

July 10, 2026

Manoj Vaibhav Gems 'N' Jewellers Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based – Working Capital Facilities	361.00	-	-
Long-term fund-based – Term Loans	34.40	-	-
Short-term non-fund-based – Interchangeable#	(17.00)	-	-
Long-term/ Short-term – fund-based/ non-fund-based – Working Capital Facilities	-	511.00	[ICRA]A- (Stable)/ [ICRA]A2+, reaffirmed/ assigned for enhanced amount
Long-term/ Short-term – Unallocated Limits	54.60	-	-
Total	450.00	511.00	

* Instrument details are provided in Annexure II

Sub-limit of the fund-based working capital facilities

Rationale

The reaffirmed ratings consider the long experience of the promoters of Manoj Vaibhav Gems 'N' Jewellers Limited (MVGJL) in the jewellery retailing business, along with the entity's strong brand recognition and established presence in Andhra Pradesh and Telangana. The company's comfortable financial risk profile, as reflected by a conservative capital structure and comfortable coverage metrics, also supports the ratings. ICRA notes that while the company registered a moderate revenue growth over FY2021-FY2026, with a CAGR of around 14%, growth in its retail operations remained relatively subdued during the period. Despite a decline in the overall sales volume of around 19%, MVGJL has recorded a revenue growth (YoY) of around 15% in FY2026. The growth momentum is expected to sustain going forward, driven by its established brand presence in the jewellery retail markets in Andhra Pradesh, supported by the planned expansion of its retail presence across the operating segments. ICRA expects the company's RoCE to remain at a comfortable level in the medium term. The ratings also draw comfort from the healthy financial flexibility of the company, as reflected by TOL/inventory of around 64% in FY2026, which is likely to improve further over the medium term. The ratings further consider the favourable long-term growth prospects of organised jewellers, driven by the ongoing shift in the market share from unorganised to organised jewellers, which is likely to benefit MVGJL.

The ratings are, however, constrained by the high working capital intensity of operations with large inventory holding requirements, which results in higher dependence on working capital loans. The average working capital utilisation against the sanctioned limits remained high at around 89% over the last 12 months, ended in May 2026, resulting in limited buffer. Additional procurement for the newly launched showroom in April 2026, combined with a steep rise in gold prices, led to a high inventory holding at the end of FY2026. The same also led to a decline in the stock turnover to 1.7 times in FY2026 from 1.9 times in FY2025. The ratings are also impacted by intense competition from other players, which limits pricing flexibility and exposes its earnings to gold price fluctuations. ICRA notes that the operating profit margin (OPM) of the company will remain dependent on gold price fluctuations as the entity does not formally hedge its gold inventory at present. The ratings are also impacted by high geographical and product concentration risks as MVGJL derives around 95% of its revenue from Andhra Pradesh and more than 90% of its revenue comes from gold jewellery.

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

Key rating drivers and their description

Credit strengths

Established market position along with strong brand recognition in Andhra Pradesh – MVGJL operates through 20 company-owned showrooms and one franchisee-operated stores and enjoys an established retail presence in Andhra Pradesh and Telangana, with strong brand recognition, especially in Vishakhapatnam and coastal districts of Andhra Pradesh. The company sells its products under the brand, Vaibhav Jewellers. MVGJL's established track record of operations and long experience of promoters largely mitigate the operational risks, and the same is demonstrated by the gradual improvement in performance over the years. The company's established market position is also reflected by the healthy scale-up of some of its new stores in recent past.

Growing scale of operations; conservative capital structure and comfortable debt protection metrics – The turnover of the company witnessed a steady growth to around Rs. 2,744 crore in FY2026 from around Rs. 1,279 crore in FY2020, primarily driven by a rise in gold prices. Despite a fall of around 19% in the overall sales volume of gold jewellery, the operating income of MVJGL registered an increase (YoY) by around 15% in FY2026, primarily supported by a steep rise in gold prices. ICRA notes that the volume of institutional sales (refining of old gold jewellery) registered a steep rise in FY2026, 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 reduce to an extent in FY2027 due to elevated gold prices. While the company's revenue from retail operations is expected to rise by 6-7% (YoY), ICRA estimates the overall operating income to register a growth (YoY) of around 10% in FY2027, on the back of a sharp increase in gold price and increase in institutional sales. The capital structure of the company has remained conservative over the past years owing to a healthy net worth and limited reliance on external liabilities. The coverage indicators of MVGJL remained at a comfortable level on account of relatively lower debt level. The company's TOL/inventory stood at a comfortable level of around 64% in FY2026. The debt level of the company is estimated to increase on the back of enhanced working capital requirements needed to support its likely increased scale of operations in the current fiscal. However, in view of sizeable profits and cash accruals from the business, ICRA does not foresee any deterioration in the capital structure of the company going forward.

Favourable long-term growth prospects of organised jewellery retailers – Increasing regulations in the jewellery retail industry in recent years, aimed at improving transparency and standardisation, have led to a shift in market share from unorganised players to organised ones. These industry tailwinds are expected to benefit organised jewellery retailers over the medium term, supported by their expanding retail presence. The Prime Minister's appeal to curb non-essential gold purchases, coupled with the recent increase in import duty on gold to 15% from 6% [aimed at moderating gold imports amid concerns around India's current account deficit (CAD) and rupee depreciation], is 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 a 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 expansions by large retailers in recent years has intensified competition and limited the pricing flexibility. MVGJL remains exposed to intense competition with limited pricing flexibility with the presence of a large number of organised and unorganised players, which would keep its margins under check. Further, the share of studded jewellery remains relatively lower, which limits margin expansion. The

operating profit margin (OPM) of the company stood at around 7% over the past few years. Despite a significant increase in institutional sales (refining of old gold jewellery), which are not margin accretive, the company's overall profitability improved in FY2026, with the retail business OPM rising to 9.1% from 8.0% in FY2025, supported by inventory gains amid rising gold prices, higher sales margins and improved operating leverage. The net profit margin (NPM), although impacted by high interest and finance expenses, stood at a comfortable level of 4.2% in FY2026. ICRA expects that the company's OPM is likely to remain at 6.5-7.0% (8.5-9.0% from retail sales only) in the current fiscal. Despite some likely moderation, the RoCE of MVGJL would remain 13-14%, going forward. In line with the growing scale of operations, the overall profits and cash accruals from business are estimated to be healthy going forward. The jewellery retail industry has witnessed increased regulatory intervention in recent years, such as restrictions on bullion imports, limited access to gold metal loans, limitation on jewellery saving schemes, mandatory PAN disclosure on transactions above a threshold limit etc., 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, MVJGL enjoys a healthy relationship with banks and has been able to increase its working capital limits on a timely basis.

Earnings exposed to geographical concentration risks and volatility in gold prices – The company has 21 showrooms, including one franchisee store, 18 of which are in Andhra Pradesh and the remaining three are in Telangana. MVGJL faces high geographical concentration risk, as a single state accounted for around 95% of its revenue in FY2026. High geographical concentration of revenue also exposes the company to risks arising from any local event, which could adversely impact the business profile. However, the risk is mitigated to an extent by the company's strong brand presence. In addition, the company's profitability remains exposed to volatility in gold prices in the absence of gold metal loans or a formal hedging practice. This is, however, mitigated to a large extent by regular purchase of gold, in line with sales, along with customer advances to manage inventory costs.

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. MVGJL generally maintains an inventory of 5-6 months on an average, across its stores, depending on the footfall and the stock holding surge during the festive season. The net working capital relative to the operating income of the company stood at 41% in FY2026, largely driven by a high inventory holding. With a large stockholding requirement, dependence on working capital loans remains high. The company has high utilisation of its available bank limits, resulting in limited head room in the bank lines. The company's ability to manage its inventory levels and liquidity position, while increasing the scale, will be the key determinants of its financial risk profile.

Environmental and social risks

Environmental considerations – Exposure to environmental risks remains low for entities in the jewellery retail industry. Few concerns include episodes of excessive rainfall/flooding in the operating regions, which may impact jewellery store operations. Additionally, the possibility of rural demand for jewellery moderating during periods of crop loss caused by physical climate change also poses risks to revenue growth and profitability.

Social considerations – Exposure to social risks remains moderate for entities in the jewellery retail industry. The sector has witnessed an increased focus on product quality and transparency in pricing, which supported consumer confidence. However, industry participants remain exposed to changes in consumer behaviour, including a shift towards less gold-intensive daily/fashion jewellery. Additionally, the relatively higher workforce requirement for store operations and jewellery manufacturing, along with the level of wages and associated fixed costs could weigh on the margins, given the skilled nature of work.

Liquidity position: Adequate

The company generated negative cash flow from operations in FY2026, primarily due to higher working capital requirements to support its top line growth and the build-up of inventory at year-end for its upcoming showroom, which was inaugurated in April 2026. Further, the anticipated revenue growth in FY2027 is likely to necessitate higher inventory holding. This is likely

to result 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 89% during the past 12 months, ended in May 2026. ICRA notes that MVGJL has applied for bank lines of Rs. 95 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. 102 crore as on March 31, 2026. MVGJL has long-term debt repayment obligations of Rs. 10-11 crore, including lease liabilities, and nominal capital expenditure of Rs. 7-8 crore in FY2027. Surplus cash/bank balance, unutilised working capital limits and incremental customer advances would be adequate to meet its additional working capital requirements and long-term debt repayment obligations. ICRA expects the overall liquidity position of the company to remain adequate going forward.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings of MVGJL if there is a sustained growth in revenues and earnings along with a better inventory turnover, which would improve its coverage metrics and liquidity position.

Negative factors – ICRA may downgrade the ratings of MVGJL if there is a sustained pressure on the earnings or if there is any material negative impact on the capital structure and debt protection metrics. Specific credit metric that may trigger ratings downgrade includes TOL/TNW above 1.7 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	The ratings are based on the standalone financial statements of the company

About the company

Manoj Vaibhav Gems 'N' Jewellers Limited (MVGJL) was originally incorporated as Hotel Anant Private Limited (HAPL) in 1989. HAPL was acquired by the current management in 2003 and was renamed as Vaibhav Empire Private Limited. The company was again renamed as Manoj Vaibhav Gems 'N' Jewellers Private Limited in July 2016 and further converted into a public limited company in May 2022. MVGJL is currently involved in retailing of gold/ silver/ diamond/ platinum and various studded jewellery and operates through 20 company-owned showrooms and one franchisee-operated stores spread across Andhra Pradesh and Telangana. The company sells its products under the brand, Vaibhav Jewellers.

Key financial indicators (audited)

MVGJL, Standalone	FY2024	FY2025	FY2026
Operating income	2,149.7	2,384.0	2,744.0
PAT	80.9	96.6	114.9
OPBDITA/OI	7.0%	7.0%	7.1%
PAT/OI	3.8%	4.1%	4.2%
Total outside liabilities/Tangible net worth (times)	1.3	1.1	1.2
Total debt/OPBDITA (times)	2.8	2.4	2.5
Interest coverage (times)	3.3	4.0	5.3

Source: Manoj Vaibhav Gems 'N' Jewellers 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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	Jul 10, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based/ Non-Fund based – Working Capital Facilities	Long Term/ Short Term	511.00	[ICRA]A-(Stable)/ [ICRA]A2+	-	-	-	-	-	-
Fund-based – Working Capital Facilities	Long Term	-	-	Jul 7, 2025	[ICRA]A-(Stable)	May 7, 2024	[ICRA]BBB+(Stable)	-	-
			-	May 13, 2025	[ICRA]BBB+(Stable)	-	-	-	-
Term Loan	Long Term	-	-	Jul 7, 2025	[ICRA]A-(Stable)	May 7, 2024	[ICRA]BBB+(Stable)	-	-
			-	May 13, 2025	[ICRA]BBB+(Stable)	-	-	-	-
Non-Fund based – Working Capital Facilities	Short Term	-	-	Jul 7, 2025	[ICRA]A2+	May 7, 2024	[ICRA]A2	-	-
			-	May 13, 2025	[ICRA]A2	-	-	-	-
Unallocated Limits	Long Term/ Short Term	-	-	Jul 7, 2025	[ICRA]A-(Stable)/ [ICRA]A2+	May 7, 2024	[ICRA]BBB+(Stable)/ [ICRA]A2	-	-
			-	May 13, 2025	[ICRA]BBB+(Stable)/ [ICRA]A2	-	-	-	-

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 (FSRs) 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 (FSRs) 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/ non-fund-based limits – 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	Working Capital Facilities 1	-	-	-	75.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Working Capital Facilities 2	-	-	-	68.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Working Capital Facilities 3	-	-	-	150.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Working Capital Facilities 4	-	-	-	80.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Working Capital Facilities 5	-	-	-	20.00	[ICRA]A- (Stable)/ [ICRA]A2+
NA	Working Capital Facilities 6	-	-	-	118.00	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Manoj Vaibhav Gems 'N' Jewellers Limited

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

Annexure III: List of entities considered for consolidated analysis

Not applicable

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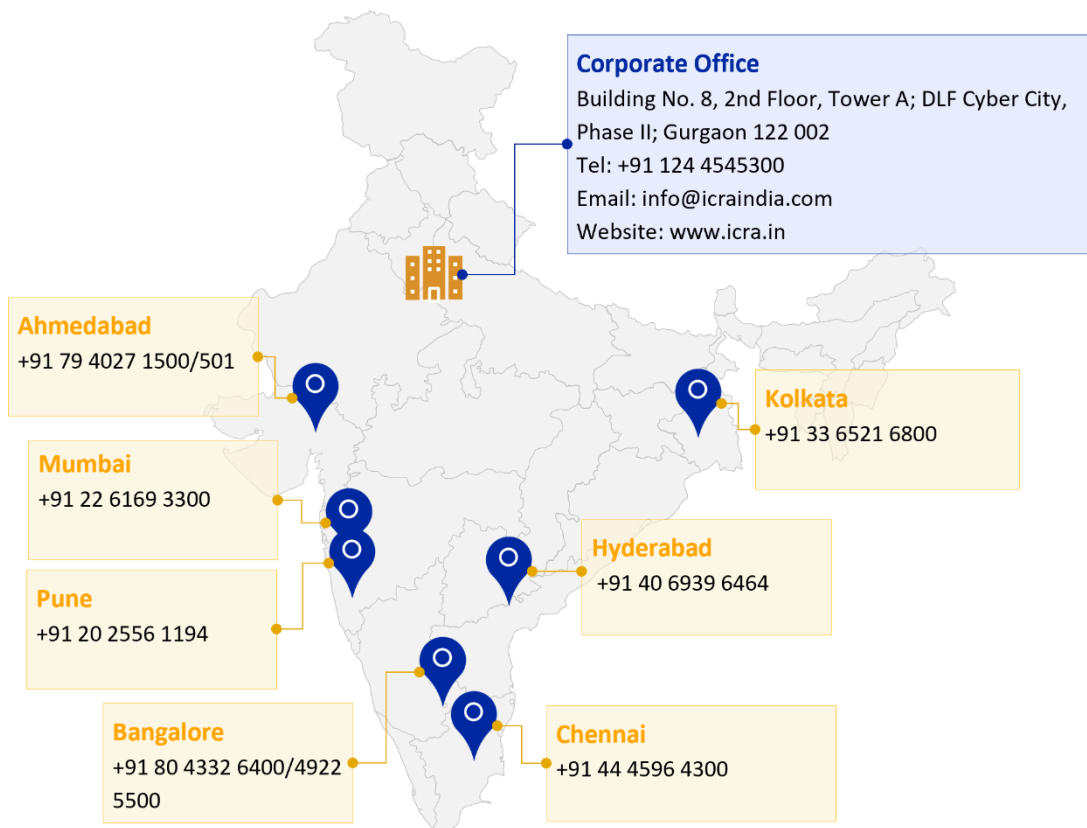
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