



Press Release
CAPS GOLD PRIVATE LIMITED
October 30, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.00	ACUITE BBB Stable Assigned	-
Bank Loan Ratings	105.00	ACUITE BBB Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	125.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.105.00 Cr. bank facilities of Caps Gold Private Limited (CGPL). The outlook is '**Stable**'.

Acuite has assigned the long-term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) on the Rs.20.00 Cr. bank facilities of Caps Gold Private Limited (CGPL). The outlook is '**Stable**'.

Rationale for reaffirmation:

The rating reaffirmation considers the CGPLs improved operating performance evident in revenue, increasing to Rs. 11193.79 Cr. in FY25 (Prov) as against from Rs 8385.46 Cr. in FY24 reflecting ~33.49 percent YoY growth, supported by higher gold prices and strong demand. Profitability improved with EBITDA rising to Rs. 21.79 Cr. in FY25 (Prov.) from Rs. 13.10 Cr. in FY24 reflecting better operating efficiency. The rating also factors in experienced management, long operational track record of the company and established relationship with Jewellery's and bullion traders. The financial risk profile of CGPL continues to be comfortable with moderate gearing and debt protection metrics and efficient working capital management. These rating strengths are partly offset by inherently thin margins in gold trading business, volatility in gold prices, inherent regulatory risks, intense competition and fragmented industry structure. The rating also notes the recent Income Tax search in the company; any materialization of liability is likely to have an adverse bearing on the credit risk profile of the company.

About the Company

Caps Gold Private Limited (CGPL) is a Hyderabad based company established in 1901, by Chanda Anjaiah. CGPL is a Wholesaler in precious metals (Gold & Silver) and also engaged in retail jewellery business. The company's day to day operations is managed by Mr. Chanda Venkatesh (Managing Director) and his family. The company operates 4 gold retail showrooms under the brand name of KALASHA in Telangana (2) and one each in Karnataka and Andhra Pradesh.

Unsupported Rating

Not applicable

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of CGPL to arrive at the rating.

Key Rating Drivers

Strengths

Extensive experience and track record of promoters in bullion trading business

The promoters Mr. Chanda Venkatesh and his family have been in the gold business for around 120 years and have strong relationships with its diversified customer portfolio, which comprises retailers about 4000+ across India, to support the repeated business and volume growth over the years. CGPLs customers in the domestic market include jewellers, traders, bullion dealers, wholesalers, and retailers' agents located across the cities in India. CGPL benefits from a strong system, management, customer/supplier tie-ups, and infrastructure support from its promoters. Acuite believes that CGPLs business risk profile is expected to benefit from the experienced management supported by strong second and third lines of personnel who are expected to continue to support CGPLs market position over the medium term.

Improvement in Operating performance albeit thin profitability

CGPL's operating performance has improved in FY25 (Provisional) compared to FY24, as evidenced by an increase in operating income to Rs. 11,193.79 crore from Rs. 8,385.46 crore marking a growth of around 33.49% y-o-y. This growth is primarily attributed to higher sales volumes and improved realisations in the gold trading and refining segment, supported by favourable gold price trends and steady market demand. Despite the expansion in scale, the company continues to operate on thin profitability margins. EBITDA rose to Rs. 21.79 crore in FY25 (Prov) from Rs.13.10 crore in FY24, although the EBITDA margin remained low at 0.19% in FY25 (Prov) versus 0.16% in FY24. Operating profit also improved to Rs 20.06 crore from Rs 11.35 crore, driven by better cost management and operational efficiencies. Net profit nearly doubled to Rs.10.56 crore in FY25 (Prov) from Rs.4.98 crore in FY24, reflecting the overall improvement in operating performance. While the company has achieved substantial growth in operating scale and absolute profitability, margins remain constrained due to the trading nature of its operations and the inherent volatility in gold prices with intense market competition, this results in a modest operating profit margin of 0.19% in FY25 (Prov).

Moderate financial risk profile

The financial risk profile of the company has remained healthy with comfortable debt protection metrics and low gearing. The net worth of the company stood at Rs.91.12 Cr. as on March 31, 2025(Prov) as compared to Rs.77.03 Cr. as on March 31, 2024. The improvement is on account of the healthy accretion of net profit in the reserves. The gearing of the company stood at 1.01 times as on March 31, 2025(Prov), as against 0.72 times as on March 31, 2024, due to addition of term loans and increase in utilization in working capital limits. CGPLs debt protection metrics is comfortable marked by- Interest coverage ratio (ICR) and debt service coverage ratio (DSCR) which stood at 2.80 times and 2.13 times as on FY2025(Prov) respectively as against 2.98 times and 2.20 times in FY2024, respectively. TOL/TNW stood at 1.48 times and 1.51 times as on March 31, 2025(Prov), and 2024 respectively.

Recent IT raids conducted in the month of September 2025 at CAPS gold Private Limited offices, residence of directors. Acuite believes there is no material impact of this event on the credit profile of the company as of now, however any materialization of liability is likely to have an adverse bearing on the credit risk profile of the company. Acuite believes, the financial risk profile of the company would continue to remain moderate in near term on account of steady accruals.

Efficient working capital management

CGPLs working capital management is efficient, with gross current assets days (GCA) of 4 to 8 days historically due to prudent inventory management, and efficient collection of trade receivables supported by reputed clientele during last 2 years ended with March 31,

2025(Prov). The inventory days are 3-4 days, and the debtor days are at a day due to all the transactions are cash and carry basis during the last 2 years ended with March 31, 2025(Prov). As all the transactions of the company are made against advance payments, the working capital requirement for operations will remain low. The average bank limit utilisation stood at about 39 percent over 12 months through Oct 2024. CAPS operation continues to be efficiently managed supported by moderate net worth, efficient collection mechanism and in time inventory levels.

Weaknesses

Profitability remained susceptible to volatility in gold prices, intense competition, regulatory challenges and forex risk

CGPL's profitability remains vulnerable to fluctuations in gold prices, regulatory changes, and foreign exchange risks—factors that are inherent to the gold trading and refining industry. The company's margins are directly impacted by movements in international gold prices. Additionally, CGPL is exposed to currency risk due to its reliance on imported gold dore for refining and trading operations. While the company has implemented a hedging strategy through positions in the MCX and the forex market on NSE to mitigate these risks, achieving complete insulation from volatility remains challenging. Additionally, the gold jewellery retail sector is highly fragmented, comprising both large organized players and numerous unorganized entities. Consequently, CGPL's profitability profile is expected to remain modest and sensitive to global gold price movements, intense competition, regulatory developments, and currency fluctuations.

Rating Sensitivities

- Significantly increase its sales volumes while improving its profitability
- Substantial increase in the working capital requirements requirement
- Changes in the financial risk profile

Liquidity Position: Adequate

Company's Liquidity is adequate with adequate net cash accruals (NCAs) to its repayment obligations. Company generated cash accruals of Rs.12.29 Cr. during FY2025(Prov), while its maturing debt obligations are Rs.1.10 Cr. during the same period. The Company has maintained unencumbered cash and bank balances Rs.17.81 Cr. and the current ratio stood at 1.77 times as on March 31, 2025(Prov). The average fund bank limit utilization stood at about 39 percent over 12 months through Oct 2024. Acuité expects that the liquidity of the company is likely to be Adequate over the medium term on account of healthy cash accruals.

Outlook: Stable

Other Factors affecting Rating None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	11193.79	8385.46
PAT	Rs. Cr.	10.56	4.98
PAT Margin	(%)	0.09	0.06
Total Debt/Tangible Net Worth	Times	1.01	0.72
PBDIT/Interest	Times	2.80	2.98

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Aug 2024	Metal Loan	Long Term	28.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Cash Credit	Long Term	18.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Metal Loan	Long Term	27.00	ACUITE BBB Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	0.40	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	4.60	ACUITE BBB Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	3.00	ACUITE BBB Stable (Assigned)
	Proposed Cash Credit	Long Term	4.00	ACUITE BBB Stable (Upgraded from ACUITE BB+)
19 Jun 2024	Cash Credit	Long Term	18.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Metal Loan	Long Term	28.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Cash Credit	Long Term	20.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Proposed Long Term Bank Facility	Long Term	9.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
30 Mar 2023	Cash Credit	Long Term	18.00	ACUITE BBB Stable (Reaffirmed)
	Metal Loan	Long Term	28.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	9.00	ACUITE BBB Stable (Reaffirmed)
04 Mar 2022	Cash Credit	Long Term	18.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Metal Loan	Long Term	28.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	9.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
AXIS BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE BBB Stable Reaffirmed
ICICI BANK LIMITED	Not avl. / Not appl.	Metal Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	55.00	Simple	ACUITE BBB Stable Reaffirmed
ICICI BANK LIMITED	Not avl. / Not appl.	Metal Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.40	Simple	ACUITE BBB Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.00	Simple	ACUITE BBB Stable Assigned
YES BANK LIMITED	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2031	7.60	Simple	ACUITE BBB Stable Reaffirmed

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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