Vaibhav Global Limited

September 08, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	120.00	CARE A+; Stable / CARE A1+	Upgraded from CARE A+; Stable / CARE A1

Details of facilities in Annexure-1

Rationale and key rating drivers

Revision in the short-term rating assigned to bank facilities of Vaibhav Global Limited (VGL) is considering growth in total operating income (TOI) and healthy cash flow from operations (CFO) leading to accretion of sizable liquid funds strengthening the company's liquidity profile.

Ratings continue to derive strength from the vast experience of its promoters in manufacturing gemstone-studded fashion jewellery and e-retail segment, its end-to-end vertically integrated operations, large scale of operations coupled with moderate operating profitability and comfortable financial risk profile.

However, ratings continue to remain constrained by geographical concentration of its revenue (mainly the US and the UK markets) and susceptibility of its scale of operations to economic slowdown, local regulations and intense competition. Rating strengths also continue to be partially offset by working capital intensity of its operations due to high inventory holding requirement, susceptibility of its profitability to volatility in exchange rate as well as raw material prices and the risk of bad debt/write-off on budget pay (equated monthly instalment [EMI] scheme) sales.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in total operating income (TOI) to over ₹5000 crore through greater geographical diversification of its revenue with improvement in its operating profitability (PBILDT) margins on a sustained basis.
- Sustaining comfortable capital structure and debt coverage indicators at current levels.

Negative factors:

- Decline in TOI below ₹2500 crore along with reduction in PBILDT margin below prevailing levels on a sustained basis.
- Major debt funded capex resulting into deterioration in capital structure with overall gearing moderating beyond 0.25x.
- Significant increase in receivable/inventory level or bad debts affecting cash flows and profitability.
- Regulatory changes or slowdown in key markets (the US, the UK and Germany), impacting the company's business at a consolidated level.

Analytical approach: Consolidated

The company has operational and financial synergies with its subsidiaries, and hence, consolidated approach has been considered. Subsidiaries and step-down subsidiaries are listed under Annexure-5.

Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that VGL will continue to benefit from its experienced promoter group, established presence in markets of the US and the UK, stabilisation of operations in Germany, and its comfortable financial risk profile.

Detailed description of key rating drivers

Key strengths

Experienced promoter group

Sunil Agrawal, Promoter and Managing Director, has around four decades of experience in the gems and jewellery business. He is supported by a team of functional professionals and independent directors, who have vast experience in e-commerce and retail,

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

[2]Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

finance, and merchandising, among others. Under their leadership, the company has demonstrated a track record of growth in e-retail of jewellery and lifestyle products.

Vertically integrated business model with established presence in the US, the UK and Germany
VGL has manufacturing facilities in India for jewellery and strong sourcing arrangements in over 30 countries through wholly owned subsidiaries (WOS) in China, Hong Kong, and Indonesia, among others resulting in integrated operations, which has helped VGL to reduce delivery time. Marketing products through proprietary channels and increasing presence on web platforms, online marketplaces and social commerce platforms helped VGL to improve its presence in the e-retail market. Under the retail division, VGL reported TV coverage of ~127 million households on full time equivalent (FTE) basis in the UK and the US with ~6.81 lakh unique customers and 3.54 lakh new customer registrations in FY26. VGL achieved customer satisfaction score (CSAT) of 96% in the US, the UK and Germany markets. VGL operates through four proprietary television retail platforms: Shop LC (USA), Shop TJC and Ideal World (UK), and Shop LC GmbH (Germany). Among these, Shop LC, USA, contributes the largest share to the company's consolidated revenue (62%), underscoring its strategic importance within VGL's global operations.

For FY26, television-based sales accounted for ~55% of the company's total revenue and remaining revenue is derived from VGL's digital/web platforms, which continued to gain traction as part of the company's omni-channel strategy.

The diversified geographic presence across key developed markets, coupled with a balanced revenue mix between TV and web platforms, supports VGL's business risk profile.

Large scale of operations with moderate operating profitability
VGL's scale of operations as marked by its TOI grew by 10% y-o-y from ₹3,389 crore in FY25 to ₹3,722 crore in FY26 owing to stable performance in the US market (as tariff impact was mitigated by advance inventory shipments to the US and operationalisation of localised casting of precious metals) and growth reported in recently acquired ventures (Mindful Soil and Ideal World). Average sales realisation remained stable in TV sales at ₹3,427/piece (PY: ₹3,214/piece), while average sales realisation of web sales increased by 21% y-o-y to ₹3,257/ piece (PY: ₹2,690/piece) in FY26.

The company's revenue mix stood at 65% and 35% respectively for jewellery and non-jewellery portfolio in FY26 (PY: 67% and 33%). In FY26, revenue from business-to-consumer (B2C) segment continued to contribute 95% of the TOI and balance 5% was from B2B segment (PY: 95% and 5% respectively).

The company's operating profitability as marked by PBILDT margin increased by 169 bps y-o-y from 8.82% in FY25 to 10.51% in FY26 owing to favourable product mix with higher-margin offerings while Germany business achieved PBILDT breakeven in FY26. Subsequently, the company's profit after tax (PAT) margin increased by 263 bps y-o-y from 4.52% in FY25 to 7.15% in FY26.

In Q1FY27, VGL reported 7% y-o-y increase in its TOI from ₹840 crore in Q1FY26 to ₹897 crore in Q1FY27 with relatively stable PBILDT margin of 8.58% (PY: 8.88%). In the quarter, VGL's revenue remained broadly flat in constant currency terms, primarily due to disruptions arising from the Middle East conflict in the early part of the quarter and a cautious consumer spending environment across key markets. However, with the management's optimism on long-term growth prospects, steady demand across key markets and increased focus on higher value products, CareEdge Ratings expects the company to report TOI growth of 9% or more in FY27.

Comfortable capital structure and debt coverage indicators
VGL's capital structure as market by its overall gearing ratio remained comfortable at 0.29x as on March 31, 2026, against 0.21x as on March 31, 2025. Marginal moderation was considering increase in lease liabilities (towards leasehold premises in the UK). Total outside liabilities to tangible net worth (TOL/TNW) remained stable at 0.62x as on March 31, 2026 (PY: 0.62x). VGL had a strong net worth base of ₹1,451 crore as on March 31, 2026 (PY: 1,105 crore).

The company's debt coverage indicators remained comfortable as marked by interest coverage ratio of 26.18x (PY: 20.00x; Q1FY27: 16.97x) and total debt to gross cash accruals (TD/GCA) of 1.37x (PY: 0.96x) in FY26.
CareEdge Ratings expects VGL's financial risk profile to remain comfortable in medium term in absence of planned major debt-funded capex.

Key weaknesses

High geographical concentration with susceptibility of demand to economic slowdown in key markets

VGL generates majority revenues and profits from its subsidiaries in the US and the UK. Considering demand of jewellery and lifestyle products is largely discretionary in nature, retail demand for the products and in turn VGL's business prospects is directly linked with economic scenario in its key consumer markets. VGL's vertically integrated model and diversified global sourcing have helped maintain operational resilience amid geopolitical uncertainties. To mitigates exposure to trade-related risks, VGL has adopted diversified sourcing strategy across geographies such as Thailand, Indonesia, Europe, Turkey, the UK, the Middle East, and Mexico. In the jewellery segment, VGL adopted a hybrid manufacturing model, initiating casting operations in the US in FY26 with final processing in India to enable partial localization.

Profit margin susceptible to exchange rate fluctuation and raw material prices

Being a 100% export oriented unit (EOU), VGL's profitability is susceptible to exchange rate movements. While the risk on unhedged net receivables is mitigated to a certain extent by availing working capital borrowings in foreign currencies, the group's profitability remains susceptible to timing differences. The company reported forex gain of ₹31 crore in FY26 (PY: ₹9 crore).

VGL's profitability is also vulnerable to high volatility in the prices of key raw materials for VGL's gems and jewellery products (gemstones, gold and silver).

Intense competition with operations susceptible to strict laws and regulations

VGL's operations in the US, the UK and Germany are subject to strict laws and regulations applicable to television and e-commerce business. E-commerce retail business is highly competitive and VGL faces direct competition from other established television shopping and ecommerce retailers, traditional brick and mortar stores, discount stores, warehouse stores and speciality stores, catalogue and mail order retailers in the US and UK market. VGL shall have to continuously improve, upgrade, adapt and expand technology systems and infrastructure to offer value to its customers with enhanced customer experience in a cost efficient and competitive manner.

Risk of bad debts

A sizeable portion of VGL's revenue is contributed by budget pay EMI scheme, which exposes the company to risks associated with non-receipt of payments from customers. In FY26, VGL's budget pay EMI scheme remained stable and constituted ~38% of total B2C sales (PY: 39%). This scheme (with product return option) allows the customers to pay in interest-free monthly instalments (maximum six instalments, with the first instalment being paid upfront). While total bad debts (including b2b business bad debts) written off/provision for bad debts remains low in FY26, increase in bad debts or receivable levels can adversely impact the company's profitability and liquidity, which remains crucial from credit perspective.

High inventory holding

As VGL's business model (on consolidated basis) is largely B2C sales model, the company needs to maintain optimum inventory level of around three months, which exposes the company to risks of obsoletion/ lower profitability; VGL liquidates its slow-moving inventory through rising auctions and clearance sales at a frequent interval. Increase in scale of operations, expansion of product portfolio and a higher lead time has resulted in increase in VGL's inventory levels in last few years. However, the operating cycle remains moderate and stood relatively stable at 97 days in FY26 against 92 days in FY25.

VGL's receivables level usually remains low since majority sales is B2C. Current ratio and quick ratio stood 2.68x and 1.35x respectively as on March 31, 2026 (PY: 2.32x and 1.12x).

Liquidity: Strong

VGL's liquidity position remained strong as marked by its healthy cash accruals, CFO, and availability of liquid funds against moderate lease liability obligations and moderate utilisation of working capital limits.

The company generated net cash accruals (NCA) of ₹198 crore in FY26 and expected to generate NCA of ₹188-224 crore in FY27-FY29 against lease liability obligations of ~₹30 crore each year in same period.
VGL's CFO increased significantly from ₹147 crore in FY25 to ₹242 crore in FY26 in tandem with increase in operating profit. Unencumbered cash and bank balance (including liquid investments) increased to ₹364 crore as on March 31, 2026 (PY: ₹217 crore) considering healthy CFO generation in FY26.

Average utilisation of fund-based working capital limit remained at 70% for 12 months ended July 2026. The company can receive remittance from its foreign subsidiaries anytime without permission from Reserve Bank of India (RBI) by receiving advance from its foreign subsidiaries against sale of goods deliverable within 180 days in case of contingencies.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Particulars	Compliance and action taken by the company
Environmental	1. Renewable Energy: Maintained total installed solar capacity of 3.68 MW across Jaipur, Bikaner and SEZ facilities. Cumulative solar generation reached 24.6 million kWh, contributing to an 81.6% renewable energy share in total energy consumption. Two premises in India and one each in the UK and Germany meet 100% of their energy needs through renewable energy 2. Water Conservation: Total groundwater recharge capacity stands at ~10,000 KL. Commissioned a Sewage Treatment Plant (STP) for grey-water recycling, installed low-flow taps and aerators, reused treated water for landscaping and flushing, and initiated two additional rainwater harvesting structures. Water withdrawal reduced by 11.6% y-o-y. 3. Waste Management: Total waste generated reduced by 29% y-o-y from 2.48 MT in FY25 to 1.75 MT in FY26. Achieved 100% disposal through government-authorized recyclers. E-waste reduced by ~72% and hazardous waste by 8%. 4. Emission Reduction and climate action: Scope 1 and Scope 2 emissions reduced from 1,365 tCO_2e in FY25 to 1,220 tCO_2e in FY26, a 10.6% reduction y-o-y. Formal commitment made to the Science Based Targets initiative (SBTi). VGL targets Net Zero by 2050, with a near-term goal of reducing Scope 1 and 2 emissions by 60% by 2035 from the FY25 baseline. 5. Biodiversity and Sustainable Sourcing: Planted 37,000 saplings through Miyawaki and plantation drives, with an estimated future sequestration potential of ~700 tCO_2 annually. Supplier sustainability is monitored through an integrated ESG platform, Supplier Code of Conduct, ESG engagement programs, and responsible sourcing standards including RJC certification requirements.
Social	1. Mid-Day Meal Programme: Distributed 12.35 million meals in FY26 under the flagship "Your Purchase Feeds..." initiative. Cumulative meals distributed since inception reached 112.4 million, supporting ~56,000 children every school day. 2. Employee Welfare: Workforce of 3,333 employees globally. Continued employee welfare initiatives including transport facilities, health insurance, scholarships, wellness programs, flexible arrangements for working mothers, and electric vehicle support. Women represent 23% of employees. Great Place to Work certification retained across multiple geographies 3. Training and Safety: Employees completed 52,966 training hours (~16 hours per employee). The company continued mentorship, career-pathing initiatives, leadership development, HiPo programs, and workplace health and safety practices. 4. CSR Spending: Focused on local hiring and procurement, employee volunteering, supporting micro-enterprises (101 created across the Group), renewable energy contribution to local utilities, and social upliftment programs aligned with its "People Over Profit" philosophy.
Governance	1. ESG Governance: ESG integrated into business strategy through a robust sustainability framework, dedicated ESG oversight, Board monitoring, functional committees, periodic ESG reviews, and formal alignment with SBTi. Governance performance is reviewed regularly by the Board and its committees. 2. Board Composition: Board comprises eight directors, including three Independent Directors (37.5%) and two women directors (25%). The positions of Chairperson and Managing Director are separated. 3. Transparency and Compliance: Regular compliance reviews by the Board, annual Board evaluation, supplier audits, SMETA audits, whistleblower policy, anti-bribery policy, GDPR compliance, grievance redressal mechanisms, and detailed ESG disclosures.

Applicable criteria:

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Cut and Polished Diamonds
Retail
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Gems, jewellery and watches

Incorporated on May 08, 1989, VGL is a 100% EOU, having manufacturing set-up for gemstone studded jewellery at Sitapura, Jaipur along with diamond sourcing and manufacturing unit at Mumbai. VGL manufactures low-cost gemstone studded jewellery primarily made of silver and other metals. VGL also sells fashion accessories, lifestyle products and textile and home décor products sourced from micro markets including India, China, Thailand and Indonesia. VGL retails the products through four proprietary 24-hour TV channels (Shop LC in USA & Canada and The Jewellery Channel [TJC] and Ideal world in UK, Shop LC in Germany) on all major cable, satellite and DTH platforms. VGL operates e-commerce websites in US (www.shoplc.com), UK (www.tjc.co.uk and www.idealworld.tv), and Germany (www.shoplc.de) and mobile applications, which complements VGL's TV coverage, while diversifying customer engagement.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	3388.51	3722.09	897.38
PBILDT	329.72	437.16	77.04
PAT	153.13	266.13	56.38
Overall gearing (times)	0.21	0.29	NA
Interest coverage (times)	20.00	26.18	16.97

A: Audited; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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/ ST-Packing Credit in Foreign Currency	RBI	Simple	-		-	-	120.00	CARE A+; Stable / CARE A1+

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 2026-2027	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
1	Fund-based - LT/ ST-Packing Credit in Foreign Currency	LT/ST	120.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1 (01-Oct-25)	1)CARE A+; Stable / CARE A1 (24-Sep-24)	1)CARE A; Stable / CARE A1 (09-Oct-23)
2	Non-fund-based - ST-Forward Contract	ST	-	-	-	-	1)Withdrawn (24-Sep-24)	1)CARE A1 (09-Oct-23)
3	Fund-based - LT-Cash Credit	LT	-	-	-	-	1)Withdrawn (24-Sep-24)	1)CARE A; Stable (09-Oct-23)

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated:

Sr No	Name of the entity	Extent of consolidation (As on March 31, 2026)	Rationale for consolidation
1	VGL Retail Ventures Limited, Mauritius	Full	Wholly owned subsidiaries
2	Vaibhav Lifestyle Limited, India	Full	
3	STS Global Limited, Thailand	Full	
4	STS Global Limited, Japan	Full	
5	STS Global Supply Limited, Hong Kong	Full	
6	STS Jewels Inc., USA	Full	
7	Shop LC GmbH, Germany	Full	
8	Shop TJC Limited, UK	Full	Wholly owned Step-down subsidiaries.
9	Shop LC Global Inc., USA	Full	
10	Pt. STS Bali, Indonesia	Full	
11	STS (Guangzhou) Trading Limited	Full	
12	Mindful Souls BV, Netherlands	Full	

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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About us:
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