

October 07, 2026

## Vaibhav Global Limited: Ratings reaffirmed

### Summary of rating action

| Instrument*                         | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action                 | Financial Sector Regulator <sup>#</sup> |
|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------|-----------------------------------------|
| Long-term – Fund-based Limits       | 105.00                               | 105.00                              | [ICRA]A+ (Stable); reaffirmed | RBI                                     |
| Short-term – Non-fund Based Limits  | 5.00                                 | 5.00                                | [ICRA]A1+; reaffirmed         | RBI                                     |
| Short-term – Interchangeable Limits | (15.00)                              | (15.00)                             | [ICRA]A1+; reaffirmed         | RBI                                     |
| <b>Total</b>                        | <b>110.00</b>                        | <b>110.00</b>                       |                               |                                         |

\*Instrument details are provided in Annexure I

<sup>#</sup>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 reaffirmation of the ratings of Vaibhav Global Limited (VGL) factors in the company's established position in the fashion jewellery and lifestyle products e-retailing business in the US, the UK and Germany. This is supported by the promoter's experience of over three decades, its vertically integrated business model, particularly for the fashion jewellery segment, along with an established supplier network. Focus on increasing the share of in-house brands as well as attractive value positioning of its products helped VGL generate a consistently high gross profit margin of over 60%. VGL continues to maintain a healthy global reach through its proprietary television shopping networks and digital platforms, with television channels reaching approximately 127 million households across the US, the UK and Germany as of June 2026. The company added 3.5 lakh new customers in FY2026 and served about 6.8 lakh unique customers, reflecting continued customer engagement despite a challenging discretionary spending environment in the key markets. ICRA notes the commencement of jewellery casting operations in the US in FY2026, which mitigates the risks related to US import tariffs.

The ratings also derive comfort from VGL's diversified product portfolio and increasing contribution from higher-margin proprietary brands and lifestyle categories. The share of own brands increased significantly to 57% of B2C revenues in Q1 FY2027 from 26% in FY2024. In addition, the company continues to expand its lifestyle offerings, with non-jewellery products contributing 40% of B2C revenues in Q1 FY2027 compared to 20% in FY2024. VGL has also benefited from the growing traction of its lab-grown diamond (LGD) portfolio, which contributed 13% of revenues in Q1 FY2027 and offers relatively better margins than traditional jewellery products, while attracting new customers. The ratings positively factor in the company's ongoing transition towards digital channels. VGL's digital revenue contribution increased steadily to 45% of total revenues in Q1 FY2027 from 33% in FY2020, supported by investments in websites, applications, OTT platforms, livestream commerce and artificial intelligence-enabled customer engagement initiatives. The television platform continues to act as an important customer acquisition avenue while supporting the company's broader omnichannel strategy through simultaneous streaming across digital channels.

The company reported its highest-ever revenues of Rs. 3,692 crore in FY2026, registering a growth of 9% despite a marginal decline in volumes. This was supported by improved realisations owing to an increasing contribution from higher-value products, a growing share of proprietary brands and a favourable product mix. The consolidated operating margins improved to 9.8% in FY2026 from 8.6% in FY2025. This was aided by disciplined cost management, supply chain optimisation, technology

adoption, an increasing contribution from digital sales and a rising share of LGDs in the product mix, which fetch higher margins.

ICRA also notes the improving performance of VGL's newer businesses. The Germany operations achieved OPBDITA breakeven during FY2026 and continue to demonstrate improving profitability, supported by increasing customer adoption and better scale. Germany operations are expected to be a meaningful contributor to consolidated profitability going forward, driven by an increasing digital presence. This is despite a reduction in TV coverage in the recent past, due to a decline in the overall household TV subscriber base in the country following changes in regulations. Furthermore, the acquired Ideal World business (TV channel) has completed its operational turnaround and remains profitable. Mindful Souls (acquired e-commerce entity) continues to support the Group's digital expansion strategy and generates healthy profitability.

The company's financial risk profile remains strong, characterised by a comfortable capital structure, robust debt coverage metrics and healthy liquidity. Gearing remained low at around 0.3 times as on March 31, 2026, supported by strong net worth and limited dependence on external borrowings. Debt protection metrics also remained comfortable with total debt to OPBDITA and interest coverage of 1.2 times and 24.2 times, respectively, in FY2026.

The ratings, however, remain constrained by VGL's high geographical concentration, with most revenues continuing to originate from the US and the UK markets, exposing the company to economic conditions and consumer spending trends in these regions. The business remains susceptible to shifts in discretionary consumer demand, competitive intensity from established television shopping and e-commerce players, and regulatory developments across its key operating geographies. The company also continues to make significant investments in content, broadcasting, digital marketing and customer acquisition initiatives. The ability to derive adequate returns from these investments and sustain margin improvement will remain important from the credit perspective.

Around 36-38% of the company's B2C revenues continue to originate from the Budget Pay scheme (consumer credit against purchases), exposing the company to receivables and bad debt risks. Historically, however, delinquencies have remained manageable and rangebound. VGL's profitability also remains exposed to foreign currency fluctuations owing to its international operations; however, the risk is mitigated to an extent through partial hedging practices. Continued digital expansion, increasing contribution from proprietary brands, scaling of lifestyle categories and improving profitability from Germany and acquired businesses are likely to support the business profile. However, the company's ability to sustain revenue growth and margin expansion amid evolving market conditions will remain an important monitorable.

The Stable outlook on the rating reflects ICRA's opinion that VGL's financial profile is likely to remain comfortable, supported by low reliance on debt and healthy cash generation from the business, given the attractive value positioning of its products and established presence in the US and the UK markets. The ramp-up of new businesses as well as the Germany operations is also expected to support the credit profile.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of the promoters in e-tailing industry** – The company continues to benefit from the extensive experience of its promoters spanning over three decades in the fashion jewellery and lifestyle products, e-retail industry as well as its established track record over the years.

**End-to-end vertical integration in a large part of the business; focus on increasing the share of private label sales** – VGL has its own manufacturing set-up in India, China and the US, which caters to a large part of its fashion jewellery requirements. The company sources lifestyle products (like watches, hair accessories, etc.) and a part of the jewellery from its established supplier network in over 30 countries, including China, Thailand and Indonesia, among others. It has a vertically integrated supply chain with a low-cost manufacturing base in Asia for jewellery products. It does value sourcing from more than 30 countries and sells in developed markets of the US, the UK and Germany. This has enabled it to maintain a gross margin of more than 60% during the past six years. In FY2026, VGL's gross margin remained healthy at 65.5%. An increasing mix of in-house brands, improving sourcing efficiencies, headcount rationalisation, better logistic efficiencies, sharper airtime negotiation and higher utilisation

of automation and AI tools are likely to support the gross margin. The margin stood at 70.1% in Q1 FY2027, aided to an extent by the refund of additional US tariffs that had been levied in FY2026. Over the years, the company has focused on expanding and strengthening its in-house brand portfolio, where margins are relatively better vis-à-vis third-party brands. The share of own brands increased significantly to 57% of B2C revenues in Q1 FY2027 from 26% in FY2024.

**Extensive reach to 127 million households in the US, the UK and Germany strong brand presence of VGL-owned channels in the US and the UK as well as attractive value positioning of products** – VGL is an online retailer of fashion jewellery and lifestyle accessories on its proprietary TV home shopping channels (24x7x365 channels) and e-commerce platforms with live telecasts in the US, the UK and Germany. In FY2026, VGL generated 56% of its sales from its TV platforms, and the balance 44% from web platforms. VGL's TV home shopping platforms provide direct customer access to 127 million households on a full-time equivalent basis. The company offers a value proposition to its customers by pricing its non-diamond fashion jewellery products at \$30-40 per piece on average.

With the global OTT market continues to expand by rising demand for online content, broadband infrastructure and expanding 5G network coverage, there is a shift from traditional pay-TV toward streaming, supported by growing use of internet-connected devices. Thus, the company is also investing in OTT platforms and strengthening its presence across streaming services. This has supported revenue growth from web sales, wherein its contribution increased from 33% in FY2020 to 45% in Q1 FY2027. The company expects to increase the same to 50% by FY2027.

**Comfortable financial profile with conservative capital structure and healthy debt coverage metrics** – The debt profile of the company comprises working capital borrowings, and there is no long-term debt except lease liabilities. Led by healthy cash accruals, VGL's dependence on debt has remained limited, translating into a comfortable financial profile. VGL has a comfortable capital structure with a gearing of 0.3 times as on March 31, 2026. The debt coverage indicators, too, have remained healthy, as evident from an interest cover of 24.2 times and net cash accruals relative to total debt of 48% in FY2026.

### Credit challenges

**Exposed to intense competition** – VGL sells its products in the US, the UK and Germany, where it competes with several large and established players like Qurate Retail (QVC), Shop HQ as well as other e-commerce players like Amazon. It also faces stiff competition from traditional retail formats. Besides, the company's business remains exposed to local regulations applicable to the online retail industry in these operating countries. The operations of the company are also subject to local laws and regulations applicable to e-commerce business in the US, the UK and Germany.

**High geographical concentration; demand and profitability remain susceptible to economic slowdown and regulatory developments in key markets** – VGL faces high geographical concentration risk as about 89% of its revenues in FY2026 were derived from the US and the UK regions. Further, given the discretionary nature of spending on fashion jewellery and lifestyle products, its demand prospects remain susceptible to economic slowdown in these markets, as seen in FY2023 and FY2024. In those years, revenues were impacted by inflationary pressure and a consequent decline in consumers' discretionary spending. In FY2026, precious metal prices increased, the US went through tariff-related uncertainty and discretionary spending was cautious across the core markets. However, VGL's performance was driven by continued customer engagement across both digital and television platforms, expansion of its lifestyle portfolio and the growing contribution of own brands. These supported revenue growth of 9% to Rs. 3,692 crore in FY2026.

The company forayed into the German market in FY2022 to diversify its geographical presence. Customer traction in Germany has been increasing, and the operations witnessed OPBDITA breakeven in FY2026. The Germany operations are expected to be a meaningful contributor to consolidated profitability going forward, driven by an increasing digital presence. This is despite a reduction in TV coverage in the recent past, due to a drop in the overall household TV subscriber base in the country following changes in regulations. Furthermore, the acquired Ideal World business (TV channel) has completed its operational turnaround and remains profitable. Mindful Souls (acquired e-commerce entity) continues to support the Group's digital expansion strategy and generates healthy profitability.

**Vulnerability of profit margins to risk of bad debt from budget pay schemes as well as foreign currency fluctuations, although; foreign currency risk partially mitigated by hedging** – Around 38% of the company's sales in FY2026 were made through budget pay schemes (sales made to consumers against credit), which expose VGL's profitability to the risk of bad/doubtful debt. The budget-pay scheme allows VGL's customers to pay the dues in two to five instalments. The first is paid immediately, and the remaining amount is settled monthly according to the number of instalments offered. In FY2026, the company wrote off doubtful debts and advances of Rs. 46.0 crore, against Rs. 30.9 crore in FY2025. Any significant increase in bad debt/doubtful debt write-offs can adversely impact the profit margins and liquidity of the company, and remains a monitorable. The operating margin of the company also remains susceptible to foreign exchange rate fluctuations on account of its overseas operations, though the risk is partly mitigated owing to hedging of a portion of the forex exposure through forward contracts.

## Environmental and social risks

**Environmental considerations:** VGL has low exposure to environmental risks. The sector does not face any major physical climate risk.

**Social considerations:** Increasing access to customer data following growing penetration of e-commerce poses privacy and legal risks for retail entities. Being a manpower-intensive jewellery manufacturing operation, the company remains exposed to the risks of disruptions due to the inability to manage human capital properly in terms of safety and overall well-being. The company is also accountable for responsible sourcing, product and supply chain sustainability.

## Liquidity position: Strong

VGL's liquidity position is strong, supported by free cash and bank balance and liquid investments of Rs. 360 crore as on March 31, 2026 and healthy cash flow from operations, which stood at Rs. 150 crore in FY2026. The company does not have any debt repayment obligation. Going forward, the cash flows are likely to improve with enhanced product offerings, along with the benefits of operating leverage and the profitable ramp-up of operations of the acquired entities and German operations. The capex for FY2027 is estimated at Rs. 80-90 crore, including the cost of the ongoing migration of its digital platform. The overall annual capex is likely to remain at Rs. 50-60 crore over the following few years. The capex is likely to be funded internally given healthy cash generation from the business. Limited dependence on external debt and efficient working capital management support the liquidity position. The company has sanctioned fund-based working capital limits of Rs. 118 crore, for which the average utilisation stood at 67% during the 12 months ended July 2026. The unutilised amount stood at Rs. 45.1 crore as of July 2026, which provides an additional liquidity cushion.

## Rating sensitivities

**Positive factors** – The long-term rating may be upgraded if the company is able to demonstrate a material improvement in revenues with a diversified business profile, along with an increase in profitability aided by a ramp-up in earnings from the Germany operations and other acquired businesses, while maintaining healthy debt metrics and a strong liquidity position.

**Negative factors** – ICRA may revise the ratings downward if any material weakening in demand conditions or adverse regulatory developments in the company's key markets result in a significant decline in revenues and profitability on a sustained basis. Any major debt-funded capex/acquisition or an increase in the working capital intensity that results in a moderation of debt coverage indicators or liquidity position of the company on a sustained basis may also trigger a negative rating action. Total debt relative to OPBDITA of more than 1.8 times on a sustained basis will be a negative factor.

## Analytical approach

| Analytical approach | Comments |
|---------------------|----------|
|---------------------|----------|

|                                 |                                                                                                                                                                                |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Applicable rating methodologies | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Retail</a>                                                                                                  |
| Parent/Group support            | Not applicable                                                                                                                                                                 |
| Consolidation/Standalone        | For arriving at the ratings, ICRA has considered the consolidated financials of VGL along with its subsidiaries and step-down subsidiaries, which are enlisted in Annexure-II. |

## About the company

Incorporated in 1989, VGL is involved in e-retailing of fashion jewellery, gemstone jewellery, fashion accessories and lifestyle products like watches, hair accessories, beauty and home décor products sourced from across the globe, including in-house manufacturing units. VGL has seven direct subsidiaries and five step-down subsidiaries. Through these, it operates 24-hour TV channels (Shop LC in the US, Shop TJC and Ideal World in the UK, and Shop LC in Germany) and e-commerce websites (shoplc.com, tjc.co.uk, www.idealworld.tv, www.mindfulsouls.com and shoplc.de) that complement the company's TV-based operations. VGL is promoted by Mr. Sunil Agrawal, who is the Managing Director of the company.

In September 2023, Shop TJC Limited, UK (a wholly-owned subsidiary of VGL) acquired Ideal World for 1.125 million pound (Rs. 12 crore approximately). Additionally, in September 2023, Shop TJC Limited acquired a 100% stake in Mindful Souls for a total consideration of 12 million euro (Rs. 105 crore approximately).

## Key financial indicators (audited)

| VGL (consolidated)                                   | FY2025 | FY2026 | Q1 FY2027* |
|------------------------------------------------------|--------|--------|------------|
| Operating income                                     | 3,380  | 3,692  | 917        |
| PAT                                                  | 153    | 266    | 56         |
| OPBDIT/OI                                            | 8.6%   | 9.8%   | 10.5%      |
| PAT/OI                                               | 4.5%   | 7.2%   | 6.1%       |
| Total outside liabilities/Tangible net worth (times) | 0.5    | 0.5    | -          |
| Total debt/OPBDIT (times)                            | 0.8    | 1.2    | -          |
| Interest coverage (times)                            | 19.4   | 24.2   | 21.3       |

Source: Company, ICRA Research; \*Unaudited; 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

| Current ratings (FY2027) |            |                          |                   | Chronology of rating history for the past 3 years |                   |              |                    |              |                  |
|--------------------------|------------|--------------------------|-------------------|---------------------------------------------------|-------------------|--------------|--------------------|--------------|------------------|
|                          |            |                          |                   | FY2026                                            |                   | FY2025       |                    | FY2024       |                  |
| Instrument               | Type       | Amount rated (Rs. crore) | Oct 07, 2026      | Date                                              | Rating            | Date         | Rating             | Date         | Rating           |
| Fund-based Limits        | Long term  | 105.00                   | [ICRA]A+ (Stable) | Jul 21, 2025                                      | [ICRA]A+ (Stable) | Oct 28, 2024 | [ICRA]A (Positive) | Dec 04, 2023 | [ICRA]A (Stable) |
|                          |            |                          |                   | Sep 23, 2025                                      | [ICRA]A+ (Stable) |              |                    |              |                  |
| Non-fund Based Limits    | Short term | 5.00                     | [ICRA]A1+         | Jul 21, 2025                                      | [ICRA]A1+         | Oct 28, 2024 | [ICRA]A1           | Dec 04, 2023 | [ICRA]A1         |
|                          |            |                          |                   | Sep 23, 2025                                      | [ICRA]A1+         |              |                    |              |                  |
| Interchangeable Limits   | Short term | (15.00)*                 | [ICRA]A1+         | Jul 21, 2025                                      | [ICRA]A1+         | Oct 28, 2024 | [ICRA]A1           | Dec 04, 2023 | [ICRA]A1         |
|                          |            |                          |                   | Sep 23, 2025                                      | [ICRA]A1+         |              |                    |              |                  |

\*Sublimit of fund-based limits

## Complexity level of the rated instruments

| Instrument                          | Complexity indicator |
|-------------------------------------|----------------------|
| Long Term - Fund Based Limits       | Simple               |
| Short Term - Non-Fund Based Limits  | Simple               |
| Short Term - Interchangeable Limits | 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 <sup>#</sup> |
|------|-------------------------------------|------------------|-------------|----------|--------------------------|----------------------------|-----------------------------------------|
| NA   | Fund-based limits                   | -                | -           | -        | 105.00                   | [ICRA]A+ (Stable)          | RBI                                     |
| NA   | Non-fund-based limits               | -                | -           | -        | 5.00                     | [ICRA]A1+                  | RBI                                     |
| NA   | Short Term - Interchangeable Limits | -                | -           | -        | (15.00)*                 | [ICRA]A1+                  | RBI                                     |

Source: Company; \* Interchangeable

<sup>#</sup>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

| Company name                                                     | ownership    | Consolidation approach |
|------------------------------------------------------------------|--------------|------------------------|
| Vaibhav Global Limited                                           | Rated Entity | Full Consolidation     |
| VGL Retail Ventures Limited, Mauritius                           | 100.00%      | Full Consolidation     |
| STS Jewels Inc., USA                                             | 100.00%      | Full Consolidation     |
| STS Global Supply Limited (formerly STS Gems Limited), Hong Kong | 100.00%      | Full Consolidation     |
| STS Global Limited (Formerly STS Gems Thai Limited), Thailand    | 100.00%      | Full Consolidation     |
| STS Global Limited (Formerly STS Gems Japan Limited), Japan      | 100.00%      | Full Consolidation     |
| Vaibhav Vistar Limited^^                                         | 100.00%      | Full Consolidation     |
| Vaibhav Lifestyle Limited                                        | 100.00%      | Full Consolidation     |
| Shop LC GmbH, Germany                                            | 100.00%      | Full Consolidation     |
| Encase Packaging Private Limited**                               | 60.00%       | Full Consolidation     |
| Shop TJC Limited, UK^                                            | -            | Full Consolidation     |
| Shop LC Global Inc., US^                                         | -            | Full Consolidation     |
| Mindful Souls BV                                                 | 100.00%      | Full Consolidation     |
| PT. STS Bali^                                                    | -            | Full Consolidation     |
| STS (Guangzhou) Trading Limited^                                 | -            | Full Consolidation     |

Source: As per BSE release for Q1 FY2027

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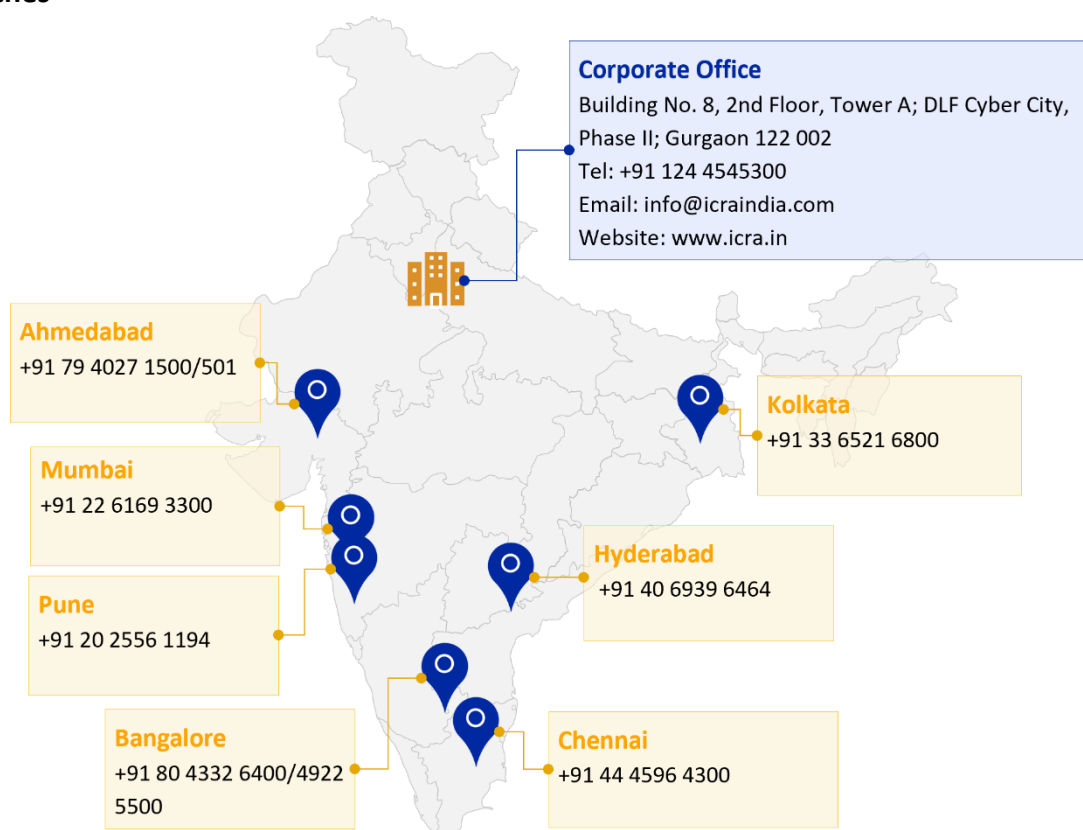
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