

April 06, 2026

Manepally Jewellers Private Limited: [ICRA]BBB (Stable); assigned

Summary of rating action

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Long term fund based-Cash credit	140.5	[ICRA]BBB (Stable); assigned
Long term fund based-Overdraft Limits	14.5	[ICRA]BBB (Stable); assigned
Long term-Unallocated	5.0	[ICRA]BBB (Stable); assigned
Total	160.00	

*Instrument details are provided in Annexure I

Rationale

The assigned rating factors in the steady operational performance of Manepally Jewellers Private Limited (MJPL), aided by its established brand and extensive experience of the promoters in its area of operations in the jewellery retail business. The company has recorded healthy growth in revenues over the years (Rs. 1,132 crore in FY2025), supported by the addition of new stores as well as a rise in gold prices. In the current fiscal, even as volumes are expected to decline on account of rising gold prices, the company is likely to report around 20% growth in revenues, led by higher gold prices. The company's liquidity position remains adequate, supported by timely enhancements from the banks to support its scale of operations. Additionally, the company has been extended metal loans by its promoters to help meet its working capital requirements.

The operating margins for the company have seen an improvement in the past two years owing to the rise in gold prices as well as better absorption of fixed overheads. The margins in the current fiscal have further improved to around 8.9% in 10M FY2026 (vis-à-vis 4.1% in FY2025). Consequently, the company's debt coverage indicators have also materially improved (interest coverage of around 5 times expected in FY2026). The financial profile is expected to remain steady going forward on the back of expected revenue growth driven by new store launches, coupled with improvement in margins, thereby strengthening MJPL's debt coverage metrics.

The rating, however, remains constrained by the geographical concentration of the company's revenues in Telangana. ICRA notes that the company's plans to venture into new states are expected to reduce the geographical concentration risk to an extent. The rating also factors in the intense competition and fragmented industry structure, which are likely to keep margins under check. ICRA also notes the inherent regulatory risks in the industry, which have impacted retailers' performance in the past. The rating is further constrained by the working capital-intensive nature of operations.

ICRA notes that the company has capex plans to open three new stores for gold jewellery and 10-20 stores exclusively for silver and lab-grown diamonds over the near to medium term. The funding requirement for the expansion and the funding mix for the same will remain monitorable.

The Stable outlook reflects ICRA's expectation that MJPL's scale will steadily increase on the back of new store additions and profits will be supported by rising gold prices as well as better absorption of overheads. This is likely to help the company maintain its credit metrics commensurate with the rating level.

Key rating drivers and their description

Credit strengths

Healthy scale of operations; established brand and extensive experience of promoters - The company has an established brand presence in Hyderabad. MJPL's top line has been growing over the last few years, and it has gradually opened seven showrooms. The promoters have extensive experience in the jewellery retail business.

Increasing brand presence with additional store launches; improving margins in past few years - The entity has improved its brand presence over the years with new stores launched in the past few years apart from the flagship store at Secunderabad, Telangana. The company has reported an improvement in operating margins in the last two fiscals owing to improved scale and rising gold prices.

Credit challenges

High geographical concentration risk and intense competition - The company is exposed to high geographical concentration risk as all its seven stores are located in Hyderabad. Nonetheless, its brand presence has remained strong in the region. Moreover, it faces stiff competition in all locations from several organised and unorganised players.

Exposure to regulatory risks due to changes in Government policies - Various policy changes such as mandatory Permanent Account Number (PAN) card disclosure beyond a certain threshold, imposition of Goods and Services Tax (GST), levy of import duty on gold, reduction in customs duty, etc. have constrained MJPL's performance.

High working capital intensity of operations - The company's highly working capital-intensive operations may be attributed to its elevated inventory position. The company maintained inventory holding of 100-113 days in FY2025 and in 10M FY2026, which results in increased reliance on working capital borrowings.

Liquidity position: Adequate

The liquidity position remains adequate, characterised by steady fund flow from operations, cash and bank balances of around Rs. 35 crore as on January 31, 2026, and cushion in the working capital limits. MJPL is expected to be able to comfortably meet its debt servicing obligations along with incremental working capital requirements with the available liquidity.

Rating sensitivities

Positive factors – The rating could be upgraded in case of a sustained increase in earnings, leading to an improvement in liquidity position and credit metrics.

Negative factors – The rating could be downgraded in case of any impact on revenue or profitability, leading to deterioration in debt protection metrics. Further, higher working capital requirements, impacting the company's liquidity position, could trigger a downward rating action.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Jewellery – Retail
Parent/Group support	None
Consolidation/Standalone	Standalone

About the company

Promoted by the Manepally family, MJPL is involved in retailing gold, diamond and studded jewellery in Hyderabad under its brand 'Manepally Jewellers'. The entity currently operates seven stores, all located in Hyderabad. The company is managed by Mr Murali Krishna Manepally and Mr Gopi Krishna Manepally.

Key financial indicators (audited)

Standalone	FY2024	FY2025	10MFY2026*
Operating income	1,037.9	1,131.8	1,083.1
PAT	10.5	23.9	60.3
OPBDIT/OI	2.6%	4.1%	8.9%
PAT/OI	1.0%	2.1%	5.6%
Total outside liabilities/Tangible net worth (times)	3.3	3.0	2.2
Total debt/OPBDIT (times)	5.2	4.0	1.8
Interest coverage (times)	2.3	3.4	7.0

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

Note: The financial indicators mentioned above are as per the company's reported numbers, however, ICRA also makes various adjustments for analysis

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2027)			Chronology of rating history for the past 3 years					
		Amount (Rs. crore)	Rated	06-Apr-26	FY2026		FY2025		FY2024	
					Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	140.50	[ICRA]BBB (Stable)	-	-	-	-	-	-	
Fund-based-Overdraft	Long Term	14.50	[ICRA]BBB (Stable)							
Unallocated limits- Unallocated limits	Long Term	5.00	[ICRA]BBB (Stable)							

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term-Unallocated limits-Unallocated limits	NA
Long-term-Fund-based-Overdraft	Simple
Long-term-Fund-based-Cash credit	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-Cash credit	NA	NA	NA	140.50	[ICRA]BBB (Stable)
NA	Fund-based-Overdraft	NA	NA	NA	14.50	[ICRA]BBB (Stable)
NA	Unallocated limits-Unallocated limits	NA	NA	NA	5.00	[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

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