

March 10, 2026

Krishna Jewellers Pearls and Gems Private Limited: Rating upgraded to [ICRA]BBB (Stable); outlook revised to Stable from Positive; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Term loans	11.66	9.94	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Positive) and outlook revised to Stable from Positive
Long term – Fund-based – Cash credit	42.00	98.00	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Positive) and outlook revised to stable from positive/ assigned for enhance amount
Long term – Unallocated limits	26.34	32.06	[ICRA]BBB (Stable); upgraded from [ICRA]BBB- (Positive) and outlook revised to stable from positive/ assigned for enhance amount
Total	80.00	140.00	

*Instrument details are provided in Annexure-I

Rationale

The rating upgrade for the bank lines of Krishna Jewellers Pearls & Gems Private Limited (KJPGPL) reflects an improved operational performance in FY2025 and 9M FY2026, characterised by a healthy increase in revenues and earnings, which is expected to be sustained over the near-to-medium term. The rating continues to derive strength from the extensive experience of the promoters, who have been in the jewellery retail business for over two decades, as well as from the company's established brand name in Hyderabad, Telangana. Moreover, ICRA positively considers the conversion of the erstwhile partnership firm, Krishna Jewellers Pearls & Gems, into a private limited company (KJPGPL) in April 2025. Its revenues grew by 12.9% in FY2025 led by volume growth, followed by a further increase of 46.2% on a year-over-year (YoY) basis in 9M FY2026 on account of the sudden rise in gold prices due to geopolitical issues. This revenue growth was also supported by the incremental revenues from the company's second showroom in Hyderabad, which commenced operations in August 2024. Additionally, an increase in the share of studded jewellery in the overall revenue mix, coupled with improved economies of scale, enabled the enhancement of its operating margin to 8.4% and 11.1% in FY2025 and 9M FY2026, respectively. Further, the rating also considers KJPGPL's healthy financial profile, as reflected by its total debt/OPBDITA of 1.3 times and interest coverage of 5.5 times in FY2025, which is expected to remain comfortable in the near-to-medium term as well. Nevertheless, the company's leverage metrics are anticipated to moderate in FY2026 and over the medium term, as the reserves and surplus (other than partners' fixed capital) of the partnership firm were brought in as unsecured loans by the promoters at the time of conversion into a private limited company.

The rating is, however, constrained by the high working capital requirements in the business and the possibility of a further rise amid elevated gold prices amid ongoing geopolitical issues, which would result in increased reliance on working capital borrowings and interest expenses thereon. The rating is also constrained by the moderate scale of operations in the intensely competitive jewellery retail business, with entire revenues derived from two stores (around 90% from the flagship store), and earnings remaining exposed to the fluctuations in the gold prices. The rating also continues to be constrained by intense competition in a fragmented industry structure and regulatory risks, which impacted the retailers' performance in the past.

The Stable outlook on the long-term rating reflects ICRA's anticipation that KJPGPL is likely to maintain its operational and financial profile in the near-to-medium term. Further, the outlook underlines ICRA's expectations that the entity's incremental capital expenditure (capex), if any, to further increase the capacity will be funded in a manner that it is able to durably

maintain its debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Extensive experience of the promoters and established market position – KJPGPL has a strong retail presence and has a long track record of promoters in the jewellery market of Telangana (since 1983). Vast experience of the promoters in the gold jewellery industry and the entity's focus on providing jewellery tailored to customer needs helped establish a robust brand and a loyal customer base.

Growth prospects in jewellery segment underpinned by large industry size and fragmented market share – Increasing regulatory restrictions in the jewellery segment, aimed towards greater transparency and higher compliance costs, have been leading to a sizeable churn in the unorganised segment, benefiting organised players like KJPGPL over the years.

Comfortable financial risk profile – KJPGPL's revenues grew by 12.9% in FY2025 and increased further by 46.2% in 9M FY2026, supported by elevated gold prices and rising revenue from the second store. The increased revenues, along with the absence of profit withdrawals, led to improved cash accruals in FY2025 and 9M FY2026, which in turn aided the maintenance of comfortable coverage indicators. The company's debt protection metrics remained healthy, characterised by a total debt/OPBDITA of 1.3 times and an interest coverage ratio of 5.5 times in FY2025. However, the coverage indicators are expected to moderate in the near-to-medium term from FY2025 levels, owing to increased reliance on working capital debt and higher interest outgo on unsecured loans. Nevertheless, the same are likely to remain comfortable over the medium term.

Credit challenges

High geographical concentration risk and working capital intensity – The company remains exposed to high geographical and store concentration risks, as it derives about 90% of overall revenues from a single store at Jubilee Hills, Telangana. While the commencement of operation at the Kokapet showroom has mitigated the concentration risk of a single store to some extent, store concentration and geographical concentration risks still exist. Further, the working capital intensity has remained elevated in the recent years, with inventory holding period of 155-160 days in FY2025 and in 9M FY2026, which results in increased reliance on working capital borrowings.

Performance exposed to intense competition and regulatory risks – The domestic jewellery sector continues to be exposed to the risks arising from the evolving regulatory landscape, which could have an adverse impact on the business. Restrictions on bullion imports and metal loan funding, mandatory Permanent Account Number (PAN) disclosure on transactions above a threshold and imposition of excise duty are some of the regulations that have impacted business prospects in the past. KJPGPL remains vulnerable to changes in regulations that may affect its business profile. Further, the jewellery retail business is highly fragmented and is exposed to intense competition from organised and unorganised players. This limits the pricing flexibility enjoyed by retailers to an extent.

Liquidity position: Adequate

KJPGPL's liquidity position is expected to remain adequate, supported by steady earnings and adequate buffer available in working capital limits. The average utilisation of its fund-based working limit stood at around 83% over the last 12 months ending in January 2026, which provides adequate buffer. It has debt repayment obligations of Rs. 3.1 crore and Rs. 1.8 crore, respectively, in FY2026 and FY2027, which is expected to be comfortably serviced from the internal cash generation from business. Any large cash outflow in the form of dividends would constrain its liquidity and will be monitorable.

Rating sensitivities

Positive factors – The rating may be upgraded if there is a sustained increase in earnings while maintaining the comfortable debt coverage metrics and liquidity position on a sustained basis.

Negative factors – The ratings could be downgraded if there is a significant decline in revenue and earnings or deterioration in

its working capital cycle, resulting in weakening of debt protection metrics and liquidity position. Further, any sizable dividends or withdrawal of unsecured loans, impacting the entity's liquidity position may also cause a rating downgrade. A specific credit metric that could result in a rating downgrade include interest cover below 3.2 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Jewellery - Retail
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

Krishna Jewellers Pearls & Gems was initially established as a partnership firm in 2018, with Mr. Umesh Kumar Agarwal, Mrs. Aarti Agarwal and Mr. Milit Agarwal as partners. It is a part of a larger family business Group, which has been operational since 1983. Subsequently, the entity was converted into a private limited company, i.e. Krishna Jewellers Pearls & Gems Private Limited (KJPGPL) in April 2025 w.e.f. April 29, 2025. Currently, the company operates two stores in Telangana, one at Jubilee Hills, and the other at Kokapet (commenced operations from August 2024).

Key financial indicators (audited)

KJPGPL (Standalone)	FY2024	FY2025
Operating income (OI)	-	-
PAT	21.1	26.0
OPBDITA/OI	7.5%	8.4%
PAT/OI	3.9%	4.3%
Total outside liabilities/Tangible net worth (times)	2.7	2.0
Total debt/OPBDITA (times)	1.3	1.3
Interest coverage (times)	5.6	5.5

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Mar 10, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long term	98.00	[ICRA]BBB (Stable)	Mar 11, 2025	[ICRA]BBB- (Positive)	Feb 16, 2024	[ICRA]BBB- (Stable)	-	-
Fund based –Term loan	Long term	9.94	[ICRA]BBB (Stable)	Mar 11, 2025	[ICRA]BBB- (Positive)	Feb 16, 2024	[ICRA]BBB- (Stable)	-	-
Unallocated limits	Long term	32.06	[ICRA]BBB (Stable)	Mar 11, 2025	[ICRA]BBB- (Positive)	Feb 16, 2024	[ICRA]BBB- (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Term loans	Simple
Long term – Fund-based – Cash credit	Simple
Long term – Unallocated limits	Not Applicable

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 – Term loan	FY2024 - FY2025	NA	FY2027-FY2032	9.94	[ICRA]BBB (Stable)
NA	Fund-based – Cash credit	NA	NA	NA	98.00	[ICRA]BBB (Stable)
NA	Unallocated limits	NA	NA	NA	32.06	[ICRA]BBB (Stable)

Source: Company

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

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545368

jitinm@icraindia.com

Uday Kumar

+91 124 4545 867

uday.kumar@icraindia.com

Vilasagaram Nandakishore

+91 40 6939 6407

vilasagaram.nandakishore@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

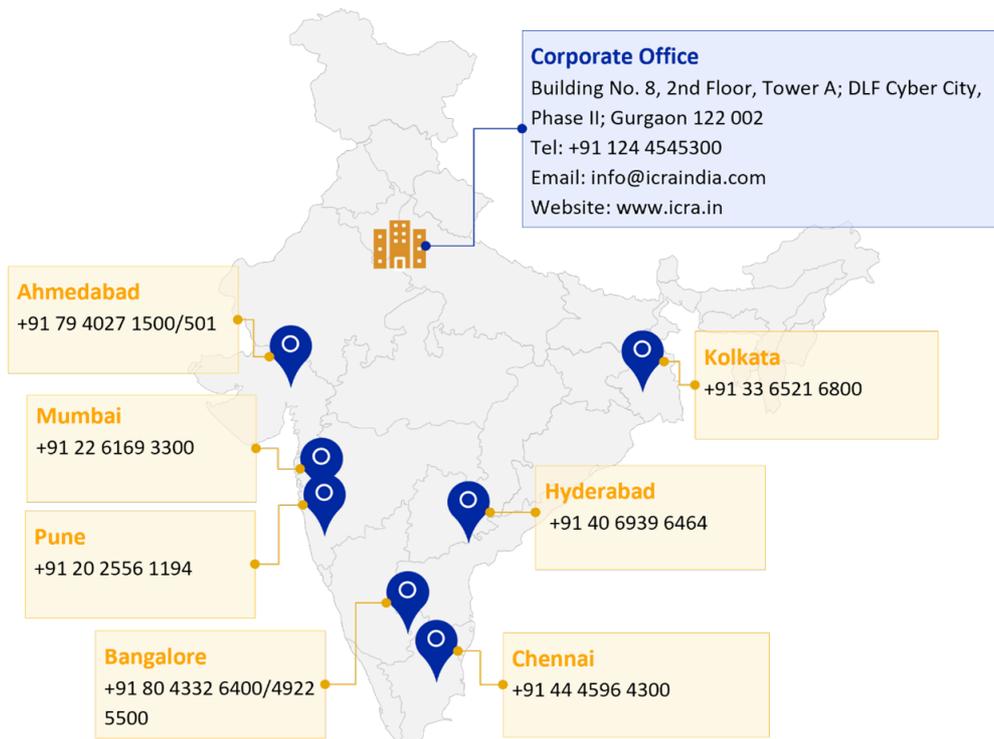


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.