

July 08, 2026

## Kirtilal Kalidas Jewellers Private Limited: Ratings upgraded to [ICRA]A- (Stable)/ [ICRA]A2+; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/ Short term – Fund-based Limits – Working Capital Facilities	390.00	415.00	[ICRA]A- (Stable)/ [ICRA]A2+; upgraded from [ICRA]BBB+ (Stable)/ [ICRA]A2; assigned for the enhanced amount
<b>Total</b>	<b>390.00</b>	<b>415.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

While assigning the ratings, ICRA has considered the consolidated financial statements of Kirtilal Kalidas Jewellers Private Limited (KKJPL), along with its wholly-owned subsidiary, Kirtilal Kalidas Jewellers Inc., based out of the US, owing to the substantial operational, managerial and financial linkages between them.

The ratings upgrade considers more than 40% growth in KKJPL's consolidated operating income in FY2026 [Provisional (P)], with the company also demonstrating a strong revenue growth trajectory over FY2022-FY2026, reflected in a CAGR of around 35%. The company, on a standalone basis, has recorded a revenue growth (YoY) of around 13% in FY2026 (P) from its retail operations. ICRA expects the growth momentum to sustain, going forward, driven by its established brand presence in the jewellery retail markets in southern India, supported by planned expansion of its retail presence across the operating segments.

The ratings also reflect the extensive experience of the promoters in the retail jewellery business, encompassing largely diamond studded gold jewellery and established track record of KKJPL's operations in the southern region. The ratings continue to derive comfort from the favourable financial profile of the company, characterised by a conservative capital structure and moderate debt protection metrics, which are likely to remain at similar levels, going forward. The company's TOL/Inventory also stood at a comfortable level of around 68% in FY2026 (P). Higher share (70-75%) of studded jewellery in the revenue mix supported the operating margin of the entity over the years. Despite some likely moderation in the profitability, the overall profits and cash accruals from the business are estimated to remain healthy, in line with the growing scale of operations, going forward. The ratings further consider the favourable long-term growth prospects of organised jewellers with a shift in the market share from unorganised to organised jewellers, which is likely to benefit KKJPL.

The ratings, however, continue to remain constrained by the vulnerability of KKJPL's earnings to volatility in gold prices, an intense competition on the back of a fragmented industry structure and aggressive store expansion plans undertaken by large jewellers, inherent regulatory risks associated with the jewellery business and a cautious lending environment. While the company reported an improvement in the operating margin in FY2026 (P) on a YoY basis from its retail operations, the same in the subsequent fiscals will depend on gold price fluctuations as the entity does not formally hedge a major portion of its gold inventory at present. The ratings continue to factor in the high working capital intensive nature of operations, necessitated from large inventory holding due to its nature of business, which exerts pressure on its liquidity and also results in higher dependence on working capital loans. The ratings are also constrained by the high geographical concentration risk, with Tamil Nadu accounting for around 80% of KKJPL's revenues, including institutional sales, although its dependence on the state is relatively lower at around 65% for retail operations.

The Stable outlook on the long-term rating reflects ICRA's opinion that KKJPL's operational and financial performances will continue to benefit from its established market position, increased focus on expansion into new markets and generation of adequate cash flows relative to its debt service obligations.

## Key rating drivers and their description

### Credit strengths

**Established market position, expanding retail network in southern India** – The operations of KKJPL are spread across Tamil Nadu, Telangana, Andhra Pradesh, Karnataka and Kerala. The company enjoys an established retail presence and has an operational track record of more than eight decades in the south Indian jewellery market. Vast experience of the promoters in the gold jewellery industry and the company's focus on providing ornament designs that suit specific tastes and preferences of the customers enabled it to establish its reputed brand and capture a loyal customer base. The company has been operating through a retail network of 25 showrooms, including ten franchisee stores, as of March 2026. The company is in the process of adding nearly six franchisee stores to its retail presence in the current fiscal. Thereafter, the company plans to add 2-3 new stores annually, including franchisee outlets, and deepen its presence in tier-2 and tier-3 cities to capitalise on its brand recognition, which is expected to benefit the company's business diversification.

**Steady growth in top line, likely to continue over the medium term** – The operating income of the company witnessed a steady growth over the past years, primarily driven by rising gold prices. The company has been adding new stores over the past few years, which also augmented revenue growth. Moreover, increase in revenue from diamond jewellery, which accounted for around 40% of its revenue (consolidated operations) in FY2026, has also supported its top line growth over the past years. Despite a decline (around 20%) in the volume of sales of gold jewellery in retail operations, a steep rise in gold prices led to an increase in the turnover of KKJPL, on a standalone basis, to around Rs. 2,551 crore in FY2026, registering a YoY growth of around 39%. ICRA notes that the volume of institutional sales (refining of old gold jewellery) registered a steep rise by around 31% in FY2026 (P), on a YoY basis, on the back of an increase in the exchange of old gold jewellery. Despite a planned addition of retail outlets and an established market position of the company in southern India, the overall sales volume of gold jewellery from its retail operations is likely to fall to an extent in FY2027 on the back of elevated gold price. While the company's revenue from retail operations is likely to rise by 14-15% (YoY), the overall operating income, on a consolidated basis, is estimated to register a growth of 23-25% (YoY) in FY2027, on the back of a sharp increase in gold price, increase in institutional sales and also increased volume of sale of diamond jewellery.

**Conservative capital structure and comfortable debt protection metrics** – The capital structure of the company has remained conservative over the past years owing to a healthy net worth and limited reliance on external borrowings. The gearing and TOL/TNW of the company, on a consolidated basis, stood at 0.9 times and 1.2 times, respectively as on March 31, 2026. With an increase in overall profits and cash accruals, the coverage metrics of the company improved and stood at a comfortable level in FY2026 (P). The company's TOL/Inventory stood at a comfortable level, notwithstanding the sizeable share of diamond jewellery in its inventory, of around 68% in FY2026 (P). Going forward, the overall debt level of the company is estimated to rise on the back of enhanced working capital requirement to support its increased scale of operations. However, in view of sizeable profits and cash accruals from the business, ICRA does not foresee any major deterioration in the capital structure and debt protection metrics of the company, going forward.

**Favourable long-term growth prospects for organised jewellery retailers** – Increasing regulations in the jewellery retail industry in the recent years, aimed at improving transparency and standardisation, have resulted in a shift in the market share from the unorganised players to organised ones. The industry tailwinds are expected to benefit organised jewellery retailers over the medium term, supported by its expanding retail presence. The Prime Minister's appeal to curb non-essential gold purchases coupled with recent increase in import duty on gold to 15% from 6% (aimed at moderating gold imports amid concerns over India's current account deficit [CAD] and rupee depreciation) are expected to weigh on gold jewellery demand, with industry volumes likely to contract materially in FY2027. Nevertheless, high gold prices, planned store additions by large

players, with focus on tier-2 and tier-3 cities, and a sharp increase in old gold exchange are expected to support revenue growth for the industry, going forward.

### Credit challenges

**Performance exposed to intense competition and regulatory risks in retail jewellery segment** – Jewellery retail business is very competitive, with a large share of unorganised trade. This coupled with robust store expansion by larger retailers in tier-2 and tier-3 cities in recent years has intensified competition and limits pricing flexibility. The jewellery retail industry has witnessed increased regulatory intervention in recent years, which impacted the operating environment and consequently the performance of the jewellers. Increasing supervision and cautious lending environment further restricted fund flows to the sector. However, KKJPL enjoys a healthy relationship with banks and has been able to increase its working capital limits on a timely basis.

**Earnings exposed to volatility in gold prices** – The profitability of the company remains exposed to volatility in gold prices as the entity formally hedges only around 25% of its gold inventory. This is, however, mitigated to a large extent by regular purchase of gold, in line with sales, to manage inventory costs. The operating profit margin (OPM) of the company, on a consolidated basis, witnessed a marginal decline to 5.5% in FY2026 (P) from 5.8% in FY2025 on the back of a significant rise in institutional sales (refining of old gold jewellery). However, the OPM, exclusively from its retail operations, improved to 9.2% in FY2026 (P) from 8.0% in FY2025 on the back of inventory gain, amid rising gold price, resulting in higher margin on sales and benefits of higher economies of scale. The net profit margin (NPM), although impacted by high interest and finance expenses, stood at a comfortable level of 4.8% in FY2026 (P). The RoCE of KKJPL stood at a comfortable level of around 16% in FY2026 (P). ICRA expects that the company's OPM, on a consolidated basis, is likely to remain in the range of 4.5-5.0% (8.0-8.5% from retail sales only) in the current fiscal. Despite some likely moderation, the RoCE of KKJPL would continue to remain in the range of 14-16%, going forward. In line with the growing scale of operations, the overall profits and cash accruals from business are estimated to remain healthy, going forward.

**Relatively higher geographical concentration risk** – The company derives the major portion (~80%) of its revenue from Tamil Nadu, with Telangana and Andhra Pradesh being the other major contributors. However, ICRA notes that KKJPL's dependence on Tamil Nadu is relatively lower at around 65% of its retail operations. The company's business profile remains constrained by the high geographical concentration of its revenues, exposing it to risks arising from adverse developments in its key markets. However, the risk is mitigated to an extent by the company's reputed brand presence. The company has been opening new stores outside Tamil Nadu, which is likely to improve its geographical diversification of revenue over the medium term.

**High working capital intensity of operations exerting pressure on liquidity** – Jewellery retailing business is highly working capital intensive in nature, given the need to display varied designs of jewellery to its customers across its showrooms. KKJPL generally maintains an inventory of 6-7 months (of retail sales) on an average (as it is predominantly present in the studded segment), across its stores, depending on the footfall and the stockholding surge during the festive season. The net working capital relative to the operating income of KKJPL stood at around 29% in FY2026 (P), exerting pressure on its liquidity position, although it improved from 35% in FY2025. ICRA expects that the company's working capital intensity of operations would continue to remain at an elevated level, going forward. With a large stockholding requirement, dependence on working capital loans would continue to remain high. The company's ability to manage its inventory levels and liquidity position, while increasing the scale of operations will be the key determinants of its financial risk profile.

### Liquidity position: Adequate

The company, on a consolidated basis, generated negative cash flow from operations in FY2026 due to an increase in the working capital requirement to support its top line growth. Further, the anticipated revenue growth in FY2027 is likely to necessitate higher inventory holding, resulting in an increased working capital requirement, which is expected to weigh on the cash flow from operations. The average fund-based working capital utilisation of the company stood at a high level of around 88% during the last 12 months, ended in April 2026. ICRA notes that KKJPL has applied for bank lines of Rs. 70 crore, under the

Emergency Credit Line Guarantee Scheme 5.0 which, if sanctioned, is likely to provide additional liquidity. The company had unencumbered cash/bank balance of around Rs. 16 crore as on March 31, 2026. The company has long-term debt repayment obligations of Rs. 7-8 crore, including lease liabilities, and nominal capital expenditure of Rs. 5-6 crore in the current fiscal. ICRA expects the overall liquidity position of the company to remain adequate, going forward. Any large cash outflow towards contingent liabilities could constrain its liquidity and would be a key monitorable.

## Rating sensitivities

**Positive factors** – KKJPL’s ratings may be upgraded if the company registers a sustained healthy growth in revenues from its retail operations and earnings, which would consequently improve its debt protection metrics and liquidity position.

**Negative factors** – The ratings may be downgraded in case of sustained pressure on the company’s operating performance or a deterioration in its working capital cycle, adversely impacting the debt protection metrics and liquidity position of the entity. Specific credit metrics that may trigger ratings downgrade include TOL/TNW above 1.5 times on a sustained basis.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Jewellery - Retail</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Kirtilal Kalidas Jewellers Private Limited, including its wholly-owned subsidiary, which is enlisted in Annexure – III.

## About the company

Kirtilal Kalidas Jewellers Private Limited (KKJPL) started its operations in 1939 as a partnership concern and was subsequently converted into a private limited company in 2008. The company is involved in retailing of gold/diamond/platinum and various studded jewellery and operates through 15 showrooms and 10 franchisee stores, as of March 2026, spread across the southern region of India. The company operates in five states – Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana. Most of the revenue (70-75%) is derived from the sale of studded jewellery and the balance is from the sale of conventional gold jewellery. The company is being managed by Mr. Paras P. Mehta and Mr. T Shantakumar.

Kirtilal Kalidas Jewellers Inc. is based out of the US and is a wholly-owned subsidiary of KKJPL. The entity has one boutique store in New York and sells jewellery to NRIs in the US through exhibitions, trade fairs etc.

### Key financial indicators (audited)

KKJPL	Standalone			Consolidated		
	FY2024	FY2025	FY2026*	FY2024	FY2025	FY2026*
Operating income	1,678.5	1,834.2	2,550.9	1,693.0	1,862.8	2,624.6
PAT	47.0	50.8	72.3	48.2	52.6	75.6
OPBDIT/OI	5.4%	5.7%	5.4%	5.5%	5.8%	5.5%
PAT/OI	2.8%	2.8%	2.8%	2.8%	2.8%	2.9%
Total outside liabilities/Tangible net worth (times)	1.2	1.2	1.3	1.2	1.2	1.2
Total debt/OPBDITA (times)	3.4	3.5	3.2	3.3	3.4	3.1
Interest coverage (times)	4.0	3.3	3.7	4.0	3.3	3.8

Source: Kirtilal Kalidas Jewellers Private Limited, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; \* Provisional Numbers

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

### Rating history for past three years

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jul 08, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based working capital facilities	Long term	-	-	-	-	Feb 20, 2025	[ICRA]BBB+ (Stable)	Oct 19, 2023	[ICRA]BBB+ (Stable)
		-	-	-	-	-	-	Mar 22, 2024	[ICRA]BBB+ (Stable)
Fund-based working capital facilities	Long term/ Short term	415.00	[ICRA]A-(Stable)/ [ICRA]A2+	Nov 7, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	Mar 10, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-
Unallocated Limits	Long term	-	-	-	-	-	-	Oct 19, 2023	[ICRA]BBB+ (Stable)

**Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026**

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$) )	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** 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.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/ Short-term - Fund-based working capital facilities	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 II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based working capital facilities 1	-	-	-	95.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Fund-based working capital facilities 2	-	-	-	50.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Fund-based working capital facilities 3	-	-	-	30.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Fund-based working capital facilities 4	-	-	-	70.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Fund-based working capital facilities 5	-	-	-	100.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Fund-based working capital facilities 6	-	-	-	70.00	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Kirtilal Kalidas Jewellers Private Limited

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

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

Company Name	KKJPL's Ownership	Consolidation Approach
Kirtilal Kalidas Jewellers Inc., USA	100.00%	Full Consolidation

Source: Kirtilal Kalidas Jewellers Private Limited

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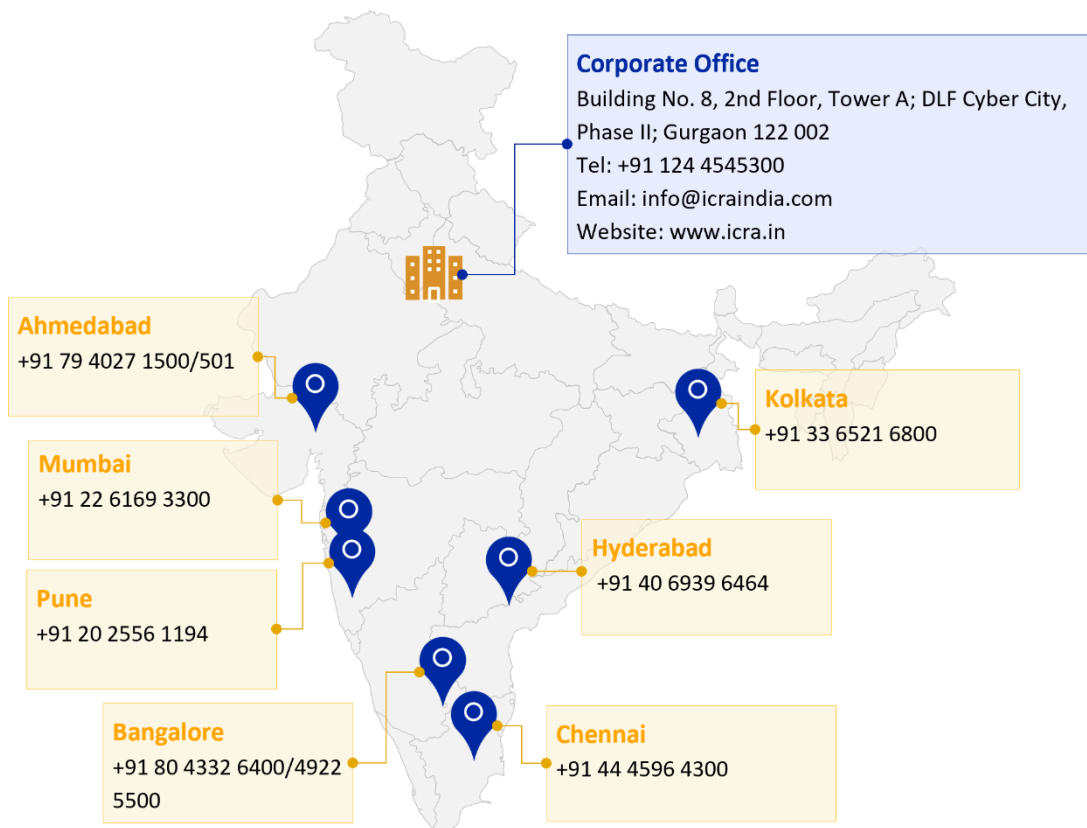
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