

September 23, 2025

## Vaibhav Global Limited: Update on entity

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term – Fund-based Limits	105.00	105.00	[ICRA]A+ (Stable)
Short-term – Non-fund Based Limits	5.00	5.00	[ICRA]A1+
Short-term – Interchangeable Limits	(15.00)	(15.00)	[ICRA]A1+
<b>Total</b>	<b>110.00</b>	<b>110.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

Uncertainty looms around Indian exports to US, following the high level of tariffs imposed by the US. The latest round of US tariffs—effective August 27, 2025—has added a punitive 25% duty on select Indian goods, significantly increasing the overall tariff burden to above 50%. Vaibhav Global Limited (VGL)’s business remains exposed to this turbulent trade environment, as India is one of key geographies for VGL’s import of jewellery into the US. During FY2025, US accounted for 59% of VGL’s total sales. ICRA understands that large portion of sales in US are jewellery sales, of which 40-45% gets procured from India. Thus, around 24-27% of VGL’s business remains exposed to the elevated tariffs.

VGL has been able to pass on the increase in tariff to its customers as is evident in its steady gross margins of 66.0% in Q1 FY2026. According to management discussions, VGL continues to pass on the increased tariff costs to the customers. VGL’s global sourcing model with a vertically integrated supply chain network also provides it with the flexibility to source jewellery for the US from other geographies. Moreover, the company is also recalibrating its supply chain to minimize the tariff impact

ICRA also draws comfort from the strong liquidity position of VGL supported by cash and liquid balances of Rs. 262 crore, along with a sizeable cushion in the form of undrawn working capital limits to the tune of Rs. 86 crore as on August 31, 2025. Additionally, it does not have any scheduled debt repayments. VGL’s strong liquidity position will help it withstand any near-term adverse impact of the ongoing scenario.

Nonetheless, ICRA will continue to monitor the evolving trade scenario and its implications on VGL’s credit profile.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#).

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Retail</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of VGL. As on March 31, 2025, the company had nine subsidiaries and five step-down subsidiaries, which are enlisted in Annexure-2.

## About the company

Incorporated in 1989, VGL is involved in e-retailing of fashion jewellery, gemstones jewellery, fashion accessories and lifestyle products like watches, hair accessories, beauty and home décor products sourced from across the globe. VGL has seven direct subsidiaries and five step-down subsidiaries, through which it operates 24-hour TV channels (Shop LC in the US, Shop TJC and Ideal World in the UK, and Shop LC in Germany) and e-commerce websites (shoplc.com, tjc.co.uk, www.idealworld.tv, www.mindfulsouls.com and shoplc.de) that complement the company's TV-based operations. VGL is promoted by Mr. Sunil Agrawal, who is the Managing Director of the company.

In September 2023, Shop TJC Limited, UK (a wholly-owned subsidiary of VGL) acquired Ideal World for 1.125 million pound (Rs. 12 crore approximately). Additionally, in September 2023, Shop TJC Limited acquired a 100% stake in Mindful Souls for a total consideration of 12 million euro (Rs. 105 crore approximately).

### 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)	Sept 23, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based Limits</b>	Long term	105.00	<b>[ICRA]A+ (Stable)</b>	Jul-21-25	[ICRA]A+ (Stable)	Oct-28-24	[ICRA]A (Positive)	Dec-04-23	[ICRA]A (Stable)	Oct-07-22	[ICRA]A (Stable)
<b>Non-fund Based Limits</b>	Long term	5.00	<b>[ICRA]A1+</b>	Jul-21-25	[ICRA]A1+	Oct-28-24	[ICRA]A1	Dec-04-23	[ICRA]A1	Oct-07-22	[ICRA]A1
<b>Interchangeable Limits</b>	Short term	(15.00)*	<b>[ICRA]A1+</b>	Jul-21-25	[ICRA]A1+	Oct-28-24	[ICRA]A1	Dec-04-23	[ICRA]A1	Oct-07-22	[ICRA]A1

\*Sublimit of fund-based limits

## Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Long Term - Fund Based Limits</b>	Simple
<b>Short Term - Non-Fund Based Limits</b>	Very Simple
<b>Short Term - Interchangeable Limits</b>	Very Simple

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 limits	-	-	-	105.00	[ICRA]A+ (Stable)
NA	Non-fund-based limits	-	-	-	5.00	[ICRA]A1+
NA	Short Term - Interchangeable Limits	-	-	-	(15.00)*	[ICRA]A1+

Source: Company; \* Interchangeable

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis**

Company name	ownership	Consolidation approach
Vaibhav Global Limited	Rated Entity	Full Consolidation
VGL Retail Ventures Limited, Mauritius	100.00%	Full Consolidation
STS Jewels Inc., USA	100.00%	Full Consolidation
STS Global Supply Limited (formerly STS Gems Limited), Hong Kong	100.00%	Full Consolidation
STS Global Limited (Formerly STS Gems Thai Limited), Thailand	100.00%	Full Consolidation
STS Global Limited (Formerly STS Gems Japan Limited), Japan	100.00%	Full Consolidation
Vaibhav Vistar Limited^^	100.00%	Full Consolidation
Vaibhav Lifestyle Limited	100.00%	Full Consolidation
Shop LC GmbH, Germany	100.00%	Full Consolidation
Encase Packaging Private Limited**	60.00%	Full Consolidation
Shop TJC Limited, UK^	-	Full Consolidation
Shop LC Global Inc., US^	-	Full Consolidation
Mindful Souls BV	100.00%	Full Consolidation
PT. STS Bali^	-	Full Consolidation
STS (Guangzhou) Trading Limited^	-	Full Consolidation

Source: As per BSE release for Q4 FY2025, ^ step-down subsidiaries of VGL

^^ Ceased to be subsidiary of Vaibhav Global Limited wef 18 January 2025

\*\* Ceased to be subsidiary of Vaibhav Global Limited wef 30 September 2024

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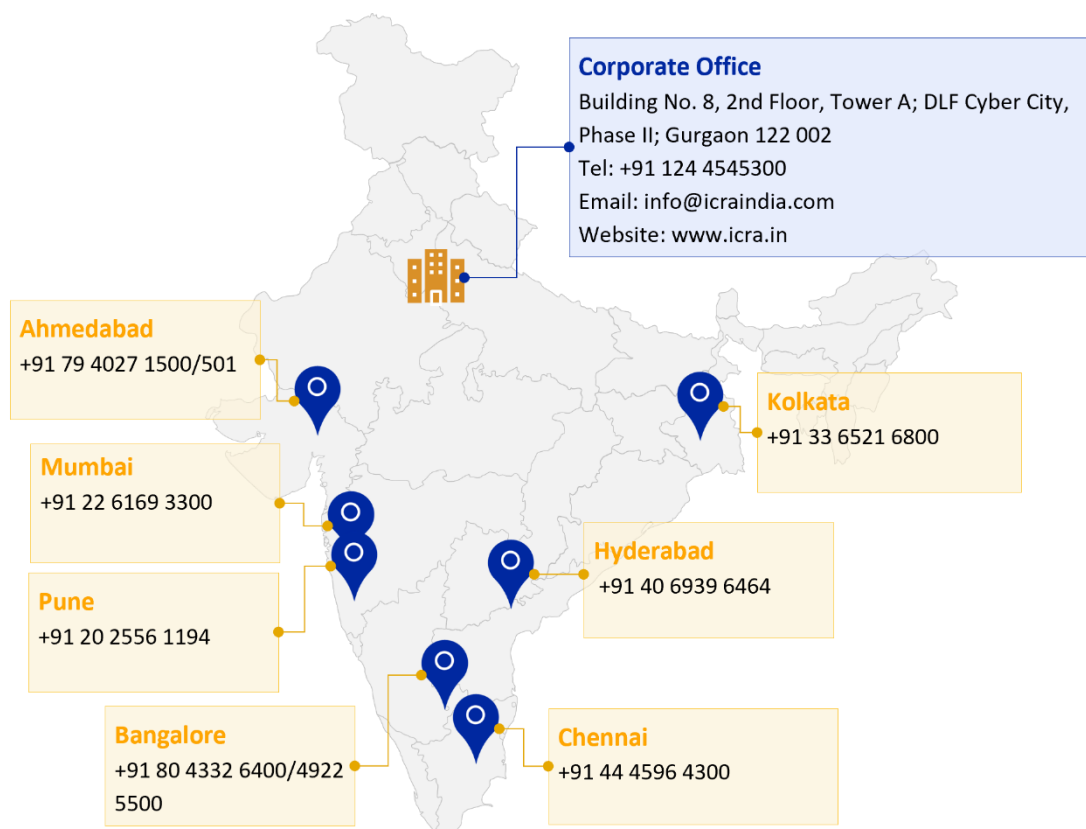
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### Branches



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