

December 12, 2025

Anand Jewels (Indore) Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/short-term - Fund based	450.0	550.0	[ICRA]BBB+(Stable)/[ICRA]A2; reaffirmed/assigned
Long-term– Fund-based term loans	3.6	1.6	[ICRA]BBB+(Stable) reaffirmed
Total	453.6	551.6	

*Instrument details are provided in Annexure I

Rationale

The long-term rating reaffirmation factors in the steady operational performance of Anand Jewels (Indore) Private Limited, aided by its established brand and extensive experience of promoters in its area of operations in the jewellery retail business. The company recorded revenues of Rs. 1,416 crore in FY2025, an -3% growth on a YoY basis, supported by a rise in gold prices. In the current fiscal, even as the volumes are expected to be largely range-bound, the company is likely to report 15-20% growth in revenues owing to rise in gold prices and addition of a Bhopal store from April 2025.

The operating margins for the company remained under pressure in FY2025 owing to impact of duty cut to the extent of around Rs. 25 crore. The current year margins have improved to 5.2% (3.2% in FY2025) in H1 FY2026 on account of higher sales from the Eish brand, which fetches higher realisations as well as better absorption of fixed overheads. Consequently, the company's debt coverage indicators have slightly improved (interest coverage of 3.5-3.6 times expected in FY2026). The financial profile is expected to remain steady going forward on the back of an expectation of growth in revenues with new store launches and improvement in margins. The debt coverage metrics are likely to improve due to the company's focus on high gross-margin products.

The liquidity position remains adequate, supported by timely enhancement from the banks to support the scale. The company continues to adopt a hedging policy (by using gold metal loans), which provides a cushion against the price variation risk.

The ratings, however, remain constrained by the geographical concentration of revenues of the company in Madhya Pradesh. ICRA notes that its recent entry in the Chhattisgarh market has reduced this risk to an extent. The ratings also factor in the intense competition and a fragmented industry structure, which are likely to keep the margins under check. ICRA also notes the inherent regulatory risks in the industry, which impacted the retailers' performance in the past. The ratings are further constrained by the working capital-intensive nature of operations.

The Stable outlook reflects ICRA's expectation that AJIPL's scale will steadily increase on the back of new store addition and profits will be supported by various operational efficiency initiatives undertaken in the recent past. This is likely to help the company maintain its credit metrics commensurate to the rating category.

Key rating drivers and their description

Credit strengths

Healthy scale of operations; established brand and extensive experience of promoters – The company's revenues witnessed a healthy growth in the past few years and stood at Rs. 1,416 crore in FY2025. The decline in revenues was curtailed by an

improvement in realisations, aided by rising gold prices, even though there was pressure on volume growth. The promoters have vast experience in the jewellery retail business in Indore. AJIPL's Chairman, Mr. Harbhajan Anand, has more than five decades of experience in the retail jewellery business, while Mr. Gaurav Anand, Director, has more than two decades of experience.

Increasing brand presence with additional store launches; improving operational efficiencies – In the past few years, AJIPL has undertaken various initiatives to improve operational efficiencies including better inventory management and gold procurement practices, which are likely to support operating margins, going forward. This will also lead to lower working capital requirements, and in turn support the liquidity position. In addition, the company's other stores have a high share of studded jewellery, which is expected to support margins, going forward.

Credit challenges

Geographical concentration risk – The company remains exposed to high geographical concentration risk as ~100% revenues till FY2022 were generated from two stores in MP. With the opening of the new store in Raipur, the revenues have diversified to an extent. However, MP continued to contribute over 80% to the total sales in FY2025. Going forward, with the ramp-up of the Eish store and the recently opened Bhopal store in April 2025, the concentration on its flagship store is expected to reduce to an extent. While it has a strong brand presence in MP, its ability to establish presence in other states remains to be seen.

High working capital intensity – The working capital requirements of the business are high because of the need to maintain high inventory at its stores, which results in increased debt levels. Owing to the same, TOL/TNW remained elevated at 2.7 times in FY2025. With better inventory management, the same is likely to improve, going forward, and would remain a key monitorable.

Exposure to gold price volatility and Government regulations – As common in retail jewellery business, raw materials constitute over 90% of the operating cost. Gold jewellery sales account for the major portion of AJIPL's revenues, hence its profitability remains susceptible to movement in gold prices. However, the company's hedging practices reduced this risk to an extent. The increased regulatory intervention in the jewellery industry like restriction on imports, mandatory PAN disclosure requirement for purchases above the threshold limit, restrictions on jewellery saving schemes, imposition of excise duty and GST, increase in import duty, reduction in custom duty, etc., in recent years impacted the demand and supply in the industry.

Liquidity position: Adequate

The liquidity position remains adequate characterised by steady fund flow from operations, limited capex plans and cushion in the working capital limits. The average working capital limit stood at ~83% in last 13 months ended October 2025; the recent enhancement of limits by Rs. 100 crore provides comfort. AJIPL is expected to be able to comfortably meet its debt servicing obligations (Rs. 1.20-crore repayment in FY2026) and incremental working capital requirements with the available liquidity.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of a significant increase in revenues and profitability while maintaining a healthy liquidity position on a sustained basis. Specific triggers include TOL/TNW of less than 1.5 times on a sustained basis.

Negative factors – The ratings could be downgraded in case of any adverse impact on the revenue/profitability, resulting in a deterioration in debt protection metrics. Further, any sizeable dividend payout or higher working capital requirement, impacting the liquidity position of the company, can trigger a downward rating action. Specific credit metric for downgrade includes an interest cover of less than 3.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Jewellery – Retail
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

AJPL was established in 2008 by Mr. Gaurav Anand. It manufactures and sells gold ornaments, jewellery, precious stones and diamonds under the brand of Anand Jewels. The company's Chairman, Mr. Harbhajan Anand, has over 50 years of experience and Director, Mr. Gaurav Anand, has over 20 years of experience in the retail jewellery sector. The Anand family/Anand Corporation is a well-known business group in Madhya Pradesh, with major businesses in retail (automobile and jewellery), hospitality and real estate. At present, AJPL has five showrooms in Indore and Bhopal in Madhya Pradesh, and Raipur in Chhattisgarh.

Key financial indicators (audited)

AJPL	FY2024	FY2025	H1FY2026*
Operating income	1,458.4	1,415.6	773.6
PAT	20.1	17.9	19.0
OPBDIT/OI	3.0%	3.2%	5.2%
PAT/OI	1.4%	1.3%	2.5%
Total outside liabilities/Tangible net worth (times)	2.6	2.7	3.4
Total debt/OPBDIT (times)	7.0	8.1	5.2
Interest coverage (times)	2.8	2.5	3.3

Source: Company, ICRA Research; *Provisional; All ratios as per ICRA's calculations; Amount in Rs. crore
 PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	December 12, 2025	Date	Rating	Date	Rating	Date	Rating
Long-term-term loan-fund based	Long-term	1.60	[ICRA]BBB+ (Stable)	28-Feb-2025	[ICRA]BBB+ (Stable)	18-AUG-2023	[ICRA]BBB+ (Stable)	26-MAY-2022	[ICRA]BBB- (Positive)
						19-DEC-2023	[ICRA]BBB+ (Stable)	30-NOV-2022	[ICRA]BBB (Stable)
Long-term / short-term-cash credit-fund based	Long-term/short-term	550.00	[ICRA]BBB+ (Stable)/[ICRA]A2	28-Feb-2025	[ICRA]BBB+ (Stable)/[ICRA]A2	18-AUG-2023	[ICRA]BBB+ (Stable)/[ICRA]A2	26-MAY-2022	[ICRA]BBB- (Positive)/[ICRA]A3
						19-DEC-2023	[ICRA]BBB+ (Stable)/[ICRA]A2	30-NOV-2022	[ICRA]BBB (Stable)/[ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/short-term-Fund based	Simple
Long-term- Fund based-Term loans	Simple

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 analysing 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 are 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
NA	Long term/short term-fund based	-	-	-	550.0	[ICRA]BBB+(Stable)/ [ICRA]A2
NA	Fund based Term Loans	Jan 2021	NA	Dec 2025	1.6	[ICRA]BBB+(Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis-Not Applicable

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