

Senco Gold Limited

March 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	2,950.00	CARE A+; Stable / CARE A1	Assigned
Short Term Bank Facilities	50.00	CARE A1	Reaffirmed
Fixed Deposits	495.00	CARE A+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities and fixed deposits issue of Senco Gold Limited (Senco) derive strength from its strong brand image and established market presence in the eastern region, satisfactory capital structure and debt protection metrics, improved financial profile over the years and strong liquidity.

However, these strengths are partially offset by working capital intensive operations, geographical concentration risk, exposure to gold price volatility, intense competition from organised and unorganised players in the industry, and susceptibility to regulatory risks existent in the gems and jewellery industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in its scale of operations with sustained profit before interest, lease rentals, depreciation and taxation (PBILDT) margin and improving geographical diversification of its operations beyond the eastern region.
- Improvement in working capital efficiency going forward as marked by an operating cycle of below 120 days.
- Improvement in debt coverage indicators marked by net debt (adjusted for margin money)/ adjusted gross cash accruals (GCA; adjusted for lease liability obligations) going below 4x on a sustained basis.

Negative factors

- Decline in total operating income (TOI) below ₹6,000 crore with PBILDT margin going below 6% going forward on a sustained basis.
- Moderation in working capital cycle beyond 200 days on a sustained basis.
- Moderation in net debt/ adjusted GCA beyond 8x on a sustained basis.
- Debt-funded capex being undertaken by the company leading to net overall gearing ratio going above unity on a sustained basis.

Analytical approach: Consolidated, and subsidiaries operating in the similar line of business having the same management. Entities being consolidated as on March 31, 2025, are given in Annexure 6.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that Senco will continue to benefit from extensive experience of promoters, sustained PBILDT margin and established brand presence in its key markets.

Detailed description of key rating drivers:

Key strengths

Strong brand image and established brand presence in the eastern region

With a long operational track record, Senco developed a strong brand image and enjoys an established presence in the eastern region, which remains its key market. The company's established track record of operations and long experience of promoters strengthen its operating profile. As of December 2025, the company operates 194 showrooms across India and two in Dubai, with rapid expansion planned across the country. The business was promoted by Maran Chand Sen in early 1940s and later inherited by Prabhat Chandra Sen in the early 1970s. It was later converted into a private limited company by Shaankar Sen. Suvankar Sen, the current Managing Director and CEO has over two decades of experience in the jewellery retail industry. He

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

and Joita Sen, Director, having similar experience in marketing segment, and a professional management team oversees the company's day-to-day operations.

Satisfactory capital structure and debt protection metrics

Satisfactory capital structure backed by net overall gearing ratio of 0.86x as on March 31, 2025, against 1.00x as on March 31, 2021. The company's net debt (total debt net of margin money) increased over the years from ₹602 crore as on March 31, 2021 to ₹1,699 crore as on March 31, 2025, to support significant increase in number of stores from 111 stores in FY21 to 175 stores in FY25. Despite increase in net debt, capital structure is supported by a higher increase in the company's net worth position from ₹600 crore as on March 31, 2021 to ₹1,968 crore as on March 31, 2025, considering raising of equity in initial public offer (IPO) in July 2023, qualified institutional placements (QIP) issue in FY25 and accretion of profits to reserves. The company's working capital borrowings increased in 9MFY26 with increase in inventory value, due to which net overall gearing is expected to remain at similar levels going forward.

Debt protection metrics also stood satisfactory marked by PBILDT interest coverage ratio of 2.59x in FY25, against 2.49x in FY21. Net debt/adjusted GCA stood at 7.65x as on March 31, 2025, against 6.11x as on March 31, 2021. However, going forward, it is expected to improve.

Improved financial performance over the years

The company's TOI grew at a compounded annual growth rate (CAGR) of ~19% from ₹2,661 crore in FY21 to ₹6,334 crore in FY25. The growth is backed by launching of new stores over the years, growth in customer base and partly by increase in prices of gold metal. The company's same stores sales growth, as a whole, stood at 15% in FY25 (against 19% in FY24). The company has been able to maintain satisfactory PBILDT margin in the range of 6.10-8.15% in FY21-FY25.

Both revenue and profitability witnessed a significant uptick in Q3FY26, with majority sales being driven from the festive season in October 2025. Accordingly, the company's TOI increased to ₹6,433 crore in 9MFY26 against ₹4,950 crore in 9MFY25. The PBILDT margin also improved significantly from 4.86% in 9MFY25 to 20.80% in 9MFY26. Further, avilment of GML helps to contain financial cost of the company.

Going forward, with addition of new stores, the company's revenue is expected to improve over the years. However, the PBILDT margin is expected to moderate to the range of 7.5% to 7.8%.

Key weaknesses

Working capital intensive operations

Jewellery retailing is working capital intensive due to the need to maintain large and varied inventories to meet diverse customer tastes. A wide product range is key to attracting footfall and driving sales. As maintained by the management, Senco follows a strategy of optimum stock to provide variety across its showrooms. On an overall basis, the company carried ~₹3,096 crore gold inventory as on March 31, 2025. This approach results in elevated working capital requirements, reflected in inventory days of ~178 in FY25 (164 in FY24). To fund these requirements, Senco relies on a mix of bank borrowings and customer advances under gold schemes, with ~₹1,762 crore of working capital funded through bank lines and ₹218 crore through advances in FY25. With continued expansion of its retail footprint and the need to hold higher inventory, the company's operations are expected to remain working capital intensive. The company has availed additional working capital lines to meet its increased working capital requirements.

Exposure to gold price volatility; mitigated to a certain extent by inventory hedging policy

Senco's profitability remains inherently exposed to fluctuations in gold prices, as the company operates in the retail jewellery business, where selling prices are closely linked to prevailing market rates. Making charges, which are tied to ornament value, is the key contributor to margins.

The company follows a daily replenishment strategy, which helps limit price risk to a large extent. Senco utilises gold metal loans to hedge its gold stock and Multi Commodity Exchange (MCX), futures & options options and derivatives combos. Currently, the company is following a strategy to hedge 100% of its daily sales and ~60% of its inventory.

Intense competition from organised and unorganised players

The jewellery retail industry in India is intensely competitive, with pressure from organised players having pan-India networks and a large base of unorganised retailers. Presence of established national and regional brands, and price-sensitive consumer behaviour and regional preferences, adds to the competitive intensity. Although Senco benefits from its established brand, scale,

and higher share of studded jewellery, sustaining growth and margins will require continued investment in geographic diversification, technology, improvement in stud ratio, customer engagement, and brand building to mitigate these risks.

Geographical concentration risk

Senco derives a significant portion of its revenue from the eastern region, with over 80% its revenue concentrated in these states. While the company outlined plans to expand its presence in northern markets to achieve greater diversification, until such expansion contributes materially to revenues, business performance will depend on a few core geographies. Adverse economic, regulatory, or competitive developments in these markets could have a disproportionate impact on overall operations.

Susceptibility to regulatory risks existent in the gems and jewellery industry

The gems and jewellery sector remains exposed to regulatory risks, given gold's position as India's second-largest import item after petroleum. Over the years, the government introduced several measures such as import duty changes, hallmarking norms, and gold monetisation schemes to improve transparency and manage trade. While demand for gold jewellery has remained resilient due to strong cultural preference, major policy shift can impact supply chains and pricing.

Liquidity: Strong

The company's liquidity is marked strong with company generating adjusted GCA (adjusted for lease liabilities payment) of ₹221.89 crore against negligible debt repayment obligation of ₹0.40 crore in FY25. No major term loan in the books and free cash and bank balance of ₹94 crore as on March 31, 2025, provides liquidity comfort. In FY26, the company is expected to generate sufficient cash accruals to meet its debt repayment obligations of ₹0.40 crore in FY26. Average working capital utilisation stood ~88% for 12 months ended September 2025. The current ratio stood at 1.43x as on March 31, 2025.

Environment, social, and governance (ESG) risks

As maintained by the management, Senco's in-house production is ~5% and rest is sourced from job workers and jewellery B2B vendors. Senco has adopted energy-efficient practices across its operations to reduce environmental impact. Key initiatives include transitioning showroom lighting to LED, using compressed natural gas (CNG) in manufacturing, and exploring solar power installations to promote renewable energy. The company actively monitors energy usage and evaluates low-emission transport options to mitigate greenhouse gas (GHG) emissions. Water conservation measures such as low-flow fixtures, rainwater harvesting, and awareness programs have been implemented to address climate-related water scarcity risks.

The company emphasises employee well-being, offering 100% health and accident insurance coverage, maternity benefits, and POSH compliance. Diversity remains a priority, with women comprising 37% of the workforce. Against its corporate social responsibility (CSR) obligation of ₹4.36 crore in FY25, the company has met its entire obligation in FY25 itself.

Senco maintains robust governance frameworks to ensure transparency, accountability, and ethical conduct. The Board oversees ESG matters through a dedicated ESG Committee and conducts regular reviews of compliance and sustainability performance. Policies aligned with NGRBC principles cover anti-bribery, anti-corruption, whistle-blower mechanisms, and responsible sourcing. The company adheres to BIS hallmarking standards, IGI and SGL certifications for jewellery quality, and ISO 27001 for data security. Stakeholder engagement through surveys and grievance redressal systems strengthens trust and responsiveness. These governance practices aim to reduce regulatory risks, enhance stakeholder confidence, and support long-term sustainable growth.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Retail](#)

[Short Term Instruments](#)

[Consolidation](#)

About the company and industry

Industry classification

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

Incorporated on August 22, 1994, in Kolkata as Senco Gold Private Limited, Senco was converted into a public company in August 2007 and renamed Senco Gold Limited. It is among the largest organised jewellery retailers in east India, operating ~196 showrooms (194 across India and two in Dubai) across 17 states/UTs and 125 cities. The company has two manufacturing facilities in Kolkata and employs ~192 artisans.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	5243.63	6333.50	6433.37
PBILDT*	390.71	386.28	694.66
Profit after tax (PAT)	181.00	159.31	417.44
Overall gearing (x)	1.44	1.17	NA
Interest coverage (x)	3.25	2.59	4.69

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Note: Ratios are classified per CareEdge Ratings Standards.

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
Fixed Deposit		-	-	-	495.00	CARE A+; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	717.50	CARE A+; Stable / CARE A1
Fund-based/Non-fund-based-LT/ST		-	-	-	2232.50	CARE A+; Stable / CARE A1
Fund-based/Non-fund-based-Short Term		-	-	-	50.00	CARE A1

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/Non-fund-based-Short Term	ST	50.00	CARE A1	1)CARE A1 (12-Jan-26)	-	-	-
2	Fixed Deposit	LT	495.00	CARE A+; Stable				
3	Fund-based/Non-fund-based-LT/ST	LT/ST	717.50	CARE A+; Stable / CARE A1				
4	Fund-based/Non-fund-based-LT/ST	LT/ST	2232.50	CARE A+; Stable / CARE A1				

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	Fixed Deposit	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Fund-based/Non-fund-based-Short Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Senco Gold Artisanhip Private Limited	Full	Wholly owned subsidiary
2	Senco Global Jewellery Trading LLC	Full	Wholly owned subsidiary
3	Sennes Fashion Limited	Full	Wholly owned subsidiary

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.

Contact us

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