

October 01, 2026

Orra Fine Jewellery Private Limited: [ICRA]BBB+ (Positive)/[ICRA]A2; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term/short-term – Fund based – Working capital	515.00	[ICRA]BBB+ (Positive)/[ICRA]A2; assigned	RBI
Total	515.00		

*Instrument details are provided in Annexure I

#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 Financial Sector Regulators other than SEBI.

Rationale

The ratings assigned with a Positive outlook reflect ICRA's expectations that Orra Fine Jewellery Private Limited (OFJPL), involved in the jewellery retail business, will benefit from a material improvement in its business prospects and financial flexibility following the favourable change in ownership and management control in January 2026 and sizeable funding support in the form of fresh equity and loans extended by the new promoter group to strengthen liquidity and scale-up the business. The ratings favourably factor in the significant prior experience and commitment by the new promoters towards strengthening the balance sheet and implementing various operational and profitability improvement initiatives. The new promoters infused equity of Rs. 75.0 crore in Q1 FY2027, primarily intended for repayment of preference shares issued to erstwhile shareholders and deleveraging. Further, an additional Rs. 175 crore of equity infusion is expected in FY2027, out of which around Rs. 152 crore is expected in September 2026. OFJPL has also received an interest-bearing unsecured loan of Rs. 115 crore from the new promoters as a breeze funding arrangement, which will be squared off after the proposed equity infusion. The fresh funds infused by the new promoters are likely to strengthen the company's capital structure and financial flexibility.

The ratings also draw comfort from OFJPL's established position in the organised jewellery retail segment, its strong brand recall in diamond-studded jewellery, and geographically diversified retail network of 94 stores across India (except the eastern region) as on June 30, 2026. The company derives a significant portion (around 97%) of its retail sales from higher-margin studded jewellery. The company's operating income in FY2026 grew by 14% to Rs. 1,407 crore, despite no store addition during the year, driven by a surge in gold prices, which, however, weighed on the sales volumes. The company is expected to benefit from the rising consumer preference for diamond-studded jewellery, particularly among younger and urban consumers. This trend has been further reinforced by elevated gold prices, which have accelerated the shift towards studded jewellery offerings. Going forward, the company envisages healthy revenue growth, driven by the planned store addition and healthy same-store sales growth. Around 20 and 50 stores have been planned to be added in FY2027 and FY2028, respectively. The company is also expected to benefit from favourable long-term industry dynamics, including increasing consumer preference for branded jewellery and growing penetration of organised players.

The ratings also factor in the operational initiatives undertaken by the new management to improve profitability and working capital efficiency. These include the transition from an outright purchase of jewellery from wholesalers to jewellery manufacturing through job-work, improvement in product designs to attract new customers while retaining the existing loyal customer base, increasing the share of diamond jewellery in the sales mix, introduction of lower-carat gold in jewellery to diversify the product profile and price points, increasing footfall at stores by enhancing the overall customer experience, strengthening marketing initiatives, improvement in sourcing efficiencies, employee training and implementation of various cost-rationalisation measures. These initiatives are expected to support meaningful improvement in sales growth, operating efficiency and profitability profile over the medium term. ICRA notes that the company's profitability in FY2026 was largely

supported by gain on unhedged gold inventory. While the company is expected to realise further gold gains in FY2027 and FY2028 as the average cost of the existing gold inventory is considerably lower than the current market rates, profitability from the core business is also expected to improve, given the efficiency improvement measures being undertaken by the new promoters. ICRA also notes the new management's policy to reduce the unhedged gold exposure to avoid the impact of any unfavourable gold price movement on profitability, going forward.

The ratings, however, continue to be constrained by OFJPL's moderate financial risk profile with profitability largely being derived from gold gains in FY2026 and in the current fiscal, significant working capital requirements and moderate net worth. The company's capital structure and debt coverage metrics remained modest in FY2026, as reflected in the TOL/TNW of 5.8 times and the interest coverage of 2.0 times, notwithstanding an improvement in the capital structure in the recent past with equity infusion by the new promoters and an expected improvement in profitability from the core business, going forward. An improvement in earnings and capital structure and a significant reduction in the cost of borrowings following the ownership change are likely to improve the company's interest coverage to 4-5 times in the medium term. The jewellery retail business remains inherently working-capital intensive due to sizeable stocking requirements at stores. Besides, the company's inventory turnover remains relatively low due to the slow-moving nature of diamond-studded jewellery. The ratings are also constrained by the company's exposure to fluctuations in gold and diamond prices, competitive intensity in the jewellery retail industry, execution risks associated with the planned store expansion programme and implementation of the company's transformation strategy under the new management.

Key rating drivers and their description

Credit strengths

Robust experience of new promoters and funding support from them – The company derives strength from the extensive experience and entrepreneurial track record of its new promoters, led by Mr. Mithun Sacheti, founder of CaratLane, who has expertise in building and scaling consumer-focused businesses through innovative design, digital-first strategies, brand development, and operational execution. He is supported by his family members and Mr. Avnish Anand, who has over two decades of experience in technology-led businesses, digital commerce, strategy and governance. Their diverse expertise across consumer retail, technology, operations, and strategic management is expected to support Orra's growth initiatives, strengthen its market positioning, and enhance operational efficiencies. The new promoters infused fresh equity of Rs. 75.0 crore in Q1 FY2027, primarily intended for repayment of preference shares issued to the erstwhile shareholders and deleveraging. Further, an additional Rs. 175 crore of equity infusion is expected in FY2027, out of which around Rs. 152 crore is expected in September 2026. OFJPL has also received interest-bearing unsecured loan of Rs. 115 crore from the new promoters as a breeze funding arrangement, which will be squared off after the proposed equity infusion. The fresh fund infusion is anticipated to further strengthen the company's capital structure and liquidity. The promoter's significant personal wealth renders financial flexibility.

Established brand in the affordable and fashionable jewellery segment with wide geographical coverage – The ratings draw comfort from OFJPL's established position in the organised jewellery retail segment, its strong brand recall in diamond-studded jewellery, and geographically diversified retail network of 94 stores across India (except the eastern region) as on June 30, 2026. The revenues are geographically diversified with the stores in West India accounting for 31% of the total sales, followed by North and South, accounting for around 22% and 25%, respectively, in Q1 FY2027 and the balance 22% is derived mainly from bullion sales. OFJPL plans to add 20 and 50 stores each in FY2027 and FY2028, respectively, focusing initially on locations with proven demand potential and brand awareness. Thus, healthy revenue generation is envisaged from the stores to be added in the near term.

Favourable long-term growth prospects for organised jewellery retailers – The long-term outlook for organised jewellery players remains favourable, supported by cultural underpinnings, evolving lifestyle, growing disposable income, favourable demographic dividend and growing penetration of the organised sector. The 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 to organised players from the unorganised sector. The industry tailwinds are expected to benefit organised jewellery retailers like OFJPL, supported by their expanding retail presence. The company is well positioned to tap the incremental demand, given its reputed brand and established market position, particularly in the studded jewellery segment.

Credit challenges

High working capital intensity of operations with a low inventory turnover – The jewellery retail business necessitates sizeable inventory stocking across stores to ensure product variety as per customer preference, resulting in elevated working capital requirements. Additionally, the company's inventory turnover remains constrained by the higher share of diamond-studded jewellery, which typically has a longer sales cycle compared to plain gold jewellery, however, the same is offset by a higher gross margin in such value-added products. OFJPL reported an inventory turn of nearly 1 times (without bullion sales) in its retail stores, though the overall inventory turn remains higher due to bullion sales, which entail relatively lower inventory holding. The company's NWC/OI stood at 35% in FY2026, with inventory days of 226. Going forward, while working capital intensity is expected to remain elevated, given the nature of the business and the company's store expansion plans, the initiatives undertaken by the new management to improve footfall at stores and an increasing contribution from faster-moving lightweight jewellery are expected to gradually improve the inventory turnover.

Exposed to regulatory risks and intense competition prevalent in jewellery retailing business – The domestic jewellery retail industry remains exposed to the risks arising from the evolving regulatory landscape, which could have an adverse impact on OFJPL's business. The 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 had impacted demand and supply in the past. Further, the jewellery retail industry is highly fragmented and is exposed to intense competition from other organised and unorganised players, which limits the pricing power to an extent. Nonetheless, OFJPL has demonstrated its ability to maintain its market position in recent years, which, along with the initiatives being undertaken by the new management to strengthen the brand awareness, provides comfort.

Revenues and margins susceptible to volatility in gold and diamond prices – The ratings remain constrained by OFJPL's exposure to fluctuations in gold and diamond prices, which can materially impact its revenues, profitability, and working capital requirements. While a significant portion of price increases can be passed on to customers, sharp movements in commodity prices may affect consumer demand and product affordability. However, sharp price correction may lead to inventory losses and margin erosion. Nevertheless, under the new management, the company is gradually strengthening its hedging practices and inventory management processes, which are expected to mitigate the impact of commodity price volatility to some extent.

Liquidity position: Adequate

The liquidity position of the company is Adequate. Its fund flow from operations stood at around Rs. 88 crore in FY2026 and is expected to increase to Rs. 130-140 crore in FY2027. This, coupled with a sizeable headroom available in the working capital limits, with an unutilised amount of around Rs. 200 crore as of June 2026, would support the company's liquidity. The company has no major long-term debt obligation excluding leases. It has received sanction of a loan of Rs. 70 crore in the current fiscal under ECLGS (emergency credit loan scheme), of which approximately Rs. 37 crore has been disbursed in September-2026. The facility has a repayment tenure of five years, including a one-year moratorium period. ICRA expects OFJPL to incur moderate capital expenditure (capex) primarily for the planned store addition in the medium term. The healthy fund flow from operations, undrawn bank lines and equity infusion by the new promoters and external investors would keep the liquidity comfortable, despite an increase in working capital requirement for the new stores.

Rating sensitivities

Positive factors – The ratings may be upgraded, if the company registers a healthy growth in revenues and earnings, supported by store expansion and turnaround of profitability from the core business, while keeping the working capital intensity under control, strengthening the credit metrics on a sustained basis.

Negative factors – The outlook maybe revised to Stable or the ratings may be downgraded in case of sustained pressure on the company's operating performance in the absence of the expected improvement in its overall operating efficiency, sub-optimal performance of new stores or pressure on inventory turn, adversely impacting the debt protection metrics and the liquidity position.

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

Orra Fine Jewellery Private Limited (OFJPL) retails branded gold and diamond-studded jewellery under its 'Orra' brand. The company had a network of 94 stores as on June 30, 2026, offering a diversified product portfolio dominated by value-added diamond-studded jewellery. The company has built its diamond-focused brand with differentiated sub-brands such as 'Solis' (everyday wear jewellery), 'Desired' (occasion wear), and 'Aekta' (bridal jewellery). Orra also benefits from a loyal customer base, and industry-leading ticket sizes, driven by its focus on premium necklace sets and bridal jewellery.

The company was incorporated in 1991 by the Bhansali and Mehta families, promoters of one of India's largest cut and polished diamond (CPD) manufacturing companies, Rosy Blue India Private Limited to establish Rosy Blue's retail presence in the country. A significant change in the company's ownership and management took place in January 2026, when Mr. Arpit Khandelwal, Mr. Siddharth Sacheti, and Mr. Mithun Sacheti together acquired a controlling stake from the erstwhile promoter family. The new management team brings extensive experience in scaling consumer brands and omnichannel retail businesses, with a strategic focus on accelerating growth, improving profitability, enhancing customer experience, and expanding Orra's national footprint.

Key financial indicators (audited)

OFJPL (Standalone)	FY2025	FY2026	Q1 FY2027*
Operating income	1,232.3	1,407.0	393.8
PAT	6.4	21.1	22.1
OPBDIT/OI	11.9%	12.2%	14.8%
PAT/OI	0.5%	1.5%	5.6%
Total outside liabilities/Tangible net worth (times)	5.1	5.8	3.4
Total debt/OPBDIT (times)	3.9	3.7	2.5
Interest coverage (times)	2.0	2.0	3.4

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; * Provisional numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current ratings (FY2027)					Chronology of rating history for the past 3 years					
			FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based – Working capital	Long-term/Short-term	515.00	Oct 01, 2026	[ICRA]BBB+ (Positive)/ [ICRA]A2	-	-	-	-	-	-
Fund based/Non-fund based limits	Long term/Short term	-	-	-	Jun 30, 2025	[ICRA]BB+ (Stable)/ [ICRA]A4+; withdrawn	-	-	Mar 07, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+
Interchangeable limits	Long term/Short term	-	-	-	Jun 30, 2025	[ICRA]BB+ (Stable)/ [ICRA]A4+; withdrawn	-	-	Mar 07, 2024	[ICRA]BBB (Stable)/ [ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund based – Working capital	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	Financial Sector Regulator [#]
NA	Long-term/Short-term – fund based – Working capital	NA	NA	NA	515.00	[ICRA]BBB+ (Positive)/ [ICRA]A2	RBI

Source: Company

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

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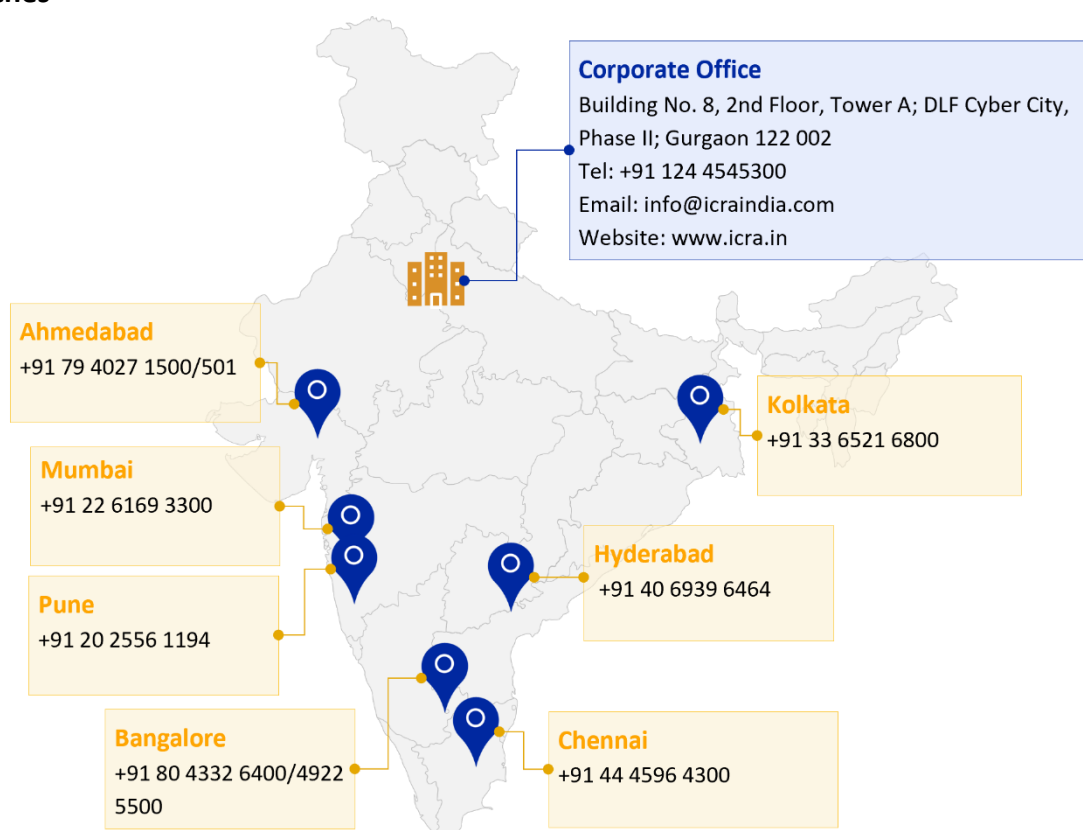
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