April 09, 2026

Novel Jewels Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Term Loans	250.0	250.0	[ICRA]A (Stable); reaffirmed
Long-term/ Short term – Fund Based/ Non-Fund Based - Working Capital Facilities**	3,750.0	3,750.0	[ICRA]A (Stable)/ [ICRA]A1; reaffirmed
Total	**4,000.0**	**4,000.0**	

**Instrument details are provided in Annexure I; **Includes Cash Credit, Gold Metal Loans, Working Capital Demand Loans, Bank Guarantee with Interchangeability*

Rationale

The ratings reaffirmation considers a significant ramp-up in store count and scale of operations of Novel Jewels Limited (NJL), the jewellery retail venture of the Aditya Birla Group (ABG), a clearly laid out branding and differentiation strategy, along with commensurate capital infusion plan of ABG for the venture. The Group's demonstrated equity infusion so far, in line with the funding plan, supports the ratings. NJL commenced jewellery retail operations under the Indriya brand by opening its first few stores in July 2024. Since then, the company has opened stores in multiple cities across various states. Its store count stood at 65 as on March 27, 2026, and it has onboarded 12 more franchisee stores for which the physical launch is expected shortly. After commencement of operations, the company revised its business plan to step up store expansion from FY2026, primarily through a higher adoption of the franchisee model. The company intends to undertake substantial store expansion going forward, to achieve a wide geographical coverage, including in tier-II/III cities. NJL has opened/onboarded 49 franchisee stores so far vis-a-vis 29 own stores. The capex and inventory for the franchisee-owned, company-operated (FOCO) stores are funded by the business partners, resulting in lower funding requirements for future expansion by NJL. Nevertheless, the overall gross margin and the operating margin from franchisee stores will be lower due to margin sharing with the business partners. The Group has infused an additional capital of Rs. 1,500 crore in FY2026, taking the total equity capital infusion to Rs. 2,774 crore, in line with the targeted capital infusion of the Group. Significant marketing and brand-building expenses, coupled with other store-level fixed expenses, would keep NJL's operating profitability in the negative territory in the initial years. However, the Group's plans to infuse capital in alignment with the acceleration in the store count, as per the business plan, is likely to support NJL's liquidity and capital structure.

The ratings continue to factor in the company's strong parentage for being a part of ABG along with its strong managerial, operational and financial linkages with the Group. NJL was incorporated in FY2023 by ABG to enter the domestic jewellery retailing industry and set up a pan-India jewellery brand, while benefitting from the industry tailwinds of accelerated formalisation, leveraging the strong brand recall of the Group among Indian consumers and the Group's experience in domestic retail. Accordingly, ABG plans to invest around Rs. 5,000 crore in NJL, in a phased manner, till FY2028. The ratings also factor in the Group's willingness to support NJL through regular equity infusion over the near-to-medium term to fund the latter's initial operational losses and debt servicing obligations owing to NJL's strategic importance to the Group's business diversification plans and reputation. The ratings also derive comfort from the strong leadership team of NJL, comprising senior leadership of ABG and other senior executives with experience in jewellery and other consumer-oriented industries, which are expected to aid in execution of the business plan. NJL's geographical concentration risks will remain limited, going forward, given its planned expansion across the country. Moreover, its policy to hedge entire gold purchases and an expected high share of studded jewellery (more than 25%) are likely to result in a stable and healthy gross margin. The ratings are, however, constrained by execution risks, including profitable scale-up of stores in a timely manner. Being a new entrant in the industry, the company faces intense competition from larger national and regional players. NJL needs to invest significantly in establishing its brand among jewellery consumers while also differentiating itself from the competitors. ICRA notes that a sharp rise in gold prices has dented the volumetric consumption of gold in the recent past, making NJL vulnerable to such disruptive demand environment. Moreover, entities in the jewellery industry are exposed to regulatory risks, which could impact demand/supply conditions.

The Stable outlook on the long-term rating reflects ICRA's expectations that NJL will be able to ramp up its revenues significantly over the medium term, driven by its extensive marketing initiatives and accelerating store count. Besides, ABG will support NJL through regular capital infusion to fund its initial operational losses along with a part of the working capital requirement and meet its debt servicing obligation. NJL's exceptional financial flexibility for being a part of ABG would also support its credit profile.

Key rating drivers and their description

Credit strengths

Strong parentage of the Aditya Birla Group – NJL is the jewellery retail venture of the Aditya Birla Group and is among the strategic priorities of the Group to deepen its presence in the consumer retail sector. The company is expected to benefit from the financial strength of the Group along with its experience in consumer retail through the Group's fashion retail operations. ICRA derives comfort from the Group's capital commitment of around Rs. 5,000 crore for NJL over the medium term and the company's strong managerial linkages with the Group, as evident from NJL's board of directors comprising senior leadership of the Group. The Group has already infused around Rs. 2,774 crore into NJL through equity and compulsorily convertible preference shares, which reflects the Group's willingness to support the company and provides comfort.

Experienced leadership team – The senior leadership of the retail businesses of ABG have been inducted in NJL's board of directors. Moreover, the company's top management comprises senior executives with long experience in consumer businesses including jewellery retail industry (mostly heading the company's business functions) and executives from the Group's other businesses (mostly heading the company's corporate functions) to create a balance between industry insights and the Group's culture and policies. ICRA expects the experienced leadership team to provide a strong foundation and aid NJL in executing its business plans.

Favourable long-term growth prospects for organised jewellers – Increasing regulations in the jewellery retail industry, aimed at improving transparency and standardisation over the recent years, have accelerated the shift in the market share from unorganised to organised jewellers. The industry tailwind is likely to benefit the organised jewellers over the medium term. The customs duty cut by 9% from 15% in July 2024 has disincentivised unofficial imports, thus benefiting the organised players.

Credit challenges

Substantial investment requirements for a new retailer and exposure to execution risks – Being a new venture, NJL is exposed to execution risks and needs substantial initial capital for setting up a jewellery chain along with significant investment towards creating and establishing its brand. While commencement of operations with a clearly laid out branding and differentiation strategy renders comfort, slower-than-expected ramp-up in revenue from the stores and prolonged losses could strain the company's liquidity position and impact its credit profile. The risks are, however, mitigated to an extent by the company's strong parentage, experienced management team and capital commitment by ABG.

Exposed to intense competition and regulatory risks – The domestic jewellery retail sector continues to be exposed to the risks arising from the evolving regulatory landscape, which could have an adverse impact on the business. Restrictions on bullion imports and metal loan funding, mandatory PAN disclosure on transactions above a threshold limit, imposition of GST and demonetisation are some regulatory developments that impacted demand and supply in the past. The company remains exposed to regulatory changes, which may impact its business performance. Additionally, the sector is highly fragmented and is exposed to intense competition from large organised and unorganised players, which limits the pricing flexibility of retailers to an extent.

Liquidity position: Adequate

NJL's liquidity position is expected to remain Adequate, supported by capital commitments from ABG. The company is likely to have sizeable capital requirement over the near-to-medium term towards working capital, capital expenditure on planned stores and operating losses, which are expected to be funded by capital infusion from the Group. ICRA derives comfort from the willingness of ABG to extend support to NJL in the initial years of its operations owing to the strategic importance to the Group. The Group has already invested around Rs. 2,774 crore in NJL and is expected to infuse funds as per business requirements. The company has also tied up bank facilities, including Rs. 3,650-crore working capital and Rs. 250-crore term loans, so far, which provides liquidity back-up. The company's exceptional financial flexibility for being a part of ABG, will mitigate its funding risks. NJL's working capital utilisation as of February 2026 stood at Rs. 2,353 crore vis-à-vis its sanctioned working capital limits of Rs. 3,650 crore. The company will tie up additional working capital limits in view of its significant store expansion plans. The company had surplus fund of around Rs. 500 crore as of March 30, 2026, a large part of which has been invested in the form of inter-corporate deposits in Group entities.

Rating sensitivities

Positive factors – The ratings could be upgraded in case of a significant ramp-up in the company's revenue while maintaining a healthy gross margin and a comfortable liquidity position.

Negative factors – Pressure on the ratings could arise in case of slower-than-expected ramp-up in revenue from the stores, translating into extended losses and substantial pressure on the company's capital structure and liquidity. Any weakening of linkage with the Group or a deterioration in the Group's credit risk profile could also result in ratings downgrade.

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

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 held around 51% equity stake (on a fully diluted basis), as on March 25, 2026, while the balance was held by two other promoter group companies. NJL launched its jewellery brand, Indriya, in July 2024 and commenced opening of stores from the same month. The company opened 65 stores till March 27, 2026 and has already onboarded 12 more franchisee stores for which the physical launch will happen shortly.

Key financial indicators (audited)

Standalone	FY2025	9M FY2026*
Operating income	688	1,966
PAT	-333	-332
OPBDIT/OI	-36.1%	-9.9%
PAT/OI	-48.3%	-16.9%

Total outside liabilities/Tangible net worth (times)**	2.3	1.8
Total debt/OPBDIT (times)**	-6.8	-9.9
Interest coverage (times)	-3.5	-1.7

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Provisional*

*PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; **Total debt and total outside liabilities include lease liabilities*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	April 09, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term Loans	Long term	250.0	[ICRA]A (Stable)	Sep 11, 2025	[ICRA]A (Stable)	Mar 25, 2025	[ICRA]A (Stable)	Feb 01, 2024	[ICRA]A- (Stable)
						May 16, 2024	[ICRA]A- (Stable)	-	-
Fund Based/ Non-fund Based - Working Capital Facilities*	Long-term/ Short term	3,750.0	[ICRA]A (Stable)/ [ICRA]A1	Sep 11, 2025	[ICRA]A (Stable)/ [ICRA]A1	-	-	-	-
Fund Based/ Non-Fund Based - Working Capital Facilities	Long term	-	-	-	-	Mar 25, 2025	[ICRA]A (Stable)	Feb 01, 2024	[ICRA]A- (Stable)
						May 16, 2024	[ICRA]A- (Stable)	-	-
Unallocated Limits	Long term/ short term	-	-	-	-	Mar 25, 2025	[ICRA]A (Stable)/ [ICRA]A1	Feb 01, 2024	[ICRA]A- (Stable)/ [ICRA]A2+
						May 16, 2024	[ICRA]A- (Stable)/ [ICRA]A2+	Dec 01, 2023	[ICRA]A- (Stable)/ [ICRA]A2+

**Includes Cash Credit, Gold Metal Loans, Working Capital Demand Loans, Bank Guarantee with Interchangeability*

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Term Loans	Simple
Long-term/ Short term – Fund Based/ Non-Fund Based - Working Capital Facilities*	Simple

**Includes Cash Credit, Gold Metal Loans, Working Capital Demand Loans, Bank Guarantee with Interchangeability*

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	**Term Loans**	FY2024	NA	FY2030	250.0	[ICRA]A (Stable)
NA	**Fund Based/ Non-Fund Based - Working Capital Facilities***	NA	NA	NA	3,750.0	[ICRA]A (Stable)/ [ICRA]A1

*Source: Company; *Includes Cash Credit, Gold Metal Loans, Working Capital Demand Loans, Bank Guarantee with Interchangeability*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

Kinjal Kirit Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Sujoy Saha
+91 33 6521 6805
sujoy.saha@icraindia.com

Sovanlal Biswas
+91 33 6521 6808
sovanlal.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

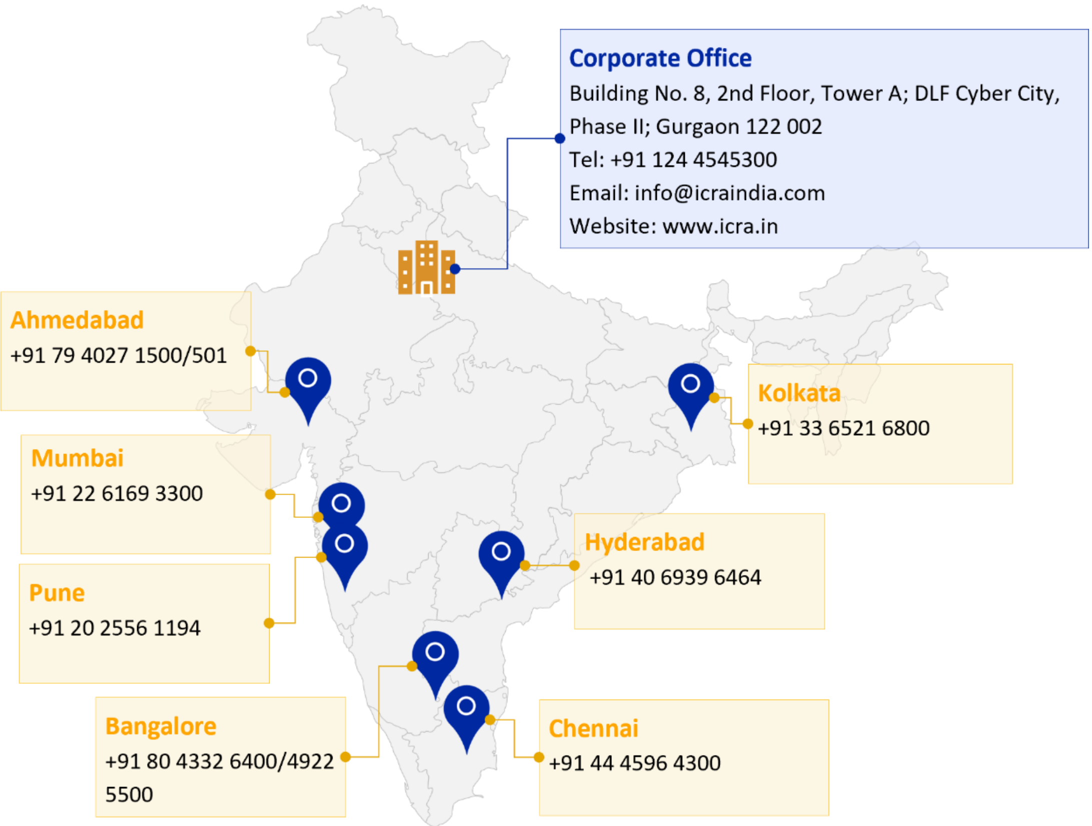
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.