

## Rating

**SUBSCRIBE**

## Issue Offer

Issue Opens on	July 04, 2023
Issue Close on	July 06, 2023
Total IPO size (cr)	405.00
Fresh issue (cr)	270.00
Offer For Sale (cr)	135.00
Price Band (INR)	301-317
Market Lot	47
Face Value (INR)	10
Retail Allocation	35%
Listing On	NSE, BSE

## Objects of the issue

- Funding working capital requirements of the company.
- General corporate purposes.

## Issue Break-up (%)

QIB Portion	50
NIB Portion	15
Retail Portion	35

## Shareholding (No. of Shares)

Pre Issue	69,145,806
Post Issue	77,663,156

## Indicative Timetable

Finalisation of Basis of Allotment	11-07-2023
Refunds/Unblocking ASBA Fund	12-07-2023
Credit of equity shares to DP A/c	13-07-2023
Trading commences	14-07-2023

**Senco Gold Limited** is pan-India jewellery retail player with a history of more than five decades. primarily sell gold and diamond jewellery and also sell jewellery made of silver, platinum and precious and semi-precious stones and other metals. other offerings also include costume jewellery, gold and silver coins and utensils made of silver. Their products are sold under the “Senco Gold & Diamonds” tradename, through multiple channels, including 75 Company Operated Showrooms and 61 Franchisee Showrooms and various online platforms, including their website [www.sencogoldanddiamonds.com](http://www.sencogoldanddiamonds.com).

- With a catalogue offering more than 120,000 designs for gold jewellery and more than 69,000 designs for diamond jewellery, they offer a large variety of designs of handcrafted jewellery, most of which are designed and manufactured in-house by their designers in close collaboration with skilled Karigars in Kolkata and across the country.
- Machine made light weight jewellery in gold and diamonds are also manufactured at their manufacturing facility based on designs prepared by their in house designers and also sourced from third partner manufacturing vendors.
- As on March 31, 2023, they have 136 showrooms, which have a total area of approximately 409,882 sq. ft., in 96 cities and towns over 13 states across India. Some of its Franchisee Showrooms are located in areas other than metros and tier-I, providing us greater reach in tier-II locations.
- They have a dedicated design team, comprising 20 designers as on March 31, 2023 focused on developing new products and designs that meet customers’ expectations. They also customize jewellery catering to individual requirements in terms of design, size, polish and weight.
- As part of their marketing initiatives, they regularly tie-up with celebrities as brand ambassadors to promote their brand or specific collections and also sponsor sporting teams and events.

**Outlook & Valuation:** Senco Gold Limited is a well-known brand in Eastern India, where it is the largest organized jewelry retailer with a history of over five decades. The company has a wide range of products and is targeting the younger generation with a focus on light and affordable jewelry. It has also reported strong financial growth over the past three years.

However, there are some risks involved, such as the highly competitive nature of the market and the volatility of the jewelry market. Nevertheless, the IPO is priced attractively at a P/E of approximately 13x. Taking all factors into account, **we will recommend to subscribe this IPO.**

## KEY MANAGERIAL PERSONNEL

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- Ranjana Sen is the Chairperson and Whole Time Director of the Company She holds a bachelors degree in arts from the University of Calcutta She has been associated with the the Company since the incorporation of the Company and has over 29 Years of experience in the jewellery industry.
- Suvankar Sen, is a Whole Time Director designated as Managing Director and Chief Executive Officer of the Company. He has been associated with the Company since 2005 and has over 17years of experience in the jewellery industry.
- Sanjay Banka is the Chief Financial Officer of the Company. He has been associated with the Company since December 21, 2020. He has over 20 years of experience in the field of banking, corporate finance, company secretary, business strategy, M&A, taxation, IT implementation, treasury.
- Surendra Gupta is the Company Secretary & Compliance Officer of the Company. He heads the secretarial department and joined the Company on May 22, 2013. He has over nine years of experience in the jewellery industry.
- Sanjay Banerjee is the Chief Operating Officer of the Company. He has been associated with the Company since March 1, 2019. He is currently responsible for Operations and Sales in the Company.

## COMPETITIVE STRENGTHS

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- Strong brand name with heritage and a legacy of over five decades.
- Largest organized jewellery retail player in the eastern region of India based on number of stores.
- Robust and Strong 'Company Operated Showroom' base complemented by an established asset-light 'franchise' model leading to operating leverage.
- Focus on light, affordable jewellery with the intention to cater to the upwardly mobile and younger generation.
- Established Systems and Procedures to mitigate risk and improve efficiencies.
- Experienced management team and institutional investor support.

## KEY STRATEGIES

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- Further expand the presence through a strong and diverse distribution channel.
- Focus on increasing the overall operating margins by adapting optimal product mix.
- Continue to invest in the marketing and brand building initiatives through hyperlocal strategy.
- Focus on catering to the younger generation and the upwardly mobile in India.
- Leverage technology to enhance operational efficiency, customer experience and delight.

## KEY CONCERNS

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- The Company operates in highly competitive and fragmented market.
- Volatility in the market price of gold and diamonds has a bearing on the value of its inventory and may affect its income, profitability and scale of operations.
- Their income and sales are subject to seasonal fluctuations and fluctuations across formats and lower income in a peak season may have a disproportionate effect on the results of operations.
- Company requires significant amounts of working capital for continued growth.
- The company has experienced negative cash flows from operating and investing activities in previous fiscals.

**COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31<sup>ST</sup> MARCH 2023)**

Name of the Company	EPS (Basic)	NAV	P/E	Total Income (Mn)	RoNW (%)
Senco Gold Limited	22.93	136.83	-	41,085.40	18.96%
<b>Peer Group</b>					
Kalyan Jewellers India Limited	4.2	35.29	29.29	141,093.38	12.79%
Titan Company Limited	36.61	133.49	81.13	408,830.00	30.73%

**FINANCIALS (RESTATED CONSOLIDATED)**

Particulars (Rs. In Millions)	FY 2023	FY 2022	FY 2021
Equity Share Capital	558.50	531.86	531.86
Other Equity	8,763.74	6,594.85	5,361.38
<b>Net Worth</b>	<b>9,455.20</b>	<b>7,259.67</b>	<b>6,026.20</b>
Total Borrowings	14.26	3.95	4.06
<b>Revenue from Operations</b>	<b>40,774.04</b>	<b>35,346.41</b>	<b>26,603.79</b>
EBITDA	3,477.58	2,899.53	1,898.69
Profit Before Tax	2,161.52	1,769.59	836.61
<b>Net Profit for the year</b>	<b>1,584.79</b>	<b>1,291.02</b>	<b>614.82</b>

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