

August 12, 2026

V.S. Jewellery Wholesaler Global Pvt Ltd: Ratings Reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long term – Fund based – Cash Credit	-	75.54	[ICRA]BB+(Stable); reaffirmed/assigned for enhanced amount	RBI
Long term – Fund based – Term Loans	-	3.65	[ICRA]BB+(Stable); reaffirmed/assigned for enhanced amount	RBI
Long term/Short term – Unallocated	30.00	20.81	[ICRA]BB+(Stable)/[ICRA]A4+; reaffirmed	RBI
Total	30.00	100.00		

*Instrument details are provided in Annexure I

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings action to the bank facilities of V.S. Jewellery Wholesaler Global Pvt Ltd (VSJWGPL) consider its established presence in the jewellery wholesale business, steady long-term demand outlook, long relationships with reputed clientele and growing scale. The above-mentioned factors, coupled with consistently rising gold prices, have enabled the company to scale up its operating revenues to Rs. 430.8 crore in FY2026 (provisional) from Rs. 134.6 crore in FY2021, reflecting a compounded annual growth rate (CAGR) of 33.7% over the past five years. Additionally, VSJWGPL's operating profit margins (OPM) have also witnessed a steady improvement to 6.6% in FY2026 (provisional) from 4.1% in FY2025 owing to economies of scale, supported by higher price realisation and inventory gain. Moreover, ICRA positively factors in its promoters' extensive experience of more than a decade in jewellery manufacturing. Going forward, growth in the revenues and margins is likely to be supported by established relationships with reputed jewellery retail chains, as reflected in repeat business generated over the years and addition of new clients.

The ratings are, however, constrained by fluctuations in the gold prices and demand pressures thereon, which may result in decline in sale volumes and pressure on the profit margins of companies such as VSJWGPL. Additionally, the financial profile is constrained by the modest net worth base and increased reliance on working capital debt that has kept the TOL/TNW elevated at 2.4 times in FY2026. Going forward, the financial risk profile is expected to remain moderate due to high working capital requirements amid elevated gold prices and moderate cushion in working capital limits. The ratings are also constrained by its moderately elevated customer concentration risk, with around 45% of its revenues in FY2025 and FY2026 derived from the top five customers. However, comfort can be drawn from the fact that the company has established relationships with the majority of these clients, leading to repeat orders and continued addition of new customers. The ratings further factor in the intense competition in the jewellery manufacturing industry, which limits pricing flexibility and margins, the vulnerability of earnings to volatility in gold prices and regulatory risks faced by the sector, as evident from the latest increase in import duty on gold.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company is likely to sustain its revenues and operating metrics, supported by established relationships with reputed jewellery retailers and repeated order inflows.

Key rating drivers and their description

Credit strengths

Established track record and experienced promoter – The promoters have over a decade of experience in the wholesale gold jewellery business, which has supported the company in retaining the existing customer base while also consistently adding new customers. Their industry expertise has further aided the achievement of steady growth despite intense competition.

Extensive relationships with reputed clientele resulting in repeat business – Long-standing relationships with large jewellery retailers in the domestic markets have led to repeat business over the years. Supported by the same, the company has scaled up its operating revenues to Rs. 430.8 crore in FY2026 from Rs. 134.6 crore in FY2022. Going forward, it is looking to add more customers to its portfolio.

Favourable long-term growth prospects for organised jewellery retailers – The jewellery manufacturing sector is fragmented with the presence of many unorganised players, which has squeezed the company's margins over the years. However, regulatory changes, mandating increased transparency and compliance, are expected to create a difficult operating environment for the unorganised players. The industry tailwinds are likely to benefit the organised jewellery players such as VSJWGPL, leading to an improved market share.

Credit challenges

Moderate cushion in working capital limits – VSJWGPL has moderate cushion in working capital limits with limited buffer available in sanctioned limits, restricting the company's flexibility to meet incremental short-term funding needs. Further, sanctioned limits are lower than drawing power, constraining liquidity utilisation and thereby restricting its ability to effectively manage cash flows during peak requirements.

Moderate financial risk profile with earnings exposed to gold price fluctuations – VSJWGPL's scale of operations is moderate, with revenues of around Rs. 430.8 crore in FY2026, which limits the benefits arising from economies of scale. While the profit margins have improved in FY2025 and FY2026 driven by the increased gold prices, the company's earnings are exposed to fluctuations in gold prices coupled with demand pressures, which could result in slower inventory churn and higher working capital requirements. The financial profile is further constrained by a moderate net worth base and heightened reliance on working capital debt, causing elevated capitalisation and leverage ratios.

Exposed to high customer concentration – Between FY2023 and FY2026, the company derived 45-60% of its revenues from its top five customers, indicating a relatively high customer concentration risk. However, its long relationships with these key clients, along with the addition of new customers, provides comfort to an extent.

Intense competition limits pricing flexibility – The company faces intense competition from unorganised players in the manufacturing segment and other established brands in the market, which limits its pricing flexibility. While it has hedging arrangement for the inventory, any change in hedging policy exposes profitability to volatility in gold prices. Further, the domestic jewellery sector remains exposed to regulatory risks, which could have an adverse impact on the business. Restrictions on bullion imports, imposition of Goods and Services Tax (GST) and change in customs duty have impacted demand and supply in the past. Revenues and cash flows of the jewellery players are also exposed to seasonality in demand, based on the numbers of auspicious days, festivals, crop harvest, etc.

Liquidity position: Adequate

The company's liquidity position is expected to be Adequate, given it maintains a moderate buffer in the working capital limits of Rs. 5-10 crore and projected cash flow from operation of Rs. 5-10 crore, anticipated to meet the additional working capital requirements and term loan repayment, if any. The average utilisation of working capital limits stood at around 91% of its sanctioned working capital limit of Rs. 75.5 crore during the last 12 months ending in June 2026. The company has repayment obligations of Rs. 2.3 crore in FY2027 and does not have any major debt-funded capital expenditure (capex) plans over the near-to-medium term.

Rating sensitivities

Positive factors – The rating may be upgraded if the company demonstrates a steady increase in earnings leading to an improved net worth position, while maintaining adequate debt coverage indicators and liquidity position on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is a significant decline in earnings or any material debt-funded capex causing weakening of debt coverage indicators and liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

V.S. Jewellery Wholesaler Global Private Limited (VSJWGPL) was incorporated in July 2018 and is engaged in the manufacturing and wholesale distribution of jewellery. The company has its own manufacturing facilities in Hyderabad with a manufacturing capacity of 100 kgs per month. Further, it is setting up a second unit in Kolkata with a similar capacity. The company has developed a niche in designing jewellery embedded with coloured stones, South Sea pearls and traditional gemstones such as rubies and emeralds, along with cubic zirconia, catering to a diverse customer base. It is currently held and managed by Mr. Vikas Agarwal and Ms. Sheetal Agarwal.

Key financial indicators

VSJWGPL (Standalone)	FY2025	FY2026*
Operating income	315.3	430.8
PAT	4.6	15.2
OPBDIT/OI	4.1%	6.6%
PAT/OI	1.4%	3.5%
Total outside liabilities/Tangible net worth (times)	3.7	2.4
Total debt/OPBDIT (times)	4.6	2.8
Interest coverage (times)	2.1	4.2

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years							
	Type	Amount Rated (Rs. crore)	Aug 12, 2026	FY2027		FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	75.54	[ICRA]BB+ (Stable)	-	-	-	-	-	-	-	-
Term Loans	Long term	3.65	[ICRA]BB+ (Stable)	-	-	-	-	-	-	-	-
Unallocated	Long term/ Short term	20.81	[ICRA]BB+ (Stable)/ [ICRA]A4+	Jul 01, 2026	[ICRA]BB+ (Stable)/ [ICRA]A4+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund based – Cash Credit	Simple
Long term – Fund based – Term Loans	Simple
Long term/Short 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	Financial Sector Regulator [#]
NA	Cash Credit	NA	NA	NA	75.54	[ICRA]BB+(Stable)	RBI
NA	Term Loans	FY2026	-	FY2030	3.65	[ICRA]BB+(Stable)	RBI
NA	Unallocated Limits	NA	NA	NA	20.81	[ICRA]BB+(Stable)/[ICRA]A4+	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis – Not Applicable

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Uday Kumar

+91 124 4545867

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

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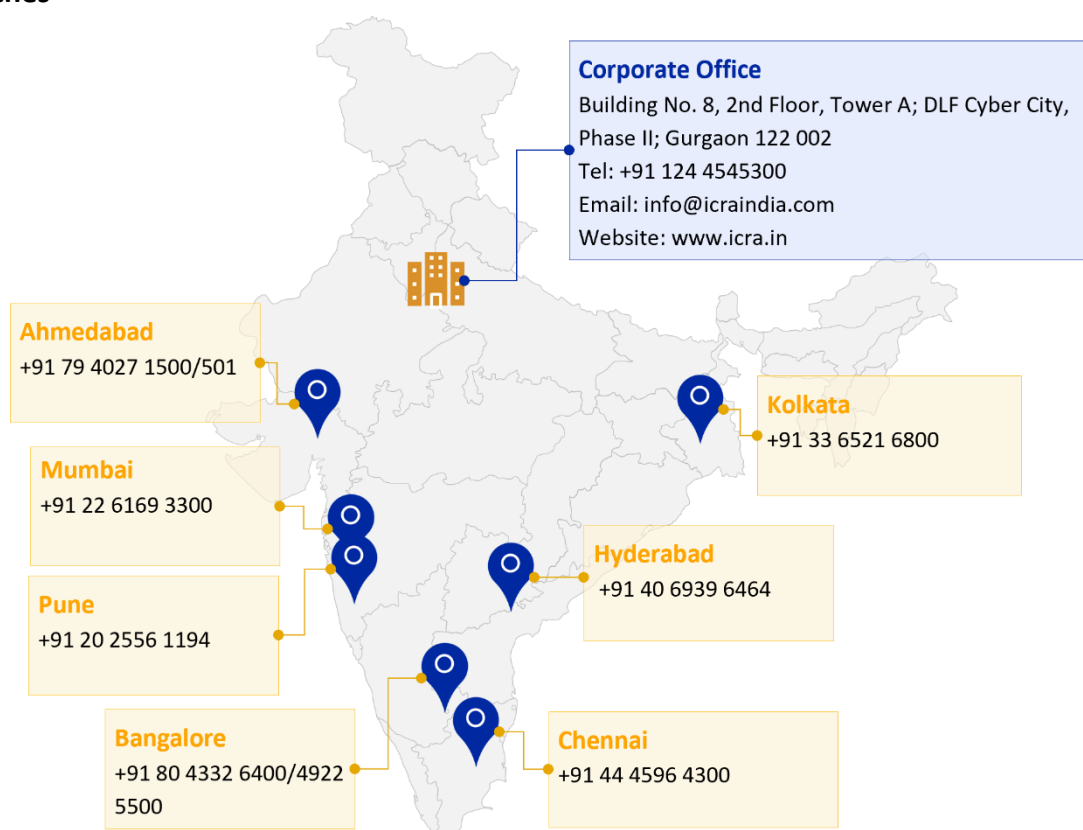
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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