

Sawansukha Jewellers Private Limited

December 05, 2025

Facilities	Amount (₹ crore)	Rating ¹	Rating Action
Short-term bank facilities	80.00 (Enhanced from 70.00)	CARE A2+	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Sawansukha Jewellers Private Limited (SJPL) factors in the improvement in leverage position in FY25 (refers to April 01 to March 31), despite moderation in profitability margins in the same period. It derives comfort from a satisfactory capital structure, supported by moderate debt levels and nil long-term repayment obligations. The rating also reflects stable revenue from operations, extensive promoter experience with a long track record, an established brand in Kolkata, in-house designing capability, and a wide product range.

However, these strengths are offset by a high inventory holding period, moderate debt coverage indicators, exposure to a highly competitive and fragmented jewellery industry, and volatility in gold prices. Credit risk persists due to non-receipt of payments from exporters as such transactions are not backed by letters of credit (LC).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing scale of operations marked by total operating income (TOI) of over ₹1000 crore with improved profitability margins of over 9% on a sustained basis.
- Improving debt coverage indicators with total debt to gross cash accruals (TD/GCA) going below 2x on a sustained basis.

Negative factors

- Declining TOI below ₹400 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin below 6% on a sustained basis.
- Elongating operating cycle beyond 150 days on a sustained basis.
- Deteriorating overall gearing beyond 0.50x on a sustained basis.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Extensive experience of promoters

SJPL's promoters have over two decades of experience in the jewellery industry. The business has been managed by multiple generations of the Sawansukha family, supported by a team of experienced professionals. The company's day-to-day affairs are looked after by Siddhartha Sawansukha, who has an experience of ~18 years in this business. Long-standing presence has given him strong insights on consumer-buying patterns and trends in jewellery design.

Long track record and established brand name in Kolkata

Rupchand Sawansukha, the promoter, has been engaged in the gold jewellery business, since over two decades. 'Sawansukha' has a well-established brand image, known for its unique designs of handmade jewellery created by a wide network of artisans, as opposed to the machine-made jewellery purchased from wholesalers. The company's brand image and reach enabled them to expand their footprint and enter export market. The company opened a new showroom in Raipur in FY25.

In-house designing capability and wide range of product offerings

SJPL has an in-house design department, where the company develops specialty designs according to latest market trends and customer preferences. The manufacturing activity is outsourced to a network of ~300 artisans across the country. Requirement of gold bars is estimated in the administrative office and the bullion bars purchased are issued to artisans. Since major part of

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

sales is of handmade jewellery, strong relationship with artisans aid the company in bringing innovative designs and maintain margin. SJPL offers a wide range of products and dedicated segments for gold ornaments, diamond jewellery, platinum jewellery, silver ornaments, gold bars, and pearls, among others, to its customers.

Stable revenue from operations despite moderation in margin in FY25

The company's TOI remained at similar levels of FY24 at ₹558.83 crore in FY25 despite decline in volume, considering substantial increase in price of gold metal. Average sales realisation of gold jewellery increased from ₹5,149/gm in FY24 to ₹5,359/gm in FY25 due to increase in gold price. The company's exports dropped from ₹326 crore in FY24 to ₹311 crore in FY25. Gold jewellery is sold at a lower margin in the export market due to intense competition. The PBILDT margin moderated to 3.78% in FY25 from 6.98% in FY24, considering higher job expenses for manufacturing of gold owing to rise in gold prices and promotional discounts on making charges. The margin took a hit considering opening of a new showroom in Raipur in FY25. Accordingly, profit after tax (PAT) stood at ₹14.76 crore in FY25 compared to ₹32.08 crore in FY24.

Comfortable capital structure with moderate debt coverage position

The company's overall gearing improved from 0.41x on March 31, 2024, to 0.32x on March 31, 2025, primarily considering reduction in Gold Metal Loan (GML). Debt coverage indicators moderated with TD/GCA moderating from 3.11x as on March 31, 2024, to 5.44x as on March 31, 2025, considering decline in margins. The company has a sizeable debt, which is covered by 100% fixed deposit margin, providing comfort from a credit perspective. Accordingly, net overall gearing stood at 0.05x as on March 31, 2025. Going forward, in the absence of debt-funded capital expenditure (capex) plans, capital structure and debt protection metrics are expected to improve.

Key weaknesses

High inventory holding period leading to high operating cycle

SJPL's operations are working capital intensive owing to high inventory levels, which are needed to be maintained across showrooms to attract and retain customers. However, it slightly deteriorated with inventory days increasing from 134 days in FY24 to 138 days in FY25 and accordingly, operating cycle deteriorated from 147 days in FY24 to 158 days in FY25. Average collection period remained at ~23-32 days in the last three years. Payments received from the exporters are not backed by LC. Hence, there is credit risk associated with non-receipt of the payment from them. However, it mitigated to an extent as the clients are of repute, and SJPL has long-standing relationship with them.

Presence in industry, which is highly competitive and regulated with fairly volatile gold prices

The gems and jewellery sector is highly fragmented. The retail segment has high dominance of unorganised players and even more so in case of manufacturers. This creates high competition for the organised players leading to pressure on pricing flexibility, which impacts company margins. The jewellery sector has seen high regulatory interventions in the past. Recent developments include mandatory PAN number collection for the purchase of gold jewellery beyond ₹2 lakh, and mandatory hallmarking of gold jewellery, among others. The government also modifies import duty on gold. All these interventions have affected the demand and supply in the past and continue to remain important from credit perspective. Being an important commodity and a mode of investment, gold prices remained fairly volatile, impacting margins of companies in the industry. Volatility in the margin is mitigated to a large extent by availing GML. GML is a mechanism under which a jewellery manufacturer borrows gold bullions against the security of a fixed deposit (FD) and settles the loan with the sale proceeds obtained. In case there is an increase in the price of gold, the company receives the sale proceeds from its customers at the increased price, which is utilised towards GML repayment. Hence, an increase in gold prices is not likely to have major impact on the company.

Liquidity: Adequate

The company's liquidity remained adequate considering cash accruals of ₹16.25 crore against nil debt repayment obligation and sufficient cash and bank balance (including margin money) of ₹75.64 crore on March 31, 2025. There was nil working capital utilisation for 12 months ended October 2025. Besides, the company utilises order-based PCFC limit. The company has negligible long-term debt repayment obligation against, which it expects to generate sufficient cash accruals in FY26.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Retail](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Gems, jewellery and watches

SJPL was earlier established as a proprietorship firm by Rupchand Sawansukha with only one jewellery shop in Burrabazar, Kolkata. It was reconstituted as a private limited company in September 1995. The company is engaged in manufacturing and retailing gold, silver, diamond and jadau jewellery through six retail showrooms, with four of them in Kolkata, one showroom in Siliguri and one in Raipur.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	7MFY26 (UA)*
Total operating income	560.71	558.83	350.00
PBILDT	38.47	21.14	NA
PAT	32.06	14.77	NA
Overall gearing (times)	0.41	0.32	NA
Interest coverage (times)	8.23	3.49	NA

A: Audited UA: Unaudited; Note: these are latest available financial results

*As on November 20, 2025.

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - ST-EPC/PSC		-	-	-	80.00	CARE A2+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - ST-EPC/PSC	ST	80.00	CARE A2+	-	1)CARE A2+ (09-Sep-24)	1)CARE A2 (23-Jan-24) 2)CARE A2 (07-Aug-23)	1)CARE A2 (06-Jun-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - ST-EPC/PSC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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