

February 01, 2024

Novel Jewels Limited: Change in limits

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term – Fund-based/non-fund based - Working Capital Facilities	-	450.00	[ICRA]A- (Stable)
Long-term – Term Loans	-	50.00	[ICRA]A- (Stable)
Long-term/short-term – Unallocated Limits	750.00	250.00	[ICRA]A- (Stable)/[ICRA]A2+
Total	750.00	750.00	

*Instrument details are provided in Annexure-1

Rationale

The rationale is being released to convey the change in the rated limits of Novel Jewels Limited (NJL) as depicted in the table above, based on the latest information received from the company.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Jewellery (Retail)
Parent/Group support	Parent Group: Aditya Birla Group ICRA expects the Aditya Birla Group to be willing to extend need-based financial support to Novel Jewels Limited to fund its initial growth capital, operating losses and debt servicing obligations based on the capital commitments by its leadership, owing to its strategic significance to the Group.
Consolidation/Standalone	Standalone

About the company

Novel Jewels Limited (NJL) was incorporated on September 12, 2022 as the jewellery retail arm of the Aditya Birla Group. The company is a subsidiary of Essel Mining and Industries Limited (rated [ICRA]A1+), which holds a ~54% equity stake (on a fully diluted basis; as on September 30, 2023) in the company, while the balance is held by two other promoter group companies. The company is expected to commence jewellery retail operations from March-April 2024.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Current rating (FY2024)		Chronology of rating history for the past 3 years		
				Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Feb 01, 2024	Dec 01, 2023			
1	Fund-based/non-fund based - Working Capital Facilities	Long-term	450.00	-	[ICRA]A-(Stable)	-	-	-
2	Term Loans	Long-term	50.00	.*	[ICRA]A-(Stable)	-	-	-
3	Unallocated Limits	Long-term/short-term	250.00	-	[ICRA]A-(Stable)/[ICRA]A2+	[ICRA]A-(Stable)/[ICRA]A2+	-	-

*The term loan is undrawn

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based/non-fund based - Working Capital Facilities	Simple
Long-term – Term Loans	Simple
Long-term/short-term – Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
N.A.	Fund-based/non-fund based - Working Capital Facilities	NA	NA	NA	450.00	[ICRA]A- (Stable)
N.A.	Term Loans*	FY2024	~9%	FY2029	50.00	[ICRA]A- (Stable)
N.A.	Unallocated Limits	NA	NA	NA	250.00	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company

*The term loan is undrawn

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure-II: List of entities considered for consolidated analysis – N.A.

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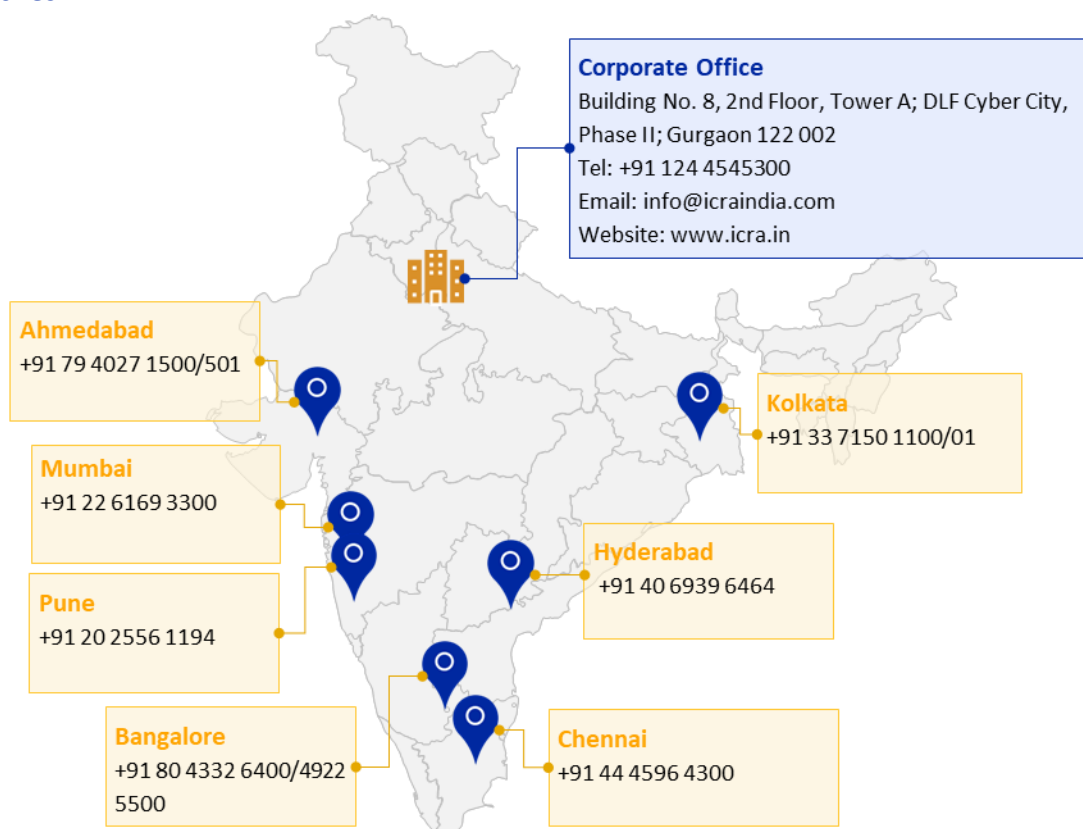


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