



Press Release
KUNDAN REFINERY PRIVATE LIMITED
August 19, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	25.00	ACUITE A- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	25.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of ‘**ACUITE A-**’ (read as **ACUITE A minus**) on the Rs.25.00 crore bank facilities of Kundan Refinery Private Limited (KRPL). The outlook is ‘**Stable**’.

Rationale for Rating assigned

The rating assigned factors in the established presence of the Kundan group in the gold business, along with substantial improvement in the operating performance of the company over the past 2-3 years. The rating also factors in the healthy financial risk profile with negligible debt, efficient working capital operations and strong liquidity position of the company. However, the rating remains constrained on account of sizeable loans and advances extended by the company to its group Non-Banking Financial Company (NBFC) entity - Gogia Leasing Limited (GLL). Additionally, the rating remains exposed to demand volatility in the gold sector and the inherent regulatory risks associated with the industry.

About the Company

Incorporated, in October 2019, KRPL is engaged in gold refinery with its processing unit situated at Manesar, Haryana. The company is promoted by “Kundan Group” which is into multiple businesses including mining, refining, metals & mineral processing and renewable energy - hydro & solar. KRPL refines impure gold (gold doré-bar) majorly imported from various gold mining countries to pure form and manufactures gold bar-purity 99.5. The current directors of the company are Mr. Ankit Goyal and Mr. Shubham Vishwakarma.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of KRPL for arriving at the rating.

Key Rating Drivers

Strengths

Established brand presence leading to overall improvement in operating performance

KRPL has an established track record of over three decades in the gold industry, with an engagement in bullion imports and refining business under Kundan Care Products Limited (KCPL). Later in 2019, the company shifted its refinery business into KRPL, wherein it imports gold dore and processes it in its refinery. It is also empanelled with Multi Commodity Exchange (MCX) for settlement of gold futures contract. The group is also into trading of gold and ore manufacturing business operated into other group entities. The group was founded by Mr. Pradeep Garg and is currently run by second generation Mr. Udit Garg and Mr. Vidit Garg. This extensive experience is also reflected in the growing scale of operations marked with an operating income of Rs.20,212.49 crore in FY25 (Prov.), up from Rs.11,394.10 crore in FY24. This significant growth was driven by higher sales volumes combined with elevated gold prices compared to the previous year. The operating margins also improved to 1.35% in FY25 (Prov.) from 1.10% in FY24, supported by higher currency derivative income.

Acuite believes the operating performance of the company to remain healthy supported by steady gold prices and sustained demand for gold.

Healthy financial risk profile

The net worth of the company stood healthy at Rs.541.79 crore as on March 31, 2025 (Prov.) as against Rs.298.45 crore as on March 31, 2024, mainly on account of accretion of profits to reserves. The net-worth also constitutes

Rs.80 crores of compulsory convertible debentures issued to RFX Power Projects Private Limited in FY21. The company's debt profile consist of nominal borrowings keeping the gearing ratio below unity at 0.21 times as of March 31, 2025 (Prov.) (0.02 times as of March 31, 2024) and a healthy TOL/TNW at 1.09 times as on March 31, 2025 (Prov.) (1.13times as on March 31, 2024). The interest coverage and Debt/ EBITDA also stood comfortable at 43.97 and 0.38 times respectively as on March 31, 2025 (Prov.).

Efficient working capital operations

The company's working capital operations remains efficient, as indicated by low gross current asset (GCA) days of 9 days in FY2025(Prov.) (4 days in FY2024). The GCA days include inventory days and other current assets which constitute of balances with government authority. The inventory days for the company stood at 5 days in FY2025 (Prov.), up from 3 days in FY2024. Further, as of the year-end, the company had no outstanding debtors, reflecting its adherence to a receiving payment on spot during delivery of gold. The creditor's days of 6 days in FY25 (Prov.) (11 days in FY24), primarily reflects the typical shipment duration as payments are made upon receipt of goods at the port. Therefore, the average fund-based limit utilizations stood low at 0.3 percent for the last 12 months ended July 31, 2025.

Acuite believes that working capital operations of the company shall continue to remain efficient considering the nature of business.

Weaknesses

Significant loans and advances to group companies

The group operates a NBFC under the name Gogia Leasing Limited (GLL), which primarily supports the working capital needs of group's affiliated businesses. Therefore, the surplus funds generated from refinery operations (KRPL) are deployed in GLL on an interest-bearing basis. As of March 31, 2025, KRPL has an outstanding balance of Rs.583.51 crore with GLL. Any difficulty in recovering these advances, resulting in potential write-offs, will remain a key rating sensitivity for the company.

Demand volatility in the gold sector and inherent regulatory risk

Gold price volatility influences consumer demand, particularly in the jewellery segment. Price movements lead buyers to delay purchases, expecting better rates, which results in lower sales. Further, KRPL's earnings profile is significantly influenced by the import duty differential between gold doré and refined gold, currently at approximately 65 basis points. This structural advantage, however, introduces vulnerability to policy shifts. Any adverse modification in the duty regime, could materially compress operating margins and impair profitability of the company.

Rating Sensitivities

Any challenges in recovering the advances extended to GLL.

Any decline in operating margins leading to operational loss for the company.

Further increase in the sales quantity leading to higher operating profits for the company.

Liquidity Position

Strong

The liquidity position of the company is marked strong backed by healthy net cash accruals (NCA) of Rs.247.88 crores in FY25 (Prov.) as compared to negligible repayment obligations of Rs.1.66 crores during the same year. Going ahead, net cash accruals are expected to remain adequate to meet scheduled debt repayment obligations. The company also reported a cash and bank balance of Rs.110.29 crores as on March 31, 2025 (Prov.). The average fund-based limit utilizations stood low at 0.3 percent for the last 12 months ended July 31, 2025.

Acuite believes that the liquidity position of the company will continue to remain adequate on account improving cash accruals against the no major debt repayment obligations for the company.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	20212.49	11394.10
PAT	Rs. Cr.	243.48	122.30
PAT Margin	(%)	1.20	1.07
Total Debt/Tangible Net Worth	Times	0.21	0.02
PBDIT/Interest	Times	43.97	75.18

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

None

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 :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A- Stable Assigned

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Parth Patel Lead Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.