Ref: SEC/SE/83/2025-26 **Date: 12th January 2026**

The Manager- Listing	The Manager – Listing
The National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400051	**BSE Limited** Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001
NSE SYMBOL: SENCO	**BSE SCRIP CODE: 543936**

Dear Sir(s)/ Madam(s),

Sub: Intimation regarding Credit Rating under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that Care Edge ("CARE Ratings Limited") has assigned the following credit rating for the short-term bank facilities of the Company:

Instrument/Facilities	Rated Amount (in crore)	Rating	Rating Action
Short Term Bank Facilities	50.00	CARE A1	Assigned

The press release issued by CARE Edge along with the CFO's comments, are enclosed herewith and shall also be available on the website of the company.

Yours sincerely,

For SENCO GOLD LIMITED

Mukund Chandak Digitally signed by Mukund Chandak Date: 2026.01.12 21:58:06 +05'30'

Mukund Chandak
Company Secretary & Compliance Officer
Membership No. A20051

Encl: As above

SENCO GOLD LIMITED

CARE Edge Assigns 'CARE A1' Rating to our Short-Term Bank Facilities

We are pleased to inform that Care Edge **(CARE Ratings Limited)** has assigned "**CARE A1"** rating to our short-term bank facilities of Rs 50 Cr. This rating assigned is a testament to our value creation journey driven by operational growth, financial discipline, robust capital allocation, and sustained improvement in key financial indicators, including Net Debt/Equity, TOL/TNW and Working Capital Management.

This rating is a continuous journey over the last few years as follows:

- **Rating for our long term banking facility,** which was **ICRA A-(Stable),** was enhanced to a positive outlook in Aug 2022, **ICRA A-(Positive);** and upgraded **to ICRA A(Stable)** in Jun 2023 and the same has been retained with an enhanced borrowing limit of Rs 2400 Cr as of Jun 2025.
- **Rating for our short-term banking facility,** primarily Gold Metal Loan (GML) and CC WCDL, has been consistently maintained at **ICRA A2+(Stable)** while the borrowing levels has increased almost 4x from Rs 622 Cr to Rs 2400 Cr presently.
- **Care Edge has now rated our short-term bank facilities to CARE A1.** The rating by CARE Edge reflects our sustained value creation journey as follows:
    - Fundraise by Private Equity route in Apr 22, Initial Public Offer (IPO) in July 23 and Qualified Institutional Placement (QIP) in Dec 24, strengthening our Capital Base for expansion.
    - Consolidating our market presence on a pan-India basis and streamlining our working capital cycles amidst post-COVID economic recovery.
    - Demonstrating resilience and stability while navigating volatility in gold prices, almost 65% YoY and expanding our showroom footprint aggressively to 196.
    - Sustained improvement in scale of operations with increase in EBITDA, PBIT and Adjusted PAT.

We view this rating as an encouraging endorsement of our consistent operational performance, growth journey and disciplined working capital management. We remain grateful for the continued confidence shown by our bankers, investors and stakeholders and will stay focused on strengthening our business and financial profile sustainably.

Sincerely,

Sanjay Banka Digitally signed by Sanjay Banka Date: 2026.01.12 21:57:31 +05'30'

Sanjay Banka
Group CFO & Head IR
Senco Gold Limited

Senco Gold Limited

January 12, 2026

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Short-term bank facilities	50.00	CARE A1	Assigned

Details of facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities 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.
- Any debt-funded capex being undertaken by the company leading to net overall gearing ratio going above unity on a sustained basis.

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

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Strong brand image and established brand presence in the eastern region

With an operational track record of over three decades in India, Senco has 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 the promoters strengthen its operating profile. As of September 2025, the company operates 191 showrooms across India and two in Dubai, with rapid expansion planned across various regions of the country. The business was promoted by Maran Chand Sen and Prabhat Chandra Sen in early 1970s and 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 along with Joita Sen, having similar experience in marketing segment, and a professional management team oversees the day-to-day operations of the company.

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 net debt (total debt net of margin money) of the company has increased over the years from ₹602 crore as on March 31, 2021 to ₹1,699 crore as on March 31, 2025, to support the significant increase in number of stores of the company from 111

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

stores in FY21 to 175 stores in FY25. Despite increase in net debt, the capital structure is supported by a higher increase in net worth position of the company 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 net overall gearing ratio is expected to improve going forward.

The 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, the same is expected to improve.

Improved financial performance over the years

The TOI of the company grew at a compound annual growth rate (CAGR) of ~19% from ₹2,661 crore in FY21 to ₹6,334 crore in FY25. The growth is backed by commencement of new stores over the years and increase in prices of gold metal. The same stores sales growth of the company, 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.

Though PBILDT margin stood at ~6.10% in FY25 owing to a sudden spike in the gold metal prices leading to decline in demand in H2FY25, however, the demand has again picked up in H1FY26 with company generating TOI of ₹3,362 crore in H1FY26 (₹2,904 crore in H1FY25) and PBILDT margin of 8.63% in H1FY26 (5.52% in H1FY25).

Going forward, with addition of new stores, the revenue and profitability of the company are expected to improve over the years.

Key weaknesses

Working capital intensive nature of 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. Senco follows a strategy of stocking significant quantities 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.

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, form the key contributor to margins.

The company follows a daily replenishment strategy, which helps limit price risk to an extent. Senco utilises gold metal loans to hedge its gold stock along with MCX, futures and derivatives combos. Currently, the company is following a strategy to hedge 100% of its 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 both organised players with pan-India networks and a large base of unorganised retailers. The 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, 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 majority its revenue concentrated in these states. While the company has 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. Any 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 has 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 liquidity of the company 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. The average working capital utilisation stood ~88% for the past 12 months ended September 2025. The current ratio stood at 1.43x as on March 31, 2025.

Environment, social, and governance (ESG) risks

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

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 ~192 showrooms (190 across India and two in Dubai) across 17 states/UTs and 125 cities, including 79 franchise outlets, 61 of which are in Tier-III and smaller cities. The company has two manufacturing facilities in Kolkata and employs ~192 artisans.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	5243.63	6333.50	3362.40
PBILDT*	390.71	386.28	290.14
Profit after tax (PAT)	181.00	159.31	153.43
Overall gearing (x)	1.44	1.17	NA
Interest coverage (x)	3.25	2.59	3.25

A: Audited; UA: Unaudited; NA: Not applicable; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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-Working Capital Limits		-	-	-	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 - ST-Working Capital Limits	ST	50.00	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	Fund-based - ST-Working Capital Limits	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 Artisanship 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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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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