**August 04,2026**

# Bholasons Jewellers: Rating reaffirmed

## 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 | 51.00 | 51.00 | [ICRA]BBB(Stable) reaffirmed | RBI |
| **Total** | **51.00** | **51.00** | | |

**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 rating action factors in the expectation of a steady operational performance for Bholasons Jewellers (Bholasons), which is likely to support continuous cash accruals going forward and help maintain its credit metrics. The company reported a 16% growth in revenues in FY2026 to around Rs 487 crore on the back of increased gold prices, even as gold volumes declined by around 20%. The company is likely to report almost similar revenues in the current fiscal owing to pressure on volumes, even as revenues will remain supported by higher realisations. The company had reduced its reliance on debt and rationalised the inventory position from FY2025, thereby improving its debt coverage metrics reflected in interest coverage of 18.6 times in FY2026 compared with 2.9 times in FY2024. The interest coverage is expected to remain at healthy levels going forward, aided by expectation of lower finance charges. The liquidity position of the firm remains comfortable with adequate cushion in working capital limits.

The rating continues to factor in the established brand name of Bholasons Jewellers (Bholasons) in the NCR1[1] market and the strategic location of its showrooms in the Gold Souk Mall (Gurgaon), which generates adequate footfalls. A strong brand name is likely to help offset a muted demand outlook for the jewellery sector, given the high gold prices. Further, the extensive experience of its partners in the jewellery retail business and continuous focus on new design improvement have enabled the firm to establish a strong market presence and capture a loyal customer base in its addressable markets.

The rating is constrained by Bholasons' relatively modest scale of operations, albeit improving Year-on-Year (YoY) and sizeable inventory holding requirements, which expose the firm to inventory price risk owing to volatility in gold prices. However, the company's policy of availing GML apart from natural hedging by buying and selling without much time gap mitigates the same to an extent. The firm remains exposed to geographical concentration risks with a major part of its revenue derived from the Gurgaon outlets. ICRA also notes the intense competition in the gold retailing segment from many organised manufacturers, limiting its pricing ability and constraining the margin improvement. Moreover, ICRA considers the inherent regulatory risks in the industry, along with the challenges faced by the partnership firms in the form of limited disclosure, and capital continuity/withdrawal risks, among others.

The Stable outlook on the long-term rating reflects ICRA's opinion that Bholasons' credit profile will remain supported by its established brand position, which will aid in generating adequate cash accruals and help maintain it credit metrics.

[1] *National Capital Region*

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters in jewellery retail business –** The firm, led by Dr. Rajendra Bhola, operates one store in Gurugram and one export office in Delhi at present. The promoters have extensive experience in the jewellery retail business for more than six decades, which helped in developing established relationships with domestic and overseas customers.

**Established market presence and strategically located showroom –** The firm benefits from the established presence of the Bholasons brand in the Delhi/NCR jewellery retail market. The strategic location of the Gold Souk Mall in Gurugram and a strong brand recall in the region have facilitated sustained growth in footfalls and revenues for the firm.

### Credit challenges

**Working capital-intensive nature of operations and inherent risks in partnership business –** The firm's financial profile is moderate, characterised by its modest, albeit improving, scale of operations and working capital-intensive nature of business. The firm reported a turnover of Rs. 487 crore in FY2026 (as per provisional estimates), with an operating profit margin (OPM) of 5.0%. Its working capital intensity (net working capital vis-à-vis the operating income) stood moderately high at 27.5% as on March 31, 2026, led by sizeable inventory holding, given the need to display varied designs of jewellery to customers. ICRA notes that there was a material improvement in this regard from FY2025, led by an inventory rationalisation exercise undertaken by the firm. The firm remains exposed to the challenges inherent to the partnership businesses, such as capital withdrawals by partners and dissolution of the firm upon death, retirement, or insolvency of the partners.

**Exposed to high geographical concentration risk and stiff competition coupled with regulatory risks –** The firm faces stiff competition from many players available within the mall location. Besides, the gold jewellery retail business is inherently highly competitive, given the presence of many organised and unorganised players, resulting in limited pricing flexibility among them. Nevertheless, the firm's established brand presence in the Delhi/NCR region and strong customer base mitigate this risk. Increased regulatory intervention in the jewellery industry like restriction on imports, disclosure of PAN above a threshold limit, changes in the duty structure, and GST implementation in the recent years have impacted the demand and supply in the industry. Nevertheless, mandatory hallmarking of gold jewellery is expected to benefit organised players like Bholasons.

## Liquidity position: Adequate

The liquidity position of the firm remains adequate, characterised by sufficient buffer in working capital limits (average buffer of Rs. 42 crore for the 15-month period that ended in June 2026). The liquidity is also supported by expectation of steady fund flow from operations and low debt repayment obligations (Rs. 1.57 crore) in FY2027. The firm has no major capex plans and cash flows are expected to be more than sufficient for servicing debt repayment obligations and maintenance capex.

## Rating sensitivities

**Positive factors –** A sustained increase in revenues and profitability, along with efficient management of working capital, helping the entity maintain healthy debt protection metrics and liquidity position could be positive rating triggers.

**Negative factors –** Pressure on the rating could arise if there is a material decline in its scale of operations and profitability, resulting in lower cash accruals. In addition, significant capital withdrawal, impacting the firm's liquidity position, or a decline in interest coverage below 3.5 times, on a sustained basis, may trigger a rating downgrade.

## Analytical approach

| Analytical approach | Comments |
|---|---|
| **Applicable rating methodologies** | Corporate Credit Rating Methodology<br>Jewellery-Retail |
| **Parent/Group support** | None |
| **Consolidation/Standalone** | The rating is based on the standalone financials of the firm |

## About the company

Bholasons Jewellers, set up in 2004 as a partnership firm by Dr. Rajendra Bhola, is involved in retailing of gold and diamond-studded jewellery in the domestic and export markets. It is a family-owned business, run by three partners, Dr. Rajendra Bhola, his wife (Mrs. Sangeeta Bhola) and son (Mr. Abhinav Bhola), who are actively involved in day-to-day operations.

### Key financial indicators (audited)

| Bholasons | FY2025 | FY2026* |
|---|---|---|
| **Operating income** | 421.0 | 487.6 |
| **PAT** | 12.4 | 13.7 |
| **OPBDIT/OI** | 6.5% | 5.0% |
| **PAT/OI** | 2.9% | 2.8% |
| **Total outside liabilities/Tangible net worth (times)** | 0.5 | 0.4 |
| **Total debt/OPBDIT (times)** | 1.4 | 1.1 |
| **Interest coverage (times)** | 4.9 | 18.6 |

*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

| | Current rating (FY2027) | | | Chronology of rating history for the past 3 years | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | FY2026 | | FY2025 | | FY2024 | |
| Instrument | Type | Amount Rated (Rs Crore) | 04-Aug-26 | Date | Rating | Date | Rating | Date | Rating |
| **Long-term-cash credit-fund based** | Long-term | 51.00 | [ICRA]BBB (Stable) | 14-Jul-25 | [ICRA]BBB (Stable) | 09-AUG-2024 | [ICRA]BBB- (Stable) | 25-SEP-2023 | [ICRA]BBB- (Stable) |

## Complexity level of the rated instruments

| Instrument | Complexity indicator |
|---|---|
| **Long Term-Cash Credit-Fund Based** | 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 | Financial Sector Regulator# |
|---|---|---|---|---|---|---|---|
| **NA** | **Cash Credit** | NA | NA | NA | 51.00 | [ICRA]BBB(Stable) | RBI |

*Source: Firm***#** 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

*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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## 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.

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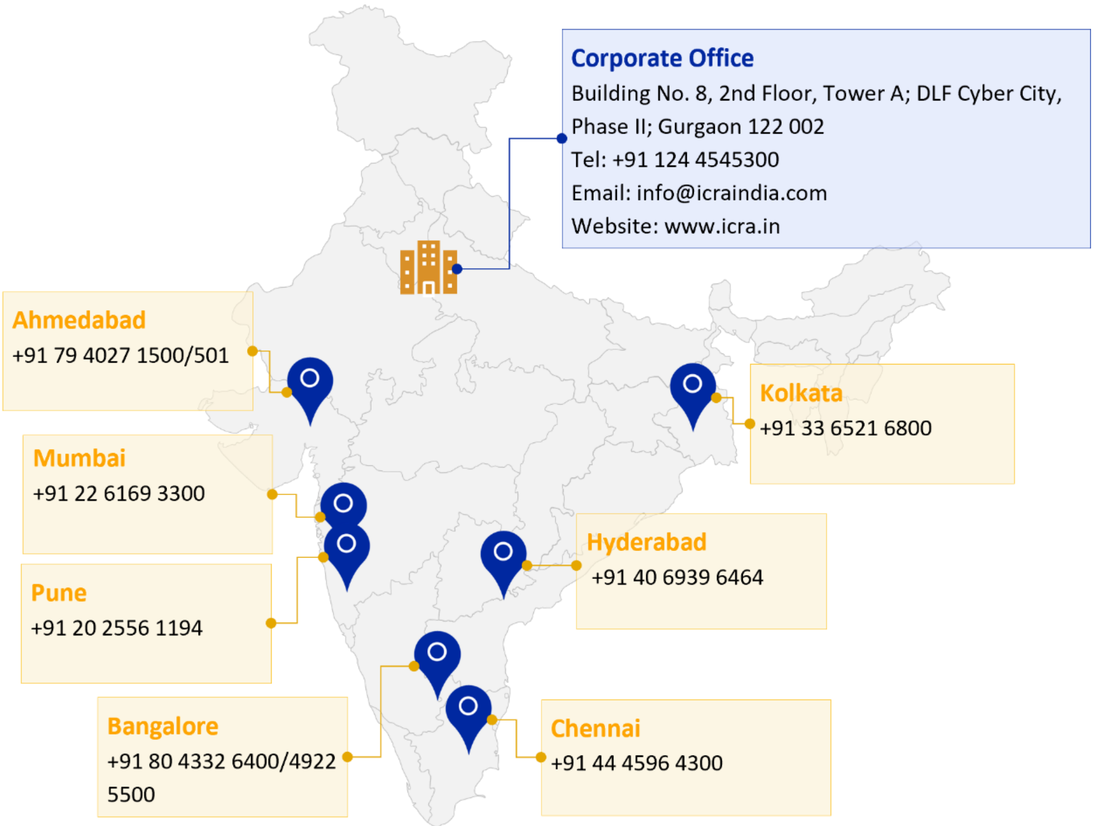




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