Gold Star Jewellery Private Limited

September 29, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term / Short Term Bank Facilities	RBI	-	-	Reaffirmed at CARE BBB+; Stable / CARE A2 and Withdrawn
Long Term Bank Facilities	RBI	-	-	Reaffirmed at CARE BBB+; Stable and Withdrawn
Short Term Bank Facilities	RBI	-	-	Reaffirmed at CARE A2 and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn outstanding ratings of 'CARE BBB+; Stable / CARE A2 (Triple B Plus; Outlook: Stable / A Two)', assigned to bank facilities of Gold Star Jewellery Private Limited (GSJPL) with immediate effect. This action has been taken at the request of GSJPL and No Objection Certificate received from banks that have extended facilities rated by CareEdge Ratings.

Ratings, prior to its withdrawal, continued to derive strength from its promoters' extensive experience in the gems and jewellery industry, its established presence in the export-oriented diamond-studded jewellery segment, healthy scale of operations, and comfortable financial risk profile.

However, ratings remain constrained on account of working capital intensive nature of operations as reflected in elongated operating cycle and its moderate profitability. Operations also remain susceptible to volatility in gold, diamond, and other precious metal prices and foreign exchange fluctuations, owing to its export-oriented business model.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that GSJPL will continue to benefit from its experienced promoters and its established presence in the gems and jewellery business.

Detailed description of key rating drivers

Key strengths

Experienced promoters with established track record of operations in gems and jewellery business

Gold star group was founded by Satish Shah and currently managed by the second generation of Shah family, involving Alkesh Shah, having over 25 years of experience in diamond studded jewellery industry. He is supported by Ashish Shah, managing director, having over 25 years of experience in export-oriented jewellery industry, and Vikram Adwani, as professional directors. GSJPL has successfully established an integrated business model encompassing diamond sourcing, processing, jewellery manufacturing, and exports, enabling the company to build a strong presence across over 40 countries. Their extensive industry knowledge, long-standing relationships with customers and suppliers, and proven ability to scale operations have contributed significantly to the company's sustained growth, strong market position, and consistent operational performance.

Healthy scale of operations

GSJPL's scale of operations remained healthy, with total operating income (TOI) remaining largely stable at ₹1,809.45 crore in FY26 (Provisional) compared to ₹1,770.25 crore in FY25. The company caters to wide range of clients across 40 different countries with key markets, including the United States (the US), Hong Kong, Italy, and other European countries. GSJPL markets and distributes its products in the US through its group company, Gold Star Jewellery LLC (GSJL), USA. In FY26, the company recorded sales of ~₹1,000 crore to GSJL, which serves as a key distribution channel for its products in the US. It has reported TOI of ~₹580 crore in Q1FY27.

[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 the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Comfortable financial risk profile

GSJPL's financial risk profile remained comfortable supported by steady accretion to reserves and moderate leverage levels. Tangible net worth (TNW) improved to ₹673.47 crore as on March 31, 2026, from ₹601.23 crore as on March 31, 2025, aided by healthy profit retention. GSJPL's overall gearing remained moderate at 0.66x in FY26 (FY25: 0.64x). GSJPL's adjusted gearing on a net debt basis (adjusted for fixed deposits (FDs) backed facilities) remains at 0.53x in FY26 (FY25: 0.50x). GSJPL's total outside liabilities (TOL)/TNW remained comfortable at 1.07x in FY26 (FY25: 1.06x). GSJPL's debt protection metrics also improved with PBILDT interest coverage increasing to 3.68x in FY26 compared to 2.41x in FY25, and total debt to PBILDT stood at 4.36x in FY26 against 4.47x in FY25. The company's healthy net worth base provides financial flexibility and supports its working capital requirements. However, continued dependence on working capital borrowings inherent to business model, remains a moderating factor.

Key weaknesses

Working capital intensive operations

GSJPL's operations continue to be working capital intensive, driven by the requirement to maintain adequate inventory levels and extend credit to key customers in export markets. In export market, the company derives ~60% of its sale from its group company, which in turn caters to wholesaler in the US market with 90-120 days of credit, elongating the overall realisation cycle. The company's gross current asset intensity remained high, with gross current asset days increasing to 243 days in FY26 from 210 days in FY25. Average collection period also stretched to 142 days in FY26 compared to 135 days in FY25, resulting in the operating cycle lengthening to 152 days from 141 days during the same period. As a result, the company significantly depends on bank borrowings to support its working capital requirements, with such borrowings accounting for ~50% of net working capital. Going forward, the company's ability to effectively manage receivables and inventory levels will be crucial in maintaining a healthy liquidity position and supporting its overall credit profile.

Moderate profitability

Although the company's operating performance improved during the year, as reflected in the increase in PBILDT to ₹109.62 crore in FY26 from ₹86.40 crore in FY25, however; its operating profitability remains moderate, adjusting gold price fluctuation, and foreign exchange gain. GSJPL's PBILDT margin improved to 5.67% from 4.88% in FY25, with increasing share of lab grown diamond (LGD) studded jewellery. In FY26, profit after tax witnessed significant improvement, rising to ₹66.99 crore (3.70% of TOI) from ₹29.23 crore (1.65% of TOI) in FY25. GSJPL's profitability is expected to improve with increase in share of LGD studded jewellery, stability in demand from the US market and increased diversification in European market.

Profitability susceptible to raw material price volatility and foreign exchange fluctuation risk

GSJPL operates in the gems and jewellery sector, where profitability remains exposed to fluctuations in prices of gold, diamonds, platinum, and other precious metals. Gold bars constituted the largest component of raw material purchases and witnessed substantial changes in average procurement prices over the years. GSJPL procures gold and other raw materials primarily against confirmed customer orders. This order-backed procurement model helps mitigate inventory and raw material price risks to a certain extent.

The company also generates virtually all of its revenue from exports, exposing it to foreign exchange fluctuation risk. Export sales accounted for ~99.97% of revenue in FY26, with significant dependence on the US market, which contributed 73.19% of export revenue. While the company generally attempts to pass through changes in raw material prices and follows risk mitigation mechanisms for foreign exchange exposure, sharp movement in commodity prices or currency rates could adversely affect operating margins and cash flows. However, in last three years company has forex gains in range of ₹20 to 30 crore. Changes in trade regulations and tariff structures in key export markets may impact operational flexibility and profitability.

Liquidity: Adequate

GSJPL's liquidity position is adequate, supported by over sufficient cash accruals against the scheduled debt repayment. The company reported gross cash accruals of ₹73.59 crore in FY26 (FY25: ₹48.88 crore). GSJPL's free cash and bank balances stood at ₹9.10 crore as on March 31, 2026. Average month end utilisation of its fund-based working capital limits remained at ~83.40% for eleven-month ended May 2026, leaving some cushion for liquidity. The current ratio remained comfortable at 1.64x and quick ratio stood at 1.08x as on March 31, 2026. However, liquidity is moderated by working capital intensive operations and negative operating cash flow from operations in FY26, owing to higher working capital requirements.

Environment, social, and governance (ESG) risks – Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
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

GSJPL is promoted by Shah family, currently managed by 2nd generation, Alkesh Shah, and is engaged in diamond studded jewellery business mainly catering to export markets such as the US, Europe, China, and Australia among others. It has manufacturing facility in SEEPZ, Andheri. The company is planning to consolidate its manufacturing facility at a single location in SEEPZ.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (P)	Q1FY27 (UA)
Total operating income	1,770.25	1,809.45	585.18
PBILDT*	86.40	102.67	NA
Profit after tax (PAT)	29.23	66.99	NA
Overall gearing (x)	0.64	0.66	NA
Interest coverage (x)	2.41	3.68	NA

A: Audited; P: Provisional, 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: 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 the regulators:
A list of facilities / instruments falling under the purview of various 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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits	RBI	Simple	-		-	-	0.00	Withdrawn
Non-fund-based - ST-Working Capital Limits	RBI	Simple	-		-	-	0.00	Withdrawn
Term Loan-Long Term	RBI	Simple	-		-	28-02-2030	0.00	Withdrawn

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	Term Loan-Long Term	LT	-	-	1)CARE BBB+; Stable (29-Sep-26) 2)CARE BBB+; Stable (31-Aug-26)	-	-	-
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	-	-	1)CARE BBB+; Stable / CARE A2 (29-Sep-26) 2)CARE BBB+; Stable / CARE A2 (31-Aug-26)	-	-	-
3	Non-fund-based - ST-Working Capital Limits	ST	-	-	1)CARE A2 (29-Sep-26) 2)CARE A2	-	-	-

					(31-Aug-26)			

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: 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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