

Rating Rationale

25 Sep 2025

Keshav Jewellers (india) Pvt Ltd

Brickwork Ratings assigns the Long-term Ratings of “BWR BBB-/Stable” for the bank loan facilities of Rs. 63.71 Cr. of Keshav Jewellers (india) Pvt Ltd and also withdraws the long-term Ratings of Rs.12.00 Cr.

Particulars:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating*	
	Previous	Present		Previous(11 Nov 2024)	Present
Fund Based					
Term Loan Out-standing	0.00	3.71	Long Term		BWR BBB- /Stable Assignment
Cash Credit -Sanctioned	12.00	0.00	Long Term	BWR C Continues to be in ISSUER NOT COOPERATING* category/Downgraded	Withdrawal
Cash Credit -Sanctioned	0.00	60.00	Long Term		BWR BBB- /Stable Assignment
Sub Total	12.00	63.71			
Grand Total	12.00	63.71	(Rupees Sixty Three Crores and Seventy One lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

*Issuer did not cooperate; based on best available information.

RATING ACTION / OUTLOOK

Brickwork Ratings assigns the Long-term Ratings of “BWR BBB-/Stable” for the bank loan facilities of Rs. 63.71 Cr. of Keshav Jewellers (india) Pvt Ltd and also withdraws the long-term Ratings of Rs.12.00 Cr.

The rating draws strength from the extensive experience of the promoters in the jewelleery trading businesses, improving the scale of operations, healthy profitability margins susceptible to volatility in gold prices, its moderate debt coverage indicators, and adequate liquidity profile, and Continuous infusion of unsecured loans by the promoters reflecting financial flexibility and commitment. However, the rating is constrained by the working capital-intensive nature of operations reflected in high inventory requirements, and moderate leverage.

The rating outlook has been assigned as "Stable" as BWR believes that company's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement, along with an improvement in the leverage ratio. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

For assigning the rating, BWR has relied upon the last 3 years of audited financials till FY24, Provisional financials for FY25, and projected financials for FY26 & FY27, and publicly available information and clarification provided by management.

KEY RATING DRIVERS

Credit Strengths:-

- **Established track record and Experienced promoters :**

The company has been engaged in jewellery trading and retail since 2015, with showrooms in Berhampur and Bhubaneswar, building a loyal regional customer base. Management consists of three directors, namely Mr. P. Suryanarayan Senapati, Mr. Keshab Narayan Senapati & Mr. P Satyanarayan Senapati, all are brothers hailing from the famous Satyanarayan family of the town. The company is led by experienced promoters with over three decades of expertise in the gold and jewellery business and active involvement in all key operations. The close-knit family management ensures strong control and swift decision-making.

- **Healthy profitability margins susceptible to volatility in gold prices :**

The company's operating margin has remained healthy. Operating margin improved from 4.87% in FY24 to 7.25% in FY25 (prov.), while net margin strengthened from 1.68% in FY24 to 3.39% in FY25 (prov.)

- **Improving the scale of operations :**

Revenue has consistently grown from Rs. 110.65 Crs in FY23 to Rs. 138.64 Crs and further increased to Rs. 189.01 Crs in FY25, reflecting healthy customer traction; contribution from the newly launched Bhubaneswar showroom is expected from FY26. The revenue is projected to further increase to Rs.350.18 crore in FY26, supported by contributions from the Bhubaneswar showroom and rising customer demand.

Credit Risks:-

- **Working capital-intensive operations:**

The jewellery retail business is inherently working capital-intensive because of the optimal inventory required to be maintained in stores to display a variety of jewellery designs to customers. The amount of inventory maintained is also seasonal in nature, with higher levels during festive seasons. In the retail jewellery segment, apart from finished goods to display designs. With inventory holding of 187 days in FY25 (vs. 153 days in FY24) and an elongated conversion cycle of 177 days in FY25, leading to higher reliance on bank borrowings.

- **Moderate Leverage :**

Total debt-to-TNW increased from 0.90x in FY24 to 2.20x in FY25 (prov.) due to additional term loans and higher working capital borrowings. TOL/TNW increased from 0.57x in FY24 to 2.44x in FY25 (prov.).

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered standalone performance and applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

Going forward, the ability of the firm to improve the scale of operations and profitability, maintain a strong liquidity position, and strengthen the overall credit profile would be the key rating sensitivities.

Positive :

- The rating may be upgraded if the company demonstrates substantial and sustained growth in revenue with an operating profit margin above 10% on a sustained basis.
- Improvement in gearing and TOL/TNW below 1.5x on a sustained basis.

Negative :

- The rating may be downgraded if the decline in operating profit margin below 3% on a sustained basis.
- Gearing or TOL/TNW exceeding 3x on a sustained basis due to higher debt.

LIQUIDITY INDICATORS - Adequate

The company's liquidity profile remains adequate, supported by moderate internal accruals. The net cash accrual for FY25 is Rs.7.04 Crs against nil repayment obligations. The company is expected to generate cash accruals of Rs.7.63 crore in FY26, comfortably covering its CPLTD of Rs.1.80 crore, indicating adequate debt servicing capability. Comfortable debt protection metrics with ISCR and DSCR at 2.80 times and 1.71 times in FY25. The current ratio of the company was comfortable at 1.73 times in FY25. The working capital cycle has remained stagnant for the past three years. Further, the average utilization of working capital limits stands at around 60%. The company's ability to secure higher limits from banks mitigates the immediate pressure; therefore, the liquidity is assessed as comfortable.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Gems, Jewellery And Watches

Keshav Jewellers (India) Private Limited, originally incorporated as Spandan Distributors Private Limited in 2005 with its registered office in Kolkata, West Bengal, underwent a name change on August 25, 2015, to reflect its shift in business focus.

Since 2015, the company has been actively engaged in the trading of gold, silver, and diamond jewellery. It operates a retail showroom located in Berhampur, Odisha, serving a loyal and growing customer base.

The company is a closely held family business, managed by three directors: P Satyanarayan Senapati, Mr. P Suryanarayan Senapati and Mr. P Srinivas Senapati.

To capitalise on the growing brand recognition of Keshav Jewellers and to expand its presence in the premium jewellery market, the company has recently launched a new showroom in Bhubaneswar, Odisha.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY 22-23	FY 23-24	FY 24 - 25
Result Type		Audited	Audited	Provisional
Operating Revenue	Rs. Crs.	110.65	138.64	189.01
EBITDA	Rs. Crs.	4.12	6.75	13.70
PAT	Rs. Crs.	1.44	2.33	6.41
Tangible Net Worth	Rs. Crs.	31.65	33.99	40.41
Total Debt /Tangible Net Worth	Times	0.85	0.90	2.02
Current Ratio	Times	3.61	3.31	1.73

KEY COVENANTS OF THE FACILITY RATED

The terms of sanction include standard covenants normally stipulated for bank loan facilities.

STATUS OF NON-COOPERATION WITH PREVIOUS CRA: Not Applicable

ANY OTHER INFORMATION: Nil

RATING HISTORY FOR LAST THREE YEARS (including withdrawal and suspended)

Facilities	Current Rating (2025)			2024		2023		2022	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	3.71	BWR BBB - /Stable Assignment	NA	NA	NA	NA	NA	NA
Fund Based	LT	0.00	Withdrawal	11 Nov 2024	BWR C Continues to be in ISSUER NOT COOPERATING* category/Downgraded	08 Nov 2023	BWR B - /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	09 Nov 2022	BWR B /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded
Fund Based	LT	60.00	BWR BBB - /Stable Assignment	NA	NA	NA	NA	NA	NA
Grand Total		63.71	(Rupees Sixty Three Crores and Seventy One lakhs Only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [Manufacturing Company](#)
- [Trading Company](#)

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Keshav Jewellers (india) Pvt Ltd

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Tenure	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs. Crs.)	Complexity of the Instrument
1	State Bank Of India (SBI)	Term Loan -Out-standing	Long Term	3.71	-	3.71	Simple
2	State Bank Of India (SBI)	Cash Credit -Sanctioned	Long Term	60.00	-	60.00	Simple
3	Union Bank of India	Cash Credit -Sanctioned	Long term	0.00	-	0.00	Simple
Total				63.71		63.71	
Total (Rupees Sixty Three Crores and Seventy One lakhs Only)							

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com / [download](#) / [ComplexityLevels.pdf](#). Investors queries can be sent to info@brickworkratings.com.

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

Instrument	Issue Date	Amount (Rs.Crs)	Coupon Rate (%)	Maturity Date	ISIN Particulars	Complexity of the Instrument
Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III

List of entities consolidated

NIL

Name of Entity	% Ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

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