

## Yaashvi Jewellers Limited

September 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	30.92 (Enhanced from 20.83)	CARE BB; Stable	Upgraded from CARE BB-; Stable
Long Term / Short Term Bank Facilities	14.91	CARE BB; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The revision in the rating assigned to Yaashvi Jewellers Limited (YJL) is on the back of growth in its scale of operations along with improvement in profitability margins and debt coverage indicators.

The ratings assigned to the bank facilities of YJL remain constrained on account of its moderate profitability margins, moderately leveraged capital structure along with moderate debt coverage indicators. The rating also factors in susceptibility of profitability to volatile gold prices as well as company's presence in highly competitive and unorganised gems and jewellery industry.

The ratings, however, derive strength from its growing although moderate scale of operations, experienced promoters in the jewellery industry and established customer base with low customer concentration risk.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Increase in scale of operations with total operating income (TOI) exceeding Rs.450.00 crore on a sustained basis while maintaining profit before interest, lease, depreciation and tax (PBILDT) margin above 5%.
- Improvement in capital structure marked by overall gearing below 1.25x along with improvement in debt coverage indicators.

#### Negative factors

- Decline in scale of operations or profitability margin from current level on sustained basis.
- Deterioration in capital structure with overall gearing of more than 2.00x on sustained basis.

**Analytical approach:** Standalone

#### Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the entity will continue to benefit from its experienced promoters in the gold industry and established customer base.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Moderately leveraged capital structure along with moderate debt coverage indicators

The company's capital structure remained moderately leveraged, with an overall gearing of 1.75x as of March 31, 2025, showing a slight improvement from 1.83x as of March 31, 2024. This improvement occurred despite an increase in working capital borrowings, supported by a capital infusion of Rs. 4.12 crore, accretion of profits to reserves and repayment of business loans taken in FY24. The company's total net worth stood at Rs. 24.54 crore as on March 31, 2025.

The company's debt profile comprises a term loan of Rs. 3.15 crore, working capital borrowings of Rs. 39.57 crore, and unsecured loans (USL) of Rs. 0.33 crore. However, the net debt stands at Rs. 23.43 crore after adjusting for lien-marked fixed deposits pledged against working capital limits and free cash balances.

Debt coverage metrics improved in FY25 due to better profitability, reflected in a PBILDT interest coverage ratio of 6.73x (compared to 2.62x in FY24) and a total debt to GCA ratio of 3.54x (down from 6.82x in FY24).

##### Moderate profitability margins

YJL's profitability improved significantly, with the PBILDT margin increasing by 382 basis points to 6.29% in FY25, compared to 2.47% in FY24. This growth was mainly driven by YJL's entry into retail sales in FY25, securing a license to import 80 kgs of gold, better absorption of fixed overheads due to increased operational scale, and higher sales realizations supported by rising gold

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

prices throughout the fiscal year. As a result, the PAT margin also increased to 3.93% from 1.00% in FY24, highlighting the company's overall profit growth.

#### **Susceptibility of profitability to volatile gold prices**

The major raw material for YJL is gold, which forms major constituent of its total cost of sales and hence reflects its high dependence on the vagaries of price fluctuation. Gold prices exhibit sharp volatility depending upon the demand & supply scenario and volatility in the foreign currency exchange rates. Domestic supply of gold had also been continuously regulated by Government of India (GOI) and Reserve Bank of India (RBI) in order to control the current account deficit (CAD). The volatility in the gold prices and regulatory control over the supply of gold significantly affect the entities like YJL engaged in gold jewellery business.

#### **Presence in highly competitive and fragmented jewellery business**

The Gems & Jewellery (G&J) industry in India is highly fragmented with the presence of numerous unorganised players apart from some large integrated manufacturers, leading to intense competition and pressure on the operating margins.

### **Key strengths**

#### **Experienced promoters**

YJL is promoted by Mr. Ankit Aggarwal and Ms. Ankita Agarwal. Mr. Ankit Aggarwal has prior experience in the jewellery business, where he was involved with his father in diamond trading business. The promoters have more than 8 years of experience in the gold jewellery manufacturing business. The company has also employed team of more than 50 workers (Karigars) at its workshop with total capacity of manufacturing 15 kg jewellery per day.

#### **Growing scale of operations**

YJL's total operating income (TOI) grew by 47% year-on-year and stood at Rs. 297.23 crore in FY25 compared to Rs. 200.93 crore in FY24. This growth was driven by both rising gold prices and higher sales volumes. Further, in Q1FY26, YJL achieved a TOI of Rs. 62.65 crore.

#### **Established customer base with low customers concentration risk**

YJL has established favourable relations with its major customers and are receiving stable business and repeat orders from these customers since last 3-4 years. The customer concentration risk also remained low, since the top 5 customers contributed around 27-42% of total sales in past 3 years. The customers of YJL are spread across multiple regions like Mumbai, Delhi, Gujarat, Uttar Pradesh and Rajasthan.

#### **Liquidity: Stretched**

The liquidity of YJL remains stretched marked by high utilisation of its working capital borrowings and negative cash flow from operations at FY25 end. The average working capital utilisation remained high at ~80% for the past 12 months ending July 2025, while the maximum utilisation stood at ~100%. The net cash flow from operations continued to remain negative and stood at Rs.9.73 crore (Rs.7.76 crore in FY24) in FY25. However, YJL is expected to generate gross cash accruals (GCA) in the range of Rs.9-12 crore against debt repayment obligation in the range of Rs.0.70-0.90 crore in FY26-FY28, providing sufficient cushion for debt repayment. The operating cycle of the company remained comfortable at 44 days (27 days in FY24) in FY25, elongation was due to higher inventory period in FY25. As on March 31, 2025, YJL had free cash and bank balance of Rs. 0.41 crore.

### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

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### **About the company and industry**

#### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Gems, Jewellery and Watches

Jaipur (Rajasthan) based YJL was incorporated in December 2016 as a private limited company and was later converted as a closely held public company in December 2024.

YJL is engaged in manufacturing of gold jewellery items like bracelet, earrings, pendent, chains, etc. The company sells its products domestically to more than 40 distributors across India. The company is promoted by Mr. Ankit Agarwal and Mr. Ankita Aggarwal. Mr. Ankit Agarwal has an experience of over 10 years in the jewellery industry. The estimated manufacturing capacity of the unit stands at around 15 kg of gold jewellery per day. Previously, the company focused solely on wholesale sales. In FY25, YJL had also ventured into retail sales and plans to open a retail showroom in FY26.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	200.93	297.23
PBILDT	4.96	18.69
PAT	2.01	11.68
Overall gearing (times)	1.83	1.75
Interest coverage (times)	2.62	6.73

A: Audited UA: Unaudited; Note: these are latest available financial results

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

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	28.50	CARE BB; Stable
Fund-based - LT-Term Loan		-	-	31-May-2028	2.42	CARE BB; Stable
Fund-based - LT/ ST-Bank Overdraft		-	-	-	14.91	CARE BB; Stable / CARE A4

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	2.42	CARE BB; Stable	-	1)CARE BB-; Stable (27-Sep-24)	-	-
2	Fund-based - LT-Cash Credit	LT	28.50	CARE BB; Stable	-	1)CARE BB-; Stable (27-Sep-24)	-	-
3	Fund-based - LT/ST-Bank Overdraft	LT/ST	14.91	CARE BB; Stable / CARE A4				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities-Not applicable**
**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Bank Overdraft	Simple

**Annexure-5: Lender details**

To view lender-wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

## Contact us

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