

## HARI PRASAD GOPI KRISHNA SARAF PRIVATE LIMITED

March 25, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	400.00	CARE A; Stable	Assigned

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The rating assigned to the bank facilities of Hari Prasad Gopi Krishna Saraf Private Limited (HPGKSPL) factors in established track record of operations in the jewellery business under the brand name "Aishpra" for over eight decades with strong presence in the state of Uttar Pradesh. The rating also favourably factors in experienced and resourceful promoters, wide vendor network and asset light model with thirteen stores operational. The rating also takes comfort from the company's sustained growth in its scale of operations, profitability margin and comfortable financial risk profile along with strong liquidity position with optimal working capital utilisation.

However, the rating is constrained by the working capital-intensive nature of operations, high geographical concentration risk and exposure to intense competition from large organised and local unorganised players limiting its pricing flexibility, exposure to gold price volatility and inherent regulatory risk. The rating also takes cognisance of significant exposure in the form of a corporate guarantee extended to subsidiaries impacting the financial risk profile of the company.

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

#### Positive factors

- Volume-driven growth in scale of operations and maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin over 9% on a sustained basis.
- Geographical diversification of its operations.
- Improvement in overall adjusted gearing and total debt to GCA below 0.50x and 2x on a sustained basis.

#### Negative factors

- Decline in sales volume leading to its TOI falling below ₹1500 crore with PBILDT margin below 6% on a sustained basis
- Significant elongation in its operating cycle beyond 150 days and higher reliance on debt to meet working capital requirements.
- Deterioration in its overall gearing beyond 1x on a sustained basis.

**Analytical approach:** Standalone while factoring exposure towards subsidiaries.

#### Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited (CareEdge Ratings') expectation that HPGKSL will continue to benefit from its experienced promoters, well-established brand "Aishpra" and comfortable financial risk profile.

### Detailed description of key rating drivers:

#### Key strengths

##### Experienced promoter and established operational track record backed by strong brand image

The Hari Prasad Gopi Krishna Saraf group was formed by Balkrishna and his elder brother, the late Gopi Krishna, in 1940 for gold and diamond jewellery retailing. It is a third generation, family run business headquartered in Gorakhpur, Uttar Pradesh, operating under the well-known Aishpra brand with a legacy of over eight decades. At present, 13 showrooms are operated under the brand name Aishpra across Uttar Pradesh under the owned, partnership, and franchise model. The long vintage enabled the group to understand the dynamics of the market, helping it establish relationship with suppliers and customers and support revenue growth over the years. The promoters are resourceful and will infuse funds into the business when required.

<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.

**Comfortable Financial Risk profile**

The company's financial risk profile remained comfortable characterised by a comfortable overall gearing and debt coverage indicators. The company's overall gearing remained comfortable at 0.74x as on March 31, 2025, compared to 0.77x as on March 31, 2024, mainly considering accretion of profits to reserves and optimal utilisation of working capital limits of ~77% in the last 12 months ended January 2026. The company's debt coverage indicators remained moderate, marked by total debt to gross cash accruals (TD/GCA) and interest coverage ratio, which stood at 2.86x and 6.30x in FY25 (FY refers to April 01, 2024 to March 31, 2025) compared to 3.83x and 5.41x in FY24 (FY refers to April 01, 2023 to March 31, 2024), respectively. The company expects to incur ~₹81 crore capex in the next fiscal year for the purchase of properties for expansion. Further, the company has extended a corporate guarantee of ₹94.93 crore towards subsidiaries, leading to adjusted overall gearing standing at 1.33x in FY25 (PY-1.44x), though DSCR remained comfortable post considering the repayments of corporate guaranteed debt.

**Sustained growth in scale of operations and profitability**

The company's total operating income [TOI] registered a healthy increase to ₹1,646.24 crore in FY25, compared to ₹1,368.94 crore in FY24, reflecting strong year-on-year growth. The improvement in scale was primarily driven by the rise in gold and silver prices in the year and higher sales volumes. The growth momentum was supported by the addition of new retail outlets, including the launch of a new showroom in Lucknow in November 2024 and the absorption of the Azamgarh showroom (previously operated under a partnership firm) into the company effective April 2024, following the dissolution of the partnership. The company's operating profitability also witnessed improvement, with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin expansion to 9.01% in FY25 compared to 6.11% in FY24. The margin expansion was largely attributable to the concentration of the company on the 18 karat gold market resulting in higher margins to the company. In H1FY25, the company achieved total operating income of ₹977.09 crore, accompanied by a PBILDT margin of 9.11%, indicating stability in operating performance and expected to achieve topline of ₹2411.00 crore in FY26.

**Established relationship with a diversified supplier base and exclusive goldsmith network**

HPGKSPL benefits from a well-diversified supplier base, with its top 10 suppliers accounting for only 25-30% of total purchases in the last few years. The supplier network offers quick delivery of fast-moving items, ensuring a reliable supply to support the company's retail operations. The company purchases finished jewellery, particularly fast-moving items, from these corporate suppliers. The company has established long-standing relationships with these suppliers and maintains regular purchases with payment term of 8 to 10 days.

**Key weaknesses****Working capital intensive nature of business**

Jewellery retailing is inherently working capital intensive due to the need to maintain large inventories with diverse designs to meet customer preferences. HPGKSPL maintains average inventory levels of ~100-110 days in FY25 to ensure product availability and drive sales, which contributes to a longer operating cycle. This is a structural characteristic of the industry, where wide product variety is essential. The company follows a cash-and-carry model, resulting in minimal trade receivables. The gold retail business is inherently a working capital intensive one, and therefore, the working capital intensity is likely to remain at elevated levels. However, the company follows an asset light model in case of sales to its partnership firms and franchise to reduce its inventory levels

**Margin susceptible to gold price fluctuation**

HPGKSPL margin remain inherently vulnerable to fluctuations in gold prices, primarily because the company operates in a retail jewellery business where the selling price closely tracks prevailing market rates for gold and other precious metals. The primary contributor to profitability is the making charge, which is applied on the ornament's value and typically averages ~8-10% of the product price. HPGKSPL follows a daily replenishment strategy, carefully monitoring sales and adjusting inventory flows to limit exposure. This approach, together with substantial inflows of old gold from customers—which serve as a natural hedge—helps mitigate some price risk, but the lack of formal financial hedging leaves margin exposed to gold price movements.

**Presence in a highly fragmented and competitive industry**

HPGKSPL operates in the highly fragmented and competitive gems and jewellery industry, particularly within the retail segment, which continues to be dominated by unorganised players. This puts pressure on pricing flexibility for organised players, often impacting their margin. However, the past decade has seen a gradual shift in consumer preference towards organised retailers, leading to the emergence of several pan-India retail chains. The sector is also subject to frequent regulatory interventions, such as changes in customs duties on gold imports and the promotion of sovereign gold bonds and gold savings schemes as alternatives to physical gold. These measures have historically influenced demand patterns and capital flows within the industry. Going

forward, the intense competition, price volatility, and evolving regulatory dynamics is expected to continue to pose challenges for players in this industry.

### Liquidity: Strong

The company has strong liquidity position characterized by comfortable cushion in expected cash accruals of ~Rs. 153.77 crore vis-à-vis repayment obligation of Rs. 1.34 crores. Its fund-based bank limits are utilized around ~77% during last 12 months ended January 2026. The company's operating cycle stood at 108 days in FY25 primarily due to the necessity for a larger inventory. The company promptly receives its payment from customer within 10-11 days and company makes payment to its creditors within 10 days. The company has a free cash balance of ~Rs. 30.34 crores as on March 06, 2026 including FD lien marked with bank of Rs. 9.10 crores.

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Organised Retail Companies](#)

[Financial Ratios – Non financial Sector](#)

### About the company and industry

#### Industry classification

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

Hari Prasad Gopi Krishna Saraf Private Limited is a third-generation, family-run Indian private limited company headquartered in Gorakhpur, Uttar Pradesh, operating under the well-known Aisshpra brand with a legacy dating back to 1940, primarily engaged in the retail trading of gold, diamond jewellery, gems, and coins across 13 showrooms in UP primarily in Purvanchal region—of which 4 are directly operated by the company, 3 run under partnership, and 6 operate under franchise models.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	1368.94	1646.24	982.35
PBILDT*	83.65	148.39	89.06
Profit after tax (PAT)	56.56	97.67	89.82
Overall gearing (x)	0.77	0.74	-
Interest coverage (x)	5.41	6.30	9.03

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**Status of non-cooperation with previous CRA: NA**

**Any other information: NA**

**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		-	-	-	400.00	CARE A; Stable

**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-Cash Credit	LT	400.00	CARE A; Stable				

LT: Long term;

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities: NA**
**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	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.

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