May 29, 2026

GR Thanga Maligai and Sons: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term/short-term – Fund-based Working Capital Facilities	250.00	250.00	[ICRA]AA (Stable)/[ICRA]A1+; reaffirmed
Short-term – Non-fund-based limits	10.00	10.00	[ICRA]A1+; reaffirmed
Long-term – Term Loans	24.97	13.92	[ICRA]AA (Stable); reaffirmed
Long-term/short-term – Unallocated	9.13	20.18	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed
Total	**294.10**	**294.10**	

**Instrument details are provided in Annexure II*

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of GRT Jewellers (India) Private Limited (GRTJIPL) and its subsidiaries along with three other Group entities – G.R. Thanga Maligai Firm (GRT Firm), G.R. Thanga Maligai & Sons (GRT Sons) and GRT Silverwares (GRTSW) – collectively referred to as the GRT Group, given the significant operational, managerial and financial linkages among them.

The ratings reaffirmation continues to consider the Group's strong business profile, as characterised by its position as one of the largest jewellery retailers in India and dominant market share in Tamil Nadu, strong brand equity driving footfalls and stock rotations, hedging practices, stable income from the renewable energy (RE) segment etc. Also, increasing shift from unorganised to organised trade in gold jewellery retail industry is a long-term positive for GRT with its rising focus on Tier-2/3 markets in the recent years. ICRA also notes that the company's contingent liabilities declined sharply with revocation of income tax (IT) demand of around Rs. 2,002 crore in FY2024, and the IT demand outstanding was Rs. 296 crore as on March 31, 2025, which is not material compared to the company's healthy cash accruals.

The Group's revenue growth for FY2026 is estimated to remain healthy at around 24%, after a 12% rise witnessed in FY2025, supported by a significant rally in gold prices, despite a decline in gold jewellery sales volume by around 11% and around 18% in FY2025 and FY2026, respectively. The consolidated operating margin expanded by around 300 basis points in FY2025 and stood at 7.0% on the back of pricing related benefits, revision in the terms of jewellery purchase schemes and gains on unhedged portion of gold inventory, despite a one-time loss during this period on inventory hedged through gold metal loans (GML) on account of a reduction in the customs duty on gold imports from 15% to 6% in July 2024. However, the impact was minimised by the initiatives taken by the company as mentioned above. Utilisation of low-cost fixed deposit-backed GMLs to fund a large portion of its inventory limits its interest costs while providing a natural hedge against volatility in gold prices. Also, significant interest earned on deposits (covering its interest expenses) strengthens the net profit. In FY2026, the consolidated operating margin is expected to be supported by the operating leverage due to a significant revenue growth on the back of a sharp rise in gold prices, which also led to gains on partially unhedged inventory. Recently, the customs duty on gold has been increased from 6% to 15%, which has pushed gold prices up in the domestic market. This is likely to have some impact on volumetric demand. However, the hike in customs duty would lead to additional gains on gold inventory, supporting margins. The company is partially passing on the gain to the customers, which supported footfalls despite the customs duty hike.

The ratings, however, remain constrained by the high geographical concentration of revenues in the south Indian market with Tamil Nadu accounting for more than 70% of revenues in the last five years. The ratings also consider the vulnerability of revenues and earnings to competition and regulatory risks, inherent to the industry. The ratings also consider the risk of capital withdrawal from the partnership firms and investments by the Group in other business interests of the promoters, which could adversely impact the capital structure and liquidity position of the Group. Nevertheless, such risks are likely to be mitigated by the management's initiatives to strengthen corporate governance and plans to simplify the Group structure.

Besides jewellery retail operations, the Group has sizeable renewable energy (RE) capacity comprising 518 MW (DC) solar plants and 20 MW windmills, with most of the power plants having long-term power purchase agreements (PPAs) with Solar Energy Corporation of India Limited (SECI) and state-owned distributions companies (discoms) in Tamil Nadu, Andhra Pradesh, Karnataka and Gujarat. The company earlier planned to install an additional solar power capacity of 220 MW (DC) in Tamil Nadu (backed by a long-term PPA signed with SJVN). However, the same has been kept on hold. Steady income from the RE segment and significant income tax benefits support the Group's cash flows.

The Group's warehouse and ethanol manufacturing projects are nearing completion, and the respective assets are expected to generate steady cash accruals, given 95% of the area of the warehouse has been tied up and the ethanol capacity (2 lakh litre per day) has been tied up through contracts with oil manufacturing companies. However, the Group's hotel resort project in Maldives would entail sizeable capex (pending amount of around Rs. 1,200 crore) in the next three years, while exposing the Group to project execution risks. However, around 60% of the capex would be funded by debt. While this will increase the Group's leverage levels, healthy cash accruals from jewellery and RE segments would offset the moderation in debt metrics. Successful commissioning of the projects without any major cost and time over-run, tie-up of requisite debt and achievement of projected operating parameters, post commissioning, would remain under monitoring.

The Stable outlook on the long-term rating reflects ICRA's expectations that the Group will continue to maintain healthy earnings, comfortable capital structure and coverage metrics over the medium term, notwithstanding the risks related to sizeable capex and unrelated diversification.

Key rating drivers and their description

Credit strengths

Established market position and strong brand equity in South India – The GRT Group is one of the leading players in the domestic jewellery retail industry with a focussed presence in the south Indian market. It maintains a dominant market position in Tamil Nadu and enjoys a strong brand equity among the customers in that region, supported by its six-decade long presence in the industry and extensive experience of the promoters. The Group operates a network of more than 60 jewellery retail showrooms across Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Puducherry. The promoter's vast experience, GRT's strong brand equity and conservative gold sourcing and hedging strategies support its business profile.

Favourable growth prospects for organised jewellery retailers – 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 players. The industry tailwind is expected to benefit the organised jewellery retailers (including GRT) over the medium term, supported by its established market position with a loyal customer base and increasing retail presence.

Comfortable financial risk profile, supported by healthy earnings, low cost of fund and strong financial flexibility – The Group's financial risk profile remains healthy, characterised by its sizeable profits and cash accruals, supported to an extent by healthy interest earned on the sizeable value of fixed deposits (more than Rs. 7,500 crore as of December 2025) and low cost of funds as the debt profile is dominated by FD-backed GMLs with low interest rates. While the operating margins remain constrained because of low share of high-margin studded jewellery and intense competition, the Group's demonstrated ability to maintain a healthy inventory turnover and mobilise customer advances through jewellery purchase schemes limit its working capital requirement and interest expenses. The management's initiatives to rationalise the product pricing have positively impacted the Group's operating margin since FY2025. ICRA expects the Group's coverage indicators to remain comfortable, going forward, despite large investment plans. Moreover, the Group's healthy net worth, limited long-term borrowings (despite debt-funded capex planned) and established market position are likely to keep its financial flexibility strong.

Credit challenges

High geographical concentration of revenue and limited product diversification – The GRT Group has derived more than 70% of its overall revenue from Tamil Nadu over the last five years, with more than 40% from the Chennai market alone, which reflects high geographical concentration of revenues. The revenue contribution from Chennai has reduced from around 70% in FY2015 due to its increasing presence in tier-II and tier-III markets in Tamil Nadu to capitalise on the established brand name. The combined share of Andhra Pradesh, Telangana and Karnataka markets in the Group's jewellery sales currently stands at around 25%, increasing from 20% in FY2020. Historically, the Group remained conservative in store expansion and focused on the South Indian market. High geographical concentration of revenue exposes the Group's revenue and profitability to disruption from any localised event. The Group's presence only in the South Indian market also translated into a low share of high-margin studded jewellery in the product mix owing to the region's preference for plain gold jewellery, which constrained the Group's operating margins. However, it plans to expand the jewellery retailing business in other regions of the country and in the US, going forward, and is foraying into non-jewellery segments to diversify the overall business profile.

Intense competition and fragmented nature of the industry limit pricing flexibility – The jewellery retail business is highly fragmented and is exposed to intense competition from organised and unorganised players. These limit the retailers' pricing flexibility to an extent, though mitigated by an established brand of organised players like GRT.

Exposed to regulatory risks and seasonality in demand – The domestic jewellery retail industry remains exposed to the risks arising from the evolving regulatory landscape, which could have an adverse impact on the Group's business. Mandatory PAN disclosure on transactions above a threshold limit, imposition of GST and demonetisation are some regulations that impacted demand and supply in the past. Revenues and cash flows of the jewellery players are also exposed to volatility in gold prices and seasonality in demand, based on the numbers of auspicious days, festivals, crop harvest etc.

Liquidity position: Adequate

The GRT Group's liquidity remains adequate, characterised by sizeable free cash and liquid investments (Rs. 864 crore as on March 31, 2025) and buffer from unutilised working capital facilities (around Rs. 200 crore as on December 31, 2025). The Group is expected to generate fund flow from operations of Rs. 2,000-2,400 crore per annum over the medium term against which it will have annual debt repayment obligation of Rs. 100-160 crore (excluding lease liabilities) till FY2028. Sizeable interest earned on fixed deposits, against which the Group avails GMLs, supports the liquidity position. The Group's annual capex is estimated to remain in the range of Rs. 500-600 crore till FY2028, primarily towards non-jewellery segments. A major portion of the hospitality project will be funded by debt. The internal funding requirement for the capex would be comfortably met with healthy internal accruals. ICRA notes the Group's strong financial flexibility owing to its large scale of operations and strong market position, which enable it to raise additional funds at short notice.

Rating sensitivities

Positive factors – The long-term rating could be upgraded in case of a substantial and sustained growth in the Group's earnings, strengthening debt coverage metrics and liquidity. The Group's ability to generate healthy cash accruals from the ventures in non-jewellery segments, going forward, without any further sizeable escalation of project costs, would also remain important for an upward rating movement. Materialisation of the Group's plans to refine the corporate structure, in line with the increasing scale and business diversity, would be considered positively.

Negative factors – Pressure on the ratings could arise in case of a sustained deterioration in the operating performance or working capital cycle of the Group or unfavourable regulatory developments, adversely impacting the earnings, coverage indicators and liquidity position. Any large capital withdrawal or higher-than-expected debt-funded capital expenditure, weakening the capital structure and liquidity, could also put pressure on the ratings. Specific credit metrics that could result in ratings downgrade include an interest coverage below 4.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Jewellery - Retail Power - Solar and Wind
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of GRTJIPL, along with its subsidiaries, a step-down subsidiary and three other ICRA-rated Group entities (GRT Firm, GRT Sons and GRT SW), as per details given in Annexure III.

About the company

G. R. Thanga Maligai Group (GRT Group) is a closely held group of entities with presence in jewellery retailing, hospitality and renewable energy sectors. The Group has recently forayed into warehousing and is setting up a plant to produce grain-based ethanol. It has an established presence in the jewellery retail industry of South India. Its jewellery and renewable energy operations are grouped under four main entities – GRTJIPL, a private limited company, and three partnership firms – GRT Firm, GRT Sons and GRTSW. The Group had 66 jewellery retail stores across Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Puducherry as of March 2026. GRT also operates a single jewellery retail showroom in Singapore through a wholly-owned subsidiary. The Group also had international jewellery retailing operations in Malaysia and Dubai, both of which were shut down during the pandemic. The Group's warehousing, ethanol production and hospitality (Maldives) ventures are housed under various subsidiaries and a step-down subsidiary of GRTJIPL. The ultimate shareholdings of the Group entities are with the promoter family. The management plans to undertake a restructuring exercise to form separate corporate entities for different business verticals, in the near future.

Key financial indicators (audited)

GRT Group (consolidated)	FY2024	FY2025
Operating income	36,859	41,246
PAT	1,049	2,103
OPBDIT/OI	3.9%	7.0%
PAT/OI	2.8%	5.1%
Total outside liabilities/Tangible net worth (times)	3.1	2.3
Total debt/OPBDIT (times)	6.6	3.2
Interest coverage (times)	4.7	9.8

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

GRT Sons (Standalone)	FY2024	FY2025
Operating income	3,137	3,376
PAT	74	101
OPBDIT/OI	2.7%	4.2%
PAT/OI	2.4%	3.0%
Total outside liabilities/Tangible net worth (times)	2.8	2.9
Total debt/OPBDIT (times)	9.6	6.7
Interest coverage (times)	5.0	6.2

Source: Company, ICRA Research; 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

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	May 29, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Fund-based Working capital facilities	Long term/ Short term	250.00	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	Feb 20, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	Mar 31, 2024	[ICRA]AA- (Stable)/ [ICRA]A1+
Non-fund-based limits	Short term	10.00	[ICRA]A1+	-	-	Feb 20, 2025	[ICRA]A1+	Mar 31, 2024	[ICRA]A1+
Term Loans	Long term	13.92	[ICRA]AA (Stable)	-	-	Feb 20, 2025	[ICRA]AA (Stable)	Mar 31, 2024	[ICRA]AA- (Stable)
Unallocated	Long term/ Short term	20.18	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	Feb 20, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.
($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

Sr. No.	Activity Name	FSR
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/short-term – Fund-based Working Capital Facilities	Simple
Short-term – Non fund-based limits	Simple
Long-term – Fund Based - Term Loans	Simple
Long-term/Short-term – Unallocated	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 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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Fund-based working capital facilities**	NA	NA	NA	250.00	[ICRA]AA (Stable)/ [ICRA]A1+
NA	**Non-fund based limits**	NA	NA	NA	10.00	[ICRA]A1+
NA	**Term Loans**	Sep-17	NA	Jul-28	13.92	[ICRA]AA (Stable)
NA	**Unallocated limits**	NA	NA	NA	20.18	[ICRA]AA (Stable)/ [ICRA]A1+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
GRT Jewellers (India) Private Limited	-	Full Consolidation
GRT Retail International Pte Limited, Singapore*	-	Full Consolidation
RAR Industrial and Logistic Park Private Limited*	-	Full Consolidation
GRT International Hospitality DMCC*	-	Full Consolidation
Grand Leisure Ventures Private Limited Maldives*	-	Full Consolidation
RAR Retail and Infra LLP*	-	Full Consolidation
GR Thanga Maligai Firm	-	Full Consolidation
GR Thanga Maligai & Sons	Rated entity	Full Consolidation
GRT Silverwares	-	Full Consolidation

*Source: Company; *Subsidiaries and stepdown subsidiaries of GRTJIPL; promoters hold the balance shares of entities wherein GRTJIPL does not have a 100% ownership*

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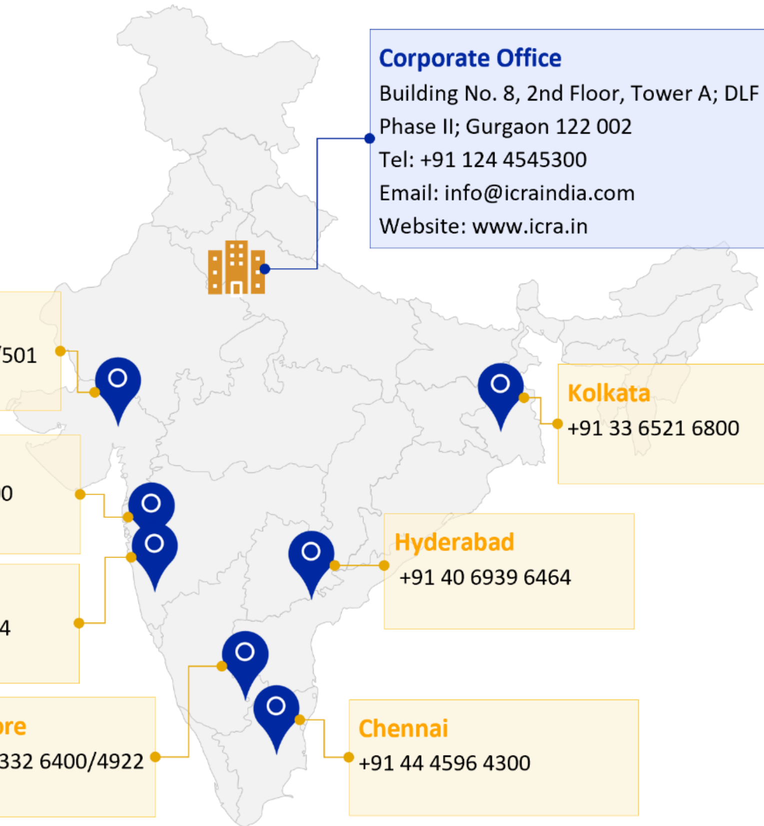

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