name
1	Hari Krishna Exports Private Limited
2	H K Jewels Private Limited

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About Acuité Ratings & Research

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