

April 02, 2026

P. C. Chandra Jewellery Apex Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based - Cash credit	25.50	25.50	[ICRA]AA- (Stable); reaffirmed
Short term – Fund based - Gold Metal Loan	30.00	30.00	[ICRA]A1+; reaffirmed
Short term – Fund based - Gold Metal Loan (Interchangeable)^	(20.00)	(20.00)	[ICRA]A1+; reaffirmed
Total	55.50	55.50	

*Instrument details are provided in Annexure I; ^Sublimit of Cash Credit facility

Rationale

To arrive at the ratings, ICRA has taken a consolidated view of P. C. Chandra Group (Group), which includes P. C. Chandra Juels International Private Limited (PCCJIPL, rated at [ICRA]AA- (Stable)/[ICRA]A1+), P C Chandra (Gems) Private Limited (PCCGPL, rated at [ICRA]AA- (Stable)/[ICRA]A1+), P. C. Chandra & Sons India Pvt Ltd (PCCSIPL, [ICRA]AA- (Stable)/[ICRA]A1+), P. C. Chandra Jewellery Apex Private Limited (PCCJAPL, rated at [ICRA]AA- (Stable)/[ICRA]A1+) , P C Chandra (Jewellers) Private Limited (PCCJPL, rated at [ICRA]AA- (Stable)/[ICRA]A1+) and P.C. Chandra Goldlites India Private Limited (PCCGIPL, rated at [ICRA]AA- (Stable)/[ICRA]A1+) because of the strong managerial, operational and financial linkages among the Group companies.

The ratings reaffirmation factors in the sustained healthy financial performance of the Group. The Group posted a robust revenue growth of 28% in FY2025, on the back of continuing rise in gold prices, notwithstanding a subdued volumetric demand due to elevated prices, as reflected by a 5% growth in sales volume of gold in FY2025. The sustained rally in gold prices during FY2026 tempered volume offtake, with gold jewellery sales volume for the Group declining by around 17% in 9M FY2026. Nevertheless, elevated prices underpinned a healthy YoY revenue growth of around 18%. Better absorption of fixed costs, driven by a surge in the top line, led to an improvement in the Group’s consolidated operating margin to 11.2% in FY2025 from 10.5% in FY2024. Continuation of such benefits from revenue ramp-up, coupled with gains on unhedged gold inventory due to a sharp rise in gold prices are expected to result in a material margin expansion in FY2026. The Group opened seven new stores in FY2026, following addition of four stores each in FY2024 and FY2025, and plans to open more than 10 new stores in FY2027, which are likely to support the revenue growth trajectory and improve market presence within and outside West Bengal. Improvement in revenue and profitability is expected to result in healthy cash generation and keep the coverage metrics comfortable in the near-to-medium term, notwithstanding a likely increase in the working capital debt level because of buoyant gold prices and store expansion.

The ratings continue to consider the Group’s favourable financial risk profile, reflected by a conservative capital structure with a gearing of only 0.3 times and TOL/TNW of 0.5 times over the last five years and strong debt coverage indicators. Its return on capital employed (ROCE) remained healthy and stood at 20.3% in FY2025, increasing from 17.4% in FY2024, despite high inventory holding, supported by a comfortable double-digit operating margin, which is among the best in the industry. Moreover, sizeable unsecured loans from the promoter group, which contributed more than 50% to the overall debt excluding lease liabilities as on March 31, 2025 and a significant cushion between drawing power and sanctioned limits render strong financial flexibility. The ratings continue to draw comfort from the significant market presence of the P.C. Chandra Group, its strong brand position, and long experience of its promoters in the business of jewellery manufacturing and retailing, particularly in West Bengal. ICRA expects the business risk profile of the Group to remain comfortable, given the favourable

long-term demand outlook for organised jewellery retailers with their growing penetration, evolving lifestyle and rising disposable income of consumers.

The ratings are, however, constrained by the working capital intensive nature of the Group's operations, mainly on account of high inventory holding. Although high gold inventory provides liquidity back-up to an extent, the same also exposes the Group's profit margins to gold price fluctuations due to a limited coverage of formal hedging. Nevertheless, a significant cushion between the Group's inventory valuation and the market price of gold mitigate the risks of losses from any sharp decline in gold prices. Additionally, the Group continues to remain exposed to geographical concentration risks as majority of the showrooms are in West Bengal, which account for around 90% of the overall sales. Nevertheless, the Group has opened new stores outside West Bengal and with more such stores in the pipeline, revenues from other states are expected to rise in the medium term. The ratings also factor in the intense competition and a fragmented industry structure, which are likely to keep margins under check. ICRA also notes the inherent regulatory risks in the gems and jewellery industry (which impacted the retailers' performance in the past) and a cautious lending environment, constraining the funding to the sector, to some extent. Revenues and cash flows of the jewellery players are also exposed to seasonality in demand, based on the numbers of auspicious days, festivals, crop harvest etc.

The Stable outlook on the long-term rating reflects ICRA's opinion that the Group's liquidity position, capital structure and debt coverage metrics are likely to remain comfortable and commensurate with the rating level, given its healthy cash accruals and limited reliance on external debt. The Group's leading market position in West Bengal and a calibrated expansion strategy are likely to result in the sustenance of profitable growth demonstrated in recent years.

Key rating drivers and their description

Credit strengths

Established market presence and goodwill of the P.C. Chandra Group in West Bengal – The P.C. Chandra Group has been in the gems and jewellery business since 1939. Over the past 87 years, it has developed a strong market position as a jewellery retailer in West Bengal. The goodwill of the brand in eastern India also strengthens the Group's market standing, especially given the importance of trust and the retailer's reputation in jewellery purchase decisions. Even though the jewellery industry in India witnesses tough competition from both the organised as well as the unorganised players, the P.C. Chandra Group has held its own position through superior product quality as well as creative designs. The Group has in-house jewellery manufacturing and designing capabilities and the Group entities operate in various geographical and customer segments under the same P. C. Chandra Jewellers brand, strengthening the overall operational profile of the Group.

Favourable financial risk profile, characterised by conservative capital structure, healthy debt coverage indicators and return on capital employed – The Group's capital structure remained conservative historically, with a sizeable tangible net worth (Rs. 1,875 crore as on March 31, 2025), aided by healthy accretion to reserves vis-à-vis limited reliance on external debt. Its consolidated gearing and TOL/TNW stood at 0.3 times and 0.5 times, respectively, as on March 31, 2025. The Group does not have any external long-term debt (excluding lease liabilities). There is funding support from the promoter Group in the form of interest bearing (9.5%) unsecured loans (Rs. 249 crore as on March 31, 2025), a part of which is renewable on a yearly basis but is revolving in nature. The same kept the working capital borrowing limited (only 9% of the overall inventory as on March 31, 2025). Healthy profits and a conservative capital structure led to strong debt coverage metrics of the Group. The interest coverage stood at 8.8 times in FY2025, improving from 7.4 times in FY2024, and is expected to remain strong despite some increase in working capital borrowings on the back of a sharp rise in gold prices and store expansion. The Group's consolidated gross margin and the operating margin stood at 19.7% and 11.2%, respectively, in FY2025, which are among the highest in the industry, despite a moderate share of value-added studded jewellery. Consequently, the Group's ROCE remained healthy and improved to 20.3% in FY2025 from 17.4% in FY2024, despite high inventory level.

Favourable long-term demand outlook for organised jewellery retailers – Increasing regulatory restrictions in the jewellery segment, aimed towards greater transparency, have been shifting the market share in favour of the organised jewellery retailers. This is likely to be an advantage for organised players like the P.C. Chandra Group. The customs duty cut by 9%, from

15% in July 2024, has disincentivised unofficial imports, also benefitting the organised players. Moreover, ICRA expects the Group to continue to increase its revenue base, supported by a loyal customer base, especially in West Bengal.

Credit challenges

Exposure to geographical concentration risk – The P. C. Chandra Group (six rated entities combined) has 70 jewellery showrooms under its management. Among these, 54 showrooms are in West Bengal and the rest of the stores are spread across different cities in other states including Jharkhand, Odisha, Bihar, Tripura, Assam, Delhi, Uttar Pradesh, Karnataka, Maharashtra and Gujarat. The Group is primarily a regional player, with presence mainly in West Bengal, which exposes it to significant geographical concentration risk, as around 90% of the overall revenue is derived from West Bengal. However, with regular addition of stores in and outside of West Bengal, the market presence of the Group is expected to expand and diversify, going forward.

High inventory increases working capital requirement and exposes the Group to volatility in gold prices – The P. C. Chandra Group purchases gold on a regular basis, keeping parity with its sales volume and uses gold metal loans to fund a part of gold bullion purchases, which provides a natural hedge against gold price fluctuations. However, a significant portion of its gold inventory remains unhedged, implying exposure to risks associated with gold price fluctuations. The Group has a high inventory level (250 days in FY2025) because of various designs of ornaments maintained at the stores and the Group's policy to reinvest business surplus in gold inventory to support future growth. This reduces reliance on external debt for expansion and provides liquidity back-up, given the highly liquid nature of gold as an asset. However, elevated inventory level leads to a high working capital intensity of operations, as reflected by a net working capital relative to the operating income of 52% in FY2025 and simultaneously exposes the Group's profit margins to fluctuations in gold prices as the gold inventory is partially hedged. Nevertheless, the Group benefited from gains on the unhedged gold inventory in the recent years because of a continuous rise in gold prices. Moreover, a significant cushion between the Group's inventory valuation and the market price of gold mitigates the risks of losses from any sharp decline in gold prices.

Exposed to regulatory risks – The domestic jewellery retail industry remains exposed to the risks arising from the evolving regulatory landscape, which could adversely impact the Group's business. Mandatory PAN disclosure on transactions above a threshold limit, imposition of GST and demonetisation are some of the regulations that have impacted demand and supply in the past. The Group remains exposed to similar regulatory changes that may impact its business profile.

Liquidity position: Adequate

The P.C. Chandra Group's liquidity profile is Adequate. The Group's consolidated fund flow from operations remained healthy at Rs. 314 crore in FY2025 and is likely to improve to around Rs. 500 crore in FY2026. However, a significant increase in the working capital requirement, driven by a sharp rise in gold prices and store expansion kept the cash flow from operations at a negative level in FY2025, which is likely to continue in FY2026. Nevertheless, the Group's working capital limit has been enhanced by Rs. 125 crore in FY2026, and a significantly higher drawing power vis-à-vis the current working capital borrowings would mitigate the funding risk. As on March 31, 2025, the Group had nearly Rs. 180 crore undrawn working capital limits. The entities also receive funding support from the promoter Group in the form of interest-bearing unsecured loans, which contributed around 53% to the overall debt, excluding lease liabilities as on March 31, 2025. A part of the promoters' loan is repayable annually, however, revolving nature of the same would continue to support the liquidity profile of the Group. The Group does not have any external long-term loans excluding lease liabilities. The overall capex is likely to remain in the range of Rs. 20-30 crore per annum (excluding leases) in the medium term, for renovation and store expansion, which would be comfortably met from internal accruals. In addition, free cash and liquid investments (around Rs. 52 crore as on March 31, 2025) and advance received from customers (Rs. 173 crore as on March 31, 2025) for pre-booking of gold purchases also support the liquidity.

Rating sensitivities

Positive factors – The long-term rating could be upgraded if the Group demonstrates a significant ramp-up of revenues and earnings on a sustained basis, backed by expansion of store network, while maintaining healthy coverage metrics and business returns.

Negative factors – Pressure on the P. C. Chandra Group’s ratings may arise if its profitability is significantly impacted by an adverse movement in gold prices or other factors, including competition. A significant increase in the inventory level vis-à-vis cash accruals on a sustained basis, which may adversely impact the Group’s liquidity and increase external borrowings substantially, may result in ratings downgrade. Specific credit metrics that would trigger ratings downgrade include TOL/TNW of more than 1 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Jewellery - Retail Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has consolidated the financials of six Group entities (as mentioned in Annexure-II).

About the company

P.C. Chandra Jewellery Apex Private Limited (PCCJAPL) is a part of the P.C. Chandra Group based in West Bengal. The Group has been involved in jewellery retail since 1939. PCCJAPL is involved in retail sales of gold, silver, diamond and precious stone ornaments. The jewellery is produced through the Group’s in-house facility and job work and is sold to retail clients from showrooms. PCCJAPL was incorporated on December 24, 2002, aiming at institutional sale of gold coins, gold bars, and other corporate gift items. In 2004-05, the company expanded into retail sales of gold, silver, and precious stone ornaments and articles. The institutional sales were shifted to another Group company in 2008-09. The company has established new showrooms at regular intervals and has 25 showrooms, including 23 stores across various districts in West Bengal and one store each in Agartala, Tripura and Bhubaneshwar, Odisha. The company has added a store at Matigara, Darjeeling of West Bengal in February 2026. As of March 2025, the company had four own stores, seven stores run through sales agents and 13 stores run by supervisors. However, the company has converted all the stores, including own stores, to sales agency model from April 2025. All the showrooms function under the brand name, P.C. Chandra Jewellers.

Key financial indicators (audited)

P. C. Chandra Group Consolidated*	FY2024	FY2025
Operating income	3,326.9	4,250.2
PAT	219.6	308.6
OPBDIT/OI	10.5%	11.2%
PAT/OI	6.6%	7.3%
Total outside liabilities/Tangible net worth (times)	0.5	0.5
Total debt/OPBDIT (times)	1.5	1.3
Interest coverage (times)	7.4	8.8

Source: Company, ICRA Research; * Includes six entities of the Group; All ratios as per ICRA’s calculations; Amount in Rs. crore
PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

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					
Instrument	Type	Amount rated (Rs. crore)	Apr 02, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	25.50	[ICRA]AA-(Stable)	Apr-09-25	[ICRA]AA-(Stable)	Apr-24-24	[ICRA]AA-(Stable)	Mar-18-24	[ICRA]AA-(Stable)
				-	-	-	-	Apr-27-23	[ICRA]A+(Positive)
				-	-	-	-	Apr-06-23	[ICRA]A+(Positive)
Gold Metal Loan	Short term	30.00	[ICRA]A1+	Apr-09-25	[ICRA]A1+	Apr-24-24	[ICRA]A1+	Mar-18-24	[ICRA]A1+
				-	-	-	-	Apr-27-23	[ICRA]A1
				-	-	-	-	Apr-06-23	[ICRA]A1
Gold Metal Loan (interchangeable)^	Short term	(20.00)	[ICRA]A1+	Apr-09-25	[ICRA]A1+	Apr-24-24	[ICRA]A1+	Mar-18-24	[ICRA]A1+
				-	-	-	-	Apr-27-23	[ICRA]A1
				-	-	-	-	Apr-06-23	[ICRA]A1

^Sublimit of Cash Credit facility

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash Credit	Simple
Short-term – Gold Metal Loan	Simple
Short-term – Gold Metal Loan (interchangeable)^	Simple

^ Sublimit of Cash Credit facility

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
NA	Long-term – Fund-based – Cash Credit	NA	NA	NA	25.50	[ICRA]AA- (Stable)
NA	Short-term – Gold Metal Loan	NA	NA	NA	30.00	[ICRA]A1+
NA	Short-term – Gold Metal Loan (interchangeable)^	NA	NA	NA	(20.00)	[ICRA]A1+

Source: Company; ^Sublimit of Cash Credit facility

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company name	PCCJAPL's Ownership	Consolidation approach
P. C. Chandra Jewellery Apex Private Limited	Rated entity	Full consolidation
P. C. Chandra & Sons India Pvt Ltd	Fellow subsidiary	Full consolidation
P. C. Chandra Juels International Private Limited	Fellow subsidiary	Full consolidation
P.C. Chandra Goldlites India Private Limited	Fellow subsidiary	Full consolidation
P C Chandra (Jewellers) Private Limited	Fellow subsidiary	Full consolidation
P C Chandra (Gems) Private Limited	Fellow subsidiary	Full consolidation

Source: Company; All the above entities are wholly-owned subsidiaries of P. C. Chandra Holdings Private Limited

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