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The Manager- Listing The National Stock Exchange of India Limited “Exchange Plaza”, Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400051 NSE SYMBOL: SENC	The Manager – Listing BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 BSE SCRIP CODE: 543936
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Dear Sir(s)/ Madam(s),

Sub: Earnings Call Transcripts pertaining to the Unaudited Financial Results of Q2&H1 FY26

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcripts of Analysts/Investors Earnings Conference Call organized on Thursday, 13th November 2025 post declaration of Unaudited Financial Results (both Standalone & Consolidated) for the quarter and half year ended 30th September 2025.

The transcript shall also be available on the website of the Company

We request you to take the above on record.

Yours sincerely,

For SENC GOLD LIMITED

Mukund Chandak

Company Secretary & Compliance Officer
Membership No. A20051

encl.: As above



Senco Gold Limited

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“Senco Gold Limited Q2 FY '26 Earnings Conference Call”

November 13, 2025



Management:	<ul style="list-style-type: none"> • Mr. Suvankar Sen – Managing Director & Chief Executive Officer - Senco Gold Limited • Mr. Sanjay Banka – Group Chief Financial Officer & Head IR - Senco Gold Limited
Moderator:	<ul style="list-style-type: none"> • Mr. Ranganathan – Aventus Spark
Investors and Analysts	<ul style="list-style-type: none"> • Videesha Sheth from AMBIT CAPITAL • Raj Sarraf from Finvestors • Ankit Minocha from Adezi Ventures Family Office • Devanshu Bansal from Emkay Global • Naveen Trivedi from Motilal Oswal • Bhavya Gandhi from Dalal & Broacha Stock Broking Limited • Rupesh from Long Equity Partners • Vijay Chauhan from Right Horizons PMS • Annanya Singh from Sowilo Investment Managers • Ranganathan from Aventus Spark • Himanshu from MB Investments • Raj Sarraf from Finvestors



*Senco Gold Limited
November 13, 2025*

Moderator: Ladies and gentlemen, good day, and welcome to the Senco Gold Limited Q2 FY '26 Earnings Conference Call, hosted by Avendus Spark.

As a reminder, all participants' lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ranganathan from Avendus Spark. Thank you, and over to you, sir.

Mr. Ranganathan: Thanks. Good morning, everyone. On behalf of Avendus Spark, it is our pleasure to host the Q2 FY '26 Earnings Conference Call for Senco Gold Limited.

Today, from the Management side, we have Mr. Suvankar Sen – MD and CEO, and Mr. Sanjay Banka, the CFO.

Now, I hand the Conference Call to the Management for their opening remarks, followed by a Q&A section. Thank you. Over to you, sir.

Suvankar Sen: Thank you, Mr. Ranganathan. This is Suvankar Sen – the MD & CEO of Senco Gold Limited, and we would like to welcome everyone of you to the Conference Call. And as we begin the call, I would be happy to share the updates.

Primarily, if we look at this Q2, Senco Gold and Diamonds has achieved a very good performance in terms of an increase in profitability, whether you call it adjusted or without adjustments.

So, in terms of PAT, we have increased our PAT by almost 300% compared to Q2 of last year, from INR 12.1 crore to INR 48.8 crore. And if we take the adjustment of the customs duty impact that was there, still there would be an increase in PAT of 43%.

And this is very important because at this high gold price, when we could see that there were certain headwinds in terms of the sales, especially in the month of September, where consumers were in the mood of postponing their purchase and were confused as to what to do with the increase in gold price. As a result, we have seen that in a consolidated manner, our revenue growth has been about 2%, so about INR 1,536 crore compared to INR 1,500 crore of revenue in the previous year's quarter. But in standalone financials, we have seen a 6.6% growth for the company.

Now, there are certain good things that have happened during this quarter that we have been able to continuously innovate with jewellery as per the demand of the consumer. And as a result of

the planning in terms of marketing, promotion, and product development, we could see that there was a very good response in terms of revenue in the month of October.

We had clocked the highest-ever sales in any single month of INR 1,700 crores in the month of October, compared to about INR 1,100 crores of sales in the previous year's October month of the festive season. And as we speak to you, we have already crossed INR 5,000 crores of revenue growth, which makes us strong enough that we are moving towards the target of our revenue growth of INR 7,400 crores for the whole year.

So, that is one very good sign. And the momentum post the Dhanteras buying also continues to remain strong. There are a strong number of days for the upcoming wedding season. We can see that whether it be November, December, January, February, right up till March, there are a large number of wedding days, and there is a sentiment in the consumer's mind that in this volatile gold scenario, the prices of gold could go up, which is making the consumers come and prepone their buying, which is for the next year to this year, and ensuring that the wedding jewellery sales continue to happen.

In terms of average selling price and average ticket price in an increasing gold scenario, we have seen that it has almost gone up by 16% to INR 86,200. So, that is one important point to take note of. The other aspect that we need to take note of is that the old gold exchange in the overall transactions that we do with the consumers, that has gone up to 42% to 43% from a 35% a year back, which shows that consumers are utilising their old gold to exchange for new jewellery that they are buying.

We are currently seeing year-to-date (YTD) value growth of almost 25% year-on-year. However, despite this strong value growth, volume growth is minimal remaining in the low single digits or almost zero primarily due to rising gold prices. People are looking at buying lighter-weight jewellery in 22 karat, or in diamond jewellery, we are seeing that there is a tendency to buy 9 karat and 14 karat just to make and fit into the budget of the consumer.

One good thing that has happened which is helping the profitability is that the stud ratio continues to remain strong at about 12%. Our effort and endeavour is, as a company, that we continue to make good designs. We have right now more than 200,000 designs in gold jewellery and 100,000 plus designs in diamond jewellery and the growth that we intend to do, we can be more sure that the 20% growth for the whole year will be very much in the pipeline. Continuing with new designs and working on optimising the stock at this high gold price scenario, we will continue to look at increasing the ROE and the ROCE of the company and take it to a very nice, handsome, robust level.

So, thank you very much. From my side, I will request Mr. Banka to share his thoughts.

Sanjay Banka:

Thank you. Just to give once again a sharper background, we have launched six showrooms in Q2 and a total of 16 showrooms we have launched in H1 we are cognizant of the SSSG growth.

So, while the Q2 growth has been slower, and as he said, this industry sometimes depends upon the gold prices. So, since the gold prices were extremely high in Q2 and the GST cut was very important, people were waiting for the new GST rate to come into effect, and they had withheld their jewellery purchases for the purchase of capital goods.

So, that was one of the major reasons for the slower growth in Q2, coupled with global uncertainty and the rains in Eastern India. Accordingly, the moment these things settled, we saw huge growth in October, which was almost more than 50% growth Y-o-Y in October, INR 1,700 crore plus sales, and YTD growth again is back on track to 25%. And we have given a guidance of around 18% to 20% growth for the rest of the year, which means that 25% plus 18% to 20% for five months, we would be crossing 20% growth for sure for the whole year.

Financial numbers you have seen that the revenue growth in Q2 was 6.6% on a standalone basis, whereas our consolidated was 2%. But we have to see the number for the TTM growth. So, when we published that TTM number as well, we are very happy to inform you that the trailing 12 months sales have crossed INR 7,400 crore. This is one of good signs which shows that clearly for the whole year, we will be crossing INR 7,400 crore.

Similarly, EBITDA margin for the quarter and for the whole year has been range bound. So, you would see an EBITDA margin improvement of 340 bps from 3.5% to 6.9% on a consolidated basis and similarly, EBIT margin growth Y-o-Y from 3.3% to 6.9%, once again 360 bps growth.

And moreover, for Q1 and Q2 both taken together, the PAT is INR 153 crores. This is almost 75% or 80% of last year's PAT. Obviously, the adjusted PAT was slightly higher at INR 200 crores. So, this indicates that the business is quite solid and remains on track based upon the improved stud ratio, the pricing power which we enjoy.

As you are aware, there are a lot of discounting happening in the market, but we maintain the brand image perfectly. We don't indulge in discounting either in the making charges, we rather play in attracting our customers with more new designs and attractive offers. So, this is one part.

Similarly, if you look at the balance sheet, you will find an increase in the inventory level from around INR 3,500 crore level to INR 4,200 crore level, which we have explained. This has got two reasons one is the Dhanteras preparedness, and secondly, the gold price rise impact.

Similarly, borrowings had also increased, so they have settled down now. But this is a business where the business is hungry for growth, and more and more capital will be required for inventory. When I say capital, I mean capital employed. So that we will continue to infuse in the business in the form of a plowback of profits.

The net debt to equity is also in the range of 0.75. Overall, we are very confident that the business is showing its resilience despite competitive pressure in the market, but we maintain our strength in the market.

An important point was the GML, whose rate had increased in Quarter 4 and in the beginning two months. The GML rates have come down. So, I think that the slight risk in the profitability, which was there, has also come down. So, that will add another INR 20 crore to the PAT for the whole year. Our working capital limits are in place. Overall, we are very much poised for the wedding season now for Q3 and Q4.

With that, we request to open the call for question and answer, and we will be very happy to answer your queries and curiosity about our company. Thank you.

Suvankar Sen: Thank you, Mr. Banka. Thank you, everyone. I think now we can take questions from all the participants.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Videesha Sheth from Ambit Capital. Please go ahead.

Videesha Sheth: I just had one question. If you all can update on the status of the levels of GML or non-GML borrowing and cash flows as of date, or as of October. Just trying to understand the issue here because typically every 2nd Quarter, as of the first half of every year, the inventory balance would be elevated given the upcoming festive and wedding season. But I wanted to understand what led to the GML mix going down. Were there any issues on the margin side of it, or was it a conscious call if you can please elaborate?

Sanjay Banka: Yes. So, as you said, Videesha, the GML mix was lower in Quarter 1, and that is why from around 65% level, it had come to 51% level. Although GML availability had improved in Quarter 2, but once again, as you are aware, GML is on an unfixed basis. And due to the extreme volatility in the gold prices, we were receiving a lot of margin calls. So, to avoid the margin call pressure, we resorted to CC instead of GML. It was primarily due to the gold price rise, volatility and to avoid the margin calls on the GML.

Videesha Sheth: Just to follow up then to this, what is the approach that you are looking to take going forward? Because gold prices can't be predicted very accurately, right? But on the other hand, you said that you wanted to increase the GML mix. So, how should one think about this forcing mix going forward?

Sanjay Banka: It is a very dynamic situation. See, it cannot be predicted. It is cash flow management on a day-to-day basis. While our ideal target to take the GML to 75% remains there, but as of now, we are again seeing volatility for the last three, four days. So, going forward, we have to see. But in terms of impact, the differential impact is Around 6.5, let's say the GML interest rate is 3.5% and CC is around 9%, 6% on the differential will not be a huge amount. So, we weigh the benefit of this higher interest rate on the CC versus the margin call and accordingly calibrate to ensure that our both the profit target, the Opex, as well as the cash flow availability, all these three angles are balanced properly. And we will manage it properly.

- Videesha Sheth:** And would you be able to share the current GML levels as of October '25?
- Sanjay Banka:** It is too early. I don't have an exact number, but I think it is around 54%-55% only because the rates remain volatile. The margin call risk is there. There is always a risk of the gold rate moving in either direction. So, it is better to manage the working capital more importantly at this stage.
- Videesha Sheth:** And the second question was, while you have called out that at the retail level, you have seen 50% plus kind of a revenue growth. Would there be a similar divergence between retail versus company-level sales, or can we expect company-level sales also to be north of 30%-40% for the month of October?
- Suvankar Sen:** No, I think that the divergence won't happen. This kind of growth that we have mentioned is at a retail level as well as at a company level. Yes.
- Moderator:** The next question is from the line of Raj Sarraf from Finvestors. Please go ahead.
- Raj Sarraf:** A couple of questions from my side. So, I just want to understand that every listed gold company has, though they have volume degrowth for this quarter, but the sales number is actually a multiplication of volume and the growth in the gold prices. So, by virtue of that, they have posted at least, as I talk about the biggest peer, that is a north of 20% sales growth. So, I just want to understand whether the spending pattern in the region in which a majority of our branches are also a factor?
- Suvankar Sen:** So, are you talking about the volume degrowth and the profitability linked to that? Just to clarify what exactly is the question.
- Raj Sarraf:** I just want to understand that majority of our branches are in eastern sectorsso, that is the reason or the spending pattern of that region has actually pushed us to have degrowth in this quarter while our each and every peer has posted some kind of sales growth driven by the gold price spike. So, why didn't we be able to get our revenue at least passing with a good number?
- Suvankar Sen:** Yes. See, there could be a possibility that 60% to 65% of our stores and business is from the eastern part of the country. And as a result, in Q2, we have seen that the growth has not happened as per our peers.
- But all in all, if we look at H1 and if we also look at October, we have seen the growth that has happened and also continuing in the month of November, it kind of reinforces the fact that a particular quarter should not really be a matter of concern and worry.
- And also, amongst our consumer base we must keep in mind that almost 65% of the business that we get is from our loyal customer base and our repeat customers. So, for them as well, everyone looks forward to buying something for the auspicious season. And there were continuous efforts and relationship-building exercises during the month of September. And as a

result, we have seen that in October, we have had a growth of almost 55%-60%. So, maybe that is one of the reasons why the other peers have not been able to see that kind of growth level in October that we have seen. But all in all, in YTD, again, maybe I am repeating that we are seeing a YTD growth of almost 25% as on date.

Sanjay Banka:

Mr. Sarraf, if I can build on this query, West Bengal and the eastern region of India have been, in fact, somewhere I have read that West Bengal is among the top five fastest growing economy states in India. So, to set risk to speculation, eastern states are growing equally. The spendings in eastern states remains the same. This disparity which we are trying to see, whether the eastern states have grown less, whether consumer spending has reduced, that is not the reason.

So, maybe Durga Puja could be one of the reasons. GST 2.0, where customers have suspended their purchases for the purchase of capital goods. So, the cultural pattern varies from region to region. I think that could be one of the reasons. And that is why we have disclosed this Dhanteras sales and 25% growth is there, while 80% of our sales come from the eastern region.

Even from a future perspective, the market is quite strong. The GDP growth in the eastern region is strong. The state governments are stable. Your Bihar results will come soon. So, we think that on a pan-India basis, our business remains de-risked in terms of growth, while there has been a slight difference in growth. But overall, in the long term, we see our portfolio equally distributed and totally de-risked. And we are always confident of 18% to 20% growth year-on-year for the next 5 to 10 years minimum.

Raj Sarraf:

The next few questions on, sir, margin this year has been to H1, that is north of 9%. Our sustainable margin is 7%. Though I have gone through the presentation in which there is a mention that this year the margin would be 8%. So, I just want to understand how much hedging has helped us, and how much percentage are we hedged right now?

Suvankar Sen:

So, our sustainable EBITDA that we have always been speaking about is anywhere between 7% to 7.5%, and to be more accurate, between 7.2% to 7.5%. And it is a blend of the various channels of sales. It is the blend of the various products, whether it be gold, diamond, platinum, silver, all the various products that we are selling. So, we will continue to reinforce the fact that this year also we should also be clocking an EBITDA between 7.2% to 7.4% on a whole year's level.

From hedging perspective, I would like to say that when it comes to hedging in terms of the sales that we are doing, we are almost hedging 90% to 100%. That is buying as much as we are selling. And if we are looking at the hedging levels of the inventory that we have, as we ended Q2, our hedging percentage has been in the range of 65% to 70%. So, I guess that the hedging might have an impact of 0.4%, 0.5% overall, but all in all, most of the gross margins and the profit that has been earned is from the making charges and from the diamond jewellery sales.

Raj Sarraf:

So, just give me a clarification, sir, on Slide #7 of your presentation in the profitability growth para, in the last line, you have mentioned that we have maintained our guidance of a sustainable

EBITDA margin of 7% range. FY '26, EBITDA may be 8% range higher than our standalone outlook. So, are you standing by these statements, sir?

Sanjay Banka:

See, what we have clearly said, like let's say in Quarter 1, it was 10%. In Quarter 2, it is around 7.4%. We clearly stand by our guidance of the range bound of, let's say, 7.1% to 7.4%. So, for H1, since it is more than, I think, blended is more than 8.5%, so for the rest of the year, we are confident of 7% range. And hence, the blended for the whole year will be higher. For future also, we are driving the business clearly with a minimum 7% EBITDA target.

In fact, going year-on-year, as we are looking at improving our stud ratio, it should increase by 20-30 basis points more because with a larger network and with larger brand building expenses, which are our strengths, it will happen.

And let us very humbly highlight that our pricing is amongst the best in the industry without taking any name. We don't discount our product. We don't sell too many bullion. So, if you look at even our coin sales, that is only around 4% to 5% maximum for a whole year. Rest assured of a minimum 7% and in the 7% range, earlier we had 6.8% to 7.3%.

Raj Sarraf:

So, thank you very much for the clarification. Sir, just last question from my side. Sir, as you are saying that the consumer must have held themselves for the festive season, so I have gone through some of the peers' festive season updates. So, two of the peers have grown even more than 70%, and one is more than 100%, which is in the southern state. So, the trend is absolutely saying that the festive season has been good for every jeweller.

What I am not able to actually understand in our entire year is why we have not grown on the sales number, whether each and every small and big company have grown at least the sales at least 20%, and we have not grown, sir.

And one more clarification. This is my last question. Year-to-date growth of 25%, it is on standalone basis or consol basis? Because in the last H2 update which you have given, there has been written 6.5% growth, and there has been not written the standalone, consolidated. So, I was expecting at least that the consolidated number to be at least 6% more than the last quarter of the last year. That is what actually more than 2%, and the standalone number is 6.5%. So, sir, please clarify this.

Suvankar Sen:

See, if you look at the difference, it is around INR 40 crores to INR 50 crores, right? Between say 2% and 6%. So, around INR 40 crores, INR 50 crores is the difference between standalone and consol. So, even when we are saying INR 1,700 crores versus INR 1,100 crores, it is that we initially speak of standalone. And if there is any deviation, it will be in the range of 2%. So, it is not going to be a major range.

So, our standalone and consol, as I shared in the previous answer, is at that same level. And this 24%, 25% growth that we are seeing on YTD, primarily it is on standalone, but the difference, even if it is there, will be in the range of 1% to 2%, not more.

Moderator: The next question is from the line of Ankit Minocha from Adezi Ventures Family Office. Please go ahead.

Ankit Minocha: If I look at the sequential numbers for margins, what substantially changed in Q2 versus say Q1 and Q4 previous to that, the EBITDA margins have come down? What would you attribute this to? And could we also say that in Q4 and Q1, there was a higher level of inventory gains that would have not come in this quarter?

Suvankar Sen: Mr. Banka, are you there to take the question? I will just answer this, while we are waiting for him to join, so we have to understand that the 10% that had happened in Q1 was something which we explained in the last earnings call is because of the hedging percentage being on the lower side, we could get some more profit. And we had also determined that was in the range of INR 20 crore to INR 25 crore, and that was the Q1 scenario.

But what we have seen in Q2 is that at the current hedging levels of 70%, the EBITDA number has stabilised. What we always say is that EBITDA will be in the range of 7% to 7.5%. So, here, we are seeing that the EBITDA is at the standard level with the stud ratio at around 12%, and the jewellery has been selling the way it has been selling.

Another benefit that happened in Q1 is that we had done INR 1,800 crore sale and leading to a higher overall absolute numbers of gross margin, which kind of percolated into the overall profitability. But in this Q2, we have had INR 1,530 crores of revenue sale, and that is what the overall impact has been.

And again, Q3 with a much higher sales number, we hope that when the sales number becomes a little higher, the operational leverages come into the picture, and there could be some extra benefit if it happens. So, yes, you could say that Q1 had an extra benefit of having a lower hedge ratio, but Q2 did not see any such extra benefit, and it is on the stable side as per our expectations.

Ankit Minocha: So, how should we understand the inventory gains and losses that could be coming up considering your hedging policy? I mean, if it is, say, changing from quarter-to-quarter, then in that case, the margins would also be widely different. Also, should we not be seeing stronger EBITDA margins for the next two quarters for H2 considering the strong rise in gold, and that we should expect some more inventory gains?

Sanjay Banka: So, see, in the first place, we are not guiding for a higher EBITDA margin than earlier we had said 6.8% to 7.2%. but even right now, I said 7.1% to 7.3%. Clearly, the market is quite competitive. And see, every quarter, we don't increase or reduce our prices, making charges, or diamond prices, right?

So, clearly, we are expecting a range bound EBITDA growth in the future. And the pricing sometimes is dependent upon extreme competition. Even some listed players are offering discounts on gold. So, you see that we maintain our pricing policy constant. We ensure that instead of offering discounts on the gold or making charges, we rather attract customers with the new and innovative designs. So, for future, look at similar number.

Yes, Q1 was higher, which we had called out as part of the higher side. So, when the EBITDA was around 10.1%, we had clarified that a part of the higher EBITDA is due to the hedging, I mean, the realization gain. And you see that there was a huge fluctuation in Q1 in the gold prices, whereas in Q2, the quarter-on-quarter increase in gold prices was only 6%. July and August were almost at the same level as June. And only in September, partially, it has increased. And that is why you have seen a stable EBITDA margin.

Now, looking at Q3, you would have seen that the prices had come down. If the prices remain stable in the same range, then you can certainly look at 7.1% to 7.4%. But if prices rise considerably high, then we have to see what the result is, but minimum will be 7.1% to 7.2%.

Coming to your hedging concern, I think if you kindly look at our presentation on hedging, we have very clearly clarified that hedging has to be seen from two perspectives. One is on the sales hedging, which is almost 90% to 100%.

I would rather go one step ahead, and I will say 105%. Because whatever I sell, I have to purchase on the same day to keep my inventory level. In fact, for the new stores and for the upcoming festive season, I will end up buying more than that. So, I will say 105%. So, that is one very important part of the hedging which can show that at a business level, so I am distinguishing two parts. At a business level, definitely we don't lose.

Now, accounting, once again, is subject to the weighted average cost in there. I think as a suave businessman and as a prudent investor, we have to look at both sides as the inherent strength of the business. I think that should be enough, and we will surely gain confidence in our business model and risk management practices.

Ankit Minocha:

Thanks for that. That's quite clear. My second question is with regard to now investment levels that you would have to see for, say, new franchise partners to come on board. I mean, considering how gold has risen, I believe the investment for a new franchisee in the channel would be becoming significantly higher. How are you seeing the impact of this issue currently, and how do you think that this issue could be dealt with in the future?

Suvankar Sen:

See, one good thing that we have seen in this financial year is that we have already opened 8 franchisee stores, and the management focus is that we will drive in more and more franchisees. So, we have about 4 to 6 more franchisees that are to be opened in the pipeline, and our effort is towards building connections and having a focus on opening more and more franchisees.

So, even in the future, when we plan to have our growth journey in terms of number of stores, we will continue to look at seeing the opportunities that are lying in the tier two, three, and four towns and cities. And in this increasing gold price scenario, two things have happened. One is that the confidence of not only the consumers, but also the potential franchisee buyers in gold and silver as an asset class has grown, and their interest towards opening franchisees is also very much there.

It is just the ability to have the commercial capital to open the stores. And we have multiple formats of stores for Senco compared to many of our competitors. We have stores in tier two, three, and four towns and cities with various levels of inventory. Also, our Everlite model, which is the INR 6 crore to INR 8 crore of capital required to open a store focusing on lightweight jewellery, is very much there as well.

So, our focus is that the future growth potential will continue to remain strong, and our effort towards opening more stores through franchisees will be there. Yes, as you said, the other competition players are also there. So, I think that the market overall, let us not forget that it is a large market, and India is shifting from an unorganised to organised situation. And in this scenario of a higher volatile gold price, players like us, the organised players, will continue to remain strong and keep opening stores. So, I guess, that is the way to look at it.

Ankit Minocha:

And my final question was to understand, say an inverse scenario happens and gold prices were to start going down next year. Now, what is the impact of that on your profitability and considering your hedging policy this year? What kind of scenario should we build in if in case gold prices start dropping slightly next year?

Suvankar Sen:

We have a very strong framework, and the hedging team is working as per that strong framework and guideline. And if the scenario of the various scenarios builds up that you are talking about, and the gold prices suddenly are in a downward trend, then this 60%, 65%, 70% hedging can be very comfortably converted into an 80%, 85%, 90% hedging.

And if you look at it, it is only in the last, I would say, six months to nine months in this gold price volatility that we are keeping our hedging ratio at about 60% to 70%. But in the previous financial year, we were at 85%, 90% hedging. There are certain constraints of liquidity of margin calls that force us to reduce our hedging position from 80%, 90% to 65%, 70%. But in your kind of bearish scenario, we will make sure that as per the framework, we will increase our hedge percentage.

Sanjay Banka:

But on the sales level, we are at 100%.

Suvankar Sen:

Yes. And to again reinforce the fact that at the sales level, we will always remain at 90% to 100%. So, that much confidence and comfort is something that you can take from us.

Moderator:

The next question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Congratulations on a good growth pickup in festive and the guidance update on both growth and margin front. Suvankar, I wanted to understand the payables have increased in H1, so we were able to get higher credit period from our vendors. So, what different are we doing now in terms of sourcing versus what we were sort of practicing earlier? So, just your thoughts if there is a strategic change here.

Suvankar Sen: The payables, is that what you are saying?

Devanshu Bansal: Yes. Payables have increased. So, has there been a change in sourcing strategy? Has there been a change in credit terms from vendors? I wanted some thoughts there.

Suvankar Sen: Devanshu, what has happened is that in the month of September, it was just before the peak festive season. And this time, if you see that the Navratri started in the last week of September, and Dhanteras was in the middle of October compared to usually Dhanteras and Diwali being towards the end of October.

So, as a result, with our expansion of network and the increase in stores, we have tried to ensure that we have enough inventory at the various store levels, and we have taken support from our suppliers and vendors for the festive season to ensure that we have enough and more inventory at the stores.

It is because of that planning that we did from before that we could make sure that the inventory was there in the stores during the peak festive season, and we could achieve the sales that we could have achieved. So, it was more from that perspective rather than any kind of change of policy. It was more in terms of planning. That is the reason why the payables have been on that side.

Devanshu Bansal: So, small follow-up on my first question. So, that implies that debt levels would still have remained at the September end levels, right? Because whatever payable deductions must have happened must have been through internal accrual. So, debt level sort of must be at a similar level as of now.

Sanjay Banka: Yes. Devanshu, at least for December, let's say the debt level has come down now. So, the debt level is always elevated in March and September for the Dhanteras preparedness, and it comes down by INR 300 crores to INR 400 crores. And let's say by December, depending upon the seasonal requirement, as far as March '26 is concerned, the debt level will be slightly more elevated than the September level because we will be stocking for the upcoming Akshaya Tritiya and Pohela Boishakh and a further 20% growth. So, if it is TTM for INR 7,400 crores and 20% you add on that, the debt level will increase. But we have to look at the debt-equity ratio, and net debt-equity is 0.75%. So, with this, we will continue to be range-bound in terms of the financial indicators.

Devanshu Bansal: Yes, sir. I agree with that, it is in a good shape.

- Suvankar Sen:** Devanshu, see, business is of the utmost importance. And if you look at it this time in the upcoming season, Akshaya Tritiya is on 19th of April, right? Usually, Akshaya Tritiya happens at the end of April or in May.. So, I think for the industry, we need to make enough and more inventory for that particular season and the day. So, that is how we have to keep it in mind.
- Devanshu Bansal:** So, second and last question from my end. This is in reference to studded sales. There is almost a 25% better realisation that we are able to command for studded sales. So, wanted to check, is it largely due to increase in the gold component in studded sales, or we are seeing better realisations for natural diamonds also within that mix? So, just your thoughts here.
- Suvankar Sen:** So, I think that in terms of realisation, we have had growth in diamond jewellery as well as value growth in gold jewellery. So, I guess that with the festive season coming in October and the build-up, it has been both sides. And we are also using technology and tools to optimise the stock. And that is of most importance in this high gold price scenario.
- I have been saying it in each and every earnings call, that at store level, we are looking at the faster-moving inventory, the top-selling design, all of it. And the merchandising team is working with that. And for the industry, when the gold prices have gone up by 40% to 50%, we have to actually get into the minute levels of what is the budget of the customers is, what the weight ranges are that are moving. The same designs might be selling in a much lighter weight, and we have to keep working on that. So, those kinds of initiatives in terms of building efficiency are being done. And I guess that could be one of the main reasons why you are seeing this kind of better sales.
- Devanshu Bansal:** So, Suvankar, I was checking that in October, you mentioned 30% growth in studded, and you mentioned that diamond volume growth is 5%. So, there is a 25% better realisation that we are able to command. The question was, what is leading to this 25% rise? Is this largely due to the gold component within the studded sales, or this is also being led by better realisation per carat for natural diamonds? So, that was what I was trying to understand.
- Suvankar Sen:** The volume caratages have also gone up by, I would say, low double digits. So, there is some amount of caratage growth. And the gold aspect of it in the overall diamond jewellery has also played a role. And along with 18-karat, 14-karat is of a critical nature. And we have also launched 9-karat purity products, and we are gradually doing that also to fulfill the demand of having products at the lower ticket size levels of consumers. So, yes, not only has the gold price played a role, but diamond jewellery volume growth has also happened in the low single-digit numbers.
- Devanshu Bansal:** And lastly, from a realisation per carat of natural diamond, has remained stable? How has that sort of moved, realisation per carat of natural diamond?

- Suvankar Sen:** Realisation per carat of natural diamond has been stable. The prices of natural diamonds have not moved up the same way as it has with the gold prices. So, per carat has been in the similar range.
- Devanshu Bansal:** Fair enough, sir. Thanks for taking my questions.
- Moderator:** The next question is from the line of Naveen Trivedi from Motilal Oswal. Please go ahead.
- Naveen Trivedi:** Just quickly, what was our same store sales growth for this quarter? And my second question is on what are our gross margin for our studded jewellery? I remember I think earlier we were guiding around 25%-30% sort of a gross margin. So, if you can just give us these two numbers.
- Suvankar Sen:** So, you have to look at the same store sale growth for the quarter, for the half year, and also YTD. So, first, in terms of SSSG growth of Q2 has been -4%. SSSG growth for six months, H1 has been +8%, and SSSG growth for YTD October has been 17%. So, that is where one has to look at the bigger picture. That is in terms of SSSG. And the other question you had was...
- Sanjay Banka:** Naveen, actually, you asked a question on the gross margin on the studded product. I think this is slightly sensitive information and very competitive information. I think let us look at the blended gross margin and blended EBITDA. We can take this call one-to-one.
- Naveen Trivedi:** I was just trying to understand because our gross margin this quarter and the previous quarter has seen quite sharp sort of a recovery. There can be a little bit kind of because of studded also did well compared to the gold jewellery side. So, just trying to understand the math for the gold jewellery gross margin, how that has kind of seen expansion, and then how the other vessel business has seen.
- Suvankar Sen:** And then also we can, there are so much more detail in terms of gross margin because of the product mix, because of the channel sales, all of that. So, yes, there are certain things we can share and certain things which are confidential.
- Naveen Trivedi:** Just last question on the SSSG, you mentioned negative 4%. Do you think that since our customer base is more for the lightweight jewellery and slightly lower on the average order value, they are more sensitive to this gold inflation compared to kind of other players? And thereby, we have seen this kind of a portfolio issue and as well as the volume sort of a kind of a pressure this quarter. Is the understanding right?
- Suvankar Sen:** See, it is partially right because this quarter is just like something that we could see that in the month of September, the gold prices started shooting up. And we could see that in the minds of the consumer while we were all reaching out and talking to them, there was confusion that is this gold price at these levels sustainable? Let us wait and watch, and we will take the purchase decision later on.

So, that was the overall feedback that we got from our customer base. But these same customers who are in this kind of a situation of wait and watch, when actually in the month of October, as we moved really into the festive season and it was Diwali and Dhanteras, they went and they bought.

So, that has been the behaviour of our consumers for this particular quarter. And that is where we are continuously guiding you all that don't get influenced by just the Q2 numbers, but look at the October numbers, and you will see that it is actually maybe a postponement of sales from September to October, and that is the reason that has happened with our consumers. That is the way to look at it.

And yes, the sensitivity of price is there, but you look at the ATV numbers. That has also grown by 14% to 15%. Volumes have come down. We are also developing products which are within budget, lighter weight, so that our consumers can continue to afford and buy. We are focusing on everyday wear jewellery, not only the heavy wedding demands.

So, our whole thought process is how the middle, upper middle class of India can continue to buy jewellery even at these kinds of volatile gold price scenarios. So, that is the way to look at it.

Naveen Trivedi:

Just a little bit since we are guiding second half is a very promising outlook. Now, if I look at the gold, again, sort of seeing inflation sort of a trend, when you are guiding this kind of a growth rate for second half, are we seeing that the gold sort of will remain in the lower side zone, and that is why you are kind of optimistic about second half, or you think that the gold can go up and then again customer base can still be in the sidelines and we may see some sort of a destabilization in the guidance compared to the guidance what we have? And that is all from my side.

Suvankar Sen:

No, see, my optimistic guidance on the second half is because we have seen a very strong number in October, and we have seen that post-Dhanteras, usually people are in a mode of wait and watch, but this time we are in the middle of November, and we could see that consumers are coming, buying, and the positive movement is there.

Plus, the number of weddings that were not there enough in Q2 this time, there are a large number of weddings that are there in Q3 and Q4. So, that is also giving us the confidence that consumers will be buying, whether it be for gifting, whether it be for wedding purchases, so that will continue to happen. It has nothing really to do with gold price, but more with the other business opportunities related to jewellery buying. And that is how one has to look at it, and we are developing new designs to fulfil the need. So, that is the other strength on which we are banking upon.

Moderator:

The next question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking Limited. Please go ahead.

Bhavya Gandhi: I wanted one clarification. Say, for example if our weighted average cost of inventory is INR 100 and the gold price is currently at INR 150, can we assume that until the gold price falls back to INR 100 or below INR 100, we will not see any loss on inventory because we have to value inventory at cost or NRV? So, is that the correct understanding? So, even if in a rising gold scenario, that INR 100 has become INR 150, if it comes back to INR 130, still we will not see any loss till it reaches back to INR 100, which is the weighted average cost of inventory, which is sitting on your books. Can you provide some light on that?

Sanjay Banka: Bhavya, it is a very long subject, so I would request you to refer to the FAQ which we published in Q3, and even the current slide. It is a much longer discussion. It is very difficult to explain in few words. So, particularly, let's say my current inventory of INR 4,200 crore, it has got some ratesay INR 12,000 per gram.

Now, the weighted average cost happens on a daily basis. So, if the price comes down, the cost comes down. From that cost, the margin is decided. It is linked to the hedging level also. As we said, if price keeps coming down, we will swiftly increase the hedging ratio to 80% to 90%.

I think that we are more on the accounting issue. Let us understand the business issue. Whatever I sell today at a lower price, if price comes down to say, INR 9,000 per gram, I will buy at INR 9,000 per gram. The business model remains intact as it is.

Now, accounting may impact the weighted average cost will never ever give a symmetric result for the same quarter. But if you look at two quarters or three quarters, it will normalise, and it will become symmetrical. That is all I can say.

Bhavya Gandhi: Sir, my second question is regarding the OCF. Since last four years, we have seen negative OCF. So, if you want to maintain 18% to 20% growth guidance for next maybe couple of years, how do we fund our money for the COCO? I understand one on the inventory side, you will be taking GML, but ultimately, you will have to repay GML also. So, on the OCF, if you can throw some light, when can we expect positive signs? Because gold price, let's assume that if it is trending upwards only, then your OCF will continue to remain negative. Then how do you balance growth versus OCF?

Sanjay Banka: Let me make it more simple, Bhavya, because OCF, we are looking at from an accounting angle, operating cash flow. So, if I have to set up, let's say, 10 more stores, 15 more stores next year, I need INR 300 crore. That is all, right? INR 300 crore will be funded from the PAT and the working capital borrowings. That's all.

So, the OCF, what you are seeing is an optically looking negative. I looked at some other players as well. Somebody was positive. Okay. But whenever there is a cash flow crunch, it is met by test table and for a shorter period for Akshaya Tritiya and Pohela Boishakh and as well as Dhanteras. But the long-term plans are in place. The working capital line, which has been

increased to INR 2,400 crore for March '26, maybe it will increase to INR 3,000 crore by March '27.

So, every jewellery company, you would see the working capital borrowing rises, trade payable rises, and the capital employed is partly funded by either equity or QIP or by the ploughing back of profit. So, we are in a very comfortable situation, and I want to assure you that OCF will not become an impediment for the growth of the business.

Bhavya Gandhi:

And just to follow up on this as well, sir, say, for example, 18% to 20% if gold price remains stable or even if it falls, will we be able to substitute enough volumes? Because I understand you will be adding new stores, 18 to 20 stores every year. Then SSSG will go for a toss for the existing stores because then the gold price rise won't take place. So then how do you get to that 18% to 20% mark on a longer-term basis?

Suvankar Sen:

No. We have always been stating the fact that if we consider a stable gold price scenario, our SSSG is in the range of 12% to 14%, and the new stores add about 6% to 8% in the overall growth mark.

So, when the gold prices will be stable or it will be down, and it is not something that we have seen recently, but over the last 15, 20 years, that consumers start buying higher quantities, they get more stable, more customer acquisition, more footfalls, and that will compensate for the stable or lowering of the gold price. So, that is the way moving forward.

So, in an increasing gold price scenario, value will go up. Come down in a decreasing gold price scenario or a stable, volumes will go up, value will be in the same kind of range. That is the way to look at it, and we are confident to keep on achieving the same.

Bhavya Gandhi:

And just last thing, if I can squeeze in. Hypothetically, let's assume for this entire INR 4,200 crore inventory, if you want to hedge 100%, how much running capital do you require? Maybe like 10% is the margin money that you require, and some you want to have money for mark-to-market. In absolute capital terms, if you can tell me what could be the amount, say for example, INR 500 crores, INR 300 crores, just broad range also will help just for a layman to understand.

Suvankar Sen:

Bankaji, I think what he is saying is that right now it is something that cannot be said off the cuff. He will have to do some checking and then get back to you.

Bhavya Gandhi:

Sure. That's it from my end.

Moderator:

The next question is from the line of Rupesh from Long Equity Partners. Please go ahead.

Rupesh:

Most of my questions are answered. I just have two data-keeping questions. First is in Q2, in Q1, you said INR 20 crore was the inventory gain at the gross level. If you can give a similar number for Q2?

And second question is, stud ratio I think is at 12%, and we are looking at a strong wedding season. So, do you see this number going to maybe 12.5% in, let's say, March, and then maybe we can target 13% next year? These are the two questions.

Sanjay Banka: So, I missed the first question. Kindly repeat. Certainly in Q1, due to the higher EBITDA of 10.1%, based on our working, it was around INR 20 crores we said as a realisation gain. Are you asking what is the realisation gain in Q2?

Rupesh: Yes.

Sanjay Banka: It is around INR 5 crore to INR 6 crore. In the opening remark itself, sir had said that it is around 50 basis points on INR 1,500 crore. So, that is the number.

Rupesh: So, around INR 7 crore to INR 8 crore Okay.

Sanjay Banka: Yes. INR 7 crore to INR 8 crore. So, to put it differently, had we held at 80%, then the EBITDA would have been lower by a maximum of INR 7 crore.

Rupesh: And the stud ratio, sir? Second question.

Sanjay Banka: What was the second question, please?

Rupesh: I said the stud ratio is already at 12% in the first half. We are looking at a strong wedding season Q3, Q4. So, do you feel we can go to, let's say, 12.5% by March and then maybe target 13%, 13.5% next year?

Sanjay Banka: No, we are definitely aspiring. Our whole focus is to delight the customers with more and more jewellery designs. So, the number is just a percentage. Our target is to reach out to more customers with diamond jewellery and why 13.5%. If I have my results, I would like to make it 15%. But yes, for the rest of the year, it all depends upon the market competitiveness.

So, despite the best of designs we provide, we have seen a huge growth in Q3, in Q4, and Q1. It was slightly lower in this quarter. Plus, some people found it attractive to invest in gold, and they were looking at a huge profit. So, it is a percent of choice versus treating gold as an investment. And we will use a middle path to attract both streams of customers. So, to give answer to your question, yes, we are looking at 13%, 13.5%, for FY '27.

Now, for H2, we are ready with a lot of designs with a higher focus on the lightweight diamond jewellery. And as you say, it is a social media world. People focus more on the earrings and the necklace, etc. So, we are prepared for that.

Rupesh: Thank you for answering my questions.

Moderator: The next question is from the line of Vijay Chauhan from Right Horizons PMS. Please go ahead.

Vijay Chauhan:

So, if you can just qualitatively mention about the consumer trends in the wedding season that has started right now. And is there any challenges we are looking at in terms of, let's say, consumer buying patterns? So, that will be quite helpful. So, I am looking mainly for the qualitative point of point and the growth that we have mentioned for the October in the press release. So, are we expecting similar kind of growth in the November, or we see tapering down the growth because it was more of a festival-related sales? So, any verbal or any specific range will be also helpful on that side.

Suvankar Sen:

So, the October sales growth is because of the festive season. And we think that the growth will continue to happen, but not in the same rate as we have seen in October. But from a subjective description point of view, we are still seeing growth of 20% and upwards in the current scenario also. That is one.

Second is that consumers are kind of accepting these high level of gold prices. And whether it is from their old gold exchange or from buying with the money that they have, I think that they have realised that, yes, gold will remain in this scenario, and they will have to buy. But at the other end, we have seen that while the ATV and ASP have gone up by 15% to 18%, but the weight ranges that people have bought on average have come down by 10% to 12%.

So, if, suppose, someone was buying 10 grams worth of jewellery, he is now buying 9 grams worth of jewellery. So, that is the other aspect that we have been seeing from a level of subjectivity. And yes, lighter-weight jewellery, whether not only in terms of small items of rings, earrings, pendants, chains, but then we have also seen that in necklaces and bangles, consumers are trying to opt for something which is lighter, spread-out look, and lighter in weight. I think for Senco Gold and Diamond, that is our strength. And over a period of time, we will be working towards developing more and more in those kinds of ranges.

Also, in terms of purity, 22-karat gold was always in demand. But the Indian consumers in many places are also looking at 18-karat hallmark jewellery. And those are certain initiatives that we are taking to keep those kinds of 18-karat jewellery inventory in certain stores and markets. And in diamond jewellery also, along with 18-carat, we are reducing more and more to 14-karat and experimenting with 9-karat.

So, in these scenarios, what is going to happen over a long period of time is that the volumes in terms of if we convert everything into a 24-karat volume, you will see that the volumes in 24-karat will not see that much growth. But in terms of absolute numbers, in terms of making charges, in terms of diamonds, there should be more growth in those aspects. But it is a much longer-term scenario that I am trying to explain to you all. So, yes, I hope I could answer a at least part of the feedback that you were looking for.

Vijay Chauhan:

Yes.

Moderator: The next question is from the line of Annanya Singh from Sowilo Investment Managers. Please go ahead.

Annanya Singh: So, I have a couple of questions. My first question would be, how is the demand shaping up for us after the festive season, particularly with the strong festive sales? And given the festive season sales, what is our strategy for managing working capital in the upcoming months just to ensure smooth operations during the wedding season?

Suvankar Sen: So, the demand for festive season continues to remain strong. As I mentioned before, we are seeing growth momentum upward of 20% that continues to stay. And that is a good sign. The other part in which you are saying that what is the strategy that we have? So, currently, November, December, and January, we will continue to focus on the wedding jewellery as a segment and the wedding buyers and the family of wedding buyers. So, that one remains in that focus area.

And then as we move on to Jan, Feb, it is going to be Valentine's Day, the love season, and the diamond jewellery focus will continue to remain. And this is something that we have been doing historically as well. So, that is how one has to look at it. And by the end of January, February, it will be time to plan for Akshaya Tritiya, which is in the middle of April. So, that is one thing that we all need to keep in mind.

And we just want to also kind of keep all our investors aware of the fact that every time there is an election happening in any of the states, we see that during those 15 days to one month, there is a little bit of a slowdown. So, we need to be conscious of the fact that how those kinds of events occur. And for those times, we need to plan from before and ensure that either the inventory is there and the customer reach-out happens in the planned manner. So, this is something that we all should be conscious of.

Moderator: The next question is from the line of Ranganathan from Avendus Spark. Please go ahead.

Ranganathan: Sir, my question is on how is your non-core geography or non-Eastern geographies performing? If you could give us some colour in terms of how the growth has been and also in terms of profitability.

Suvankar Sen: So, it is much easier to share with you the growth that we have seen in the out-of-East Indian markets. The bases are on the lower side, we have seen growth happening overall in the range of 25% to 30% if you look at the overall numbers. So, there are certain quarters that certain zone does a little better than the others. But all in all, if you look at the YTD numbers, the out-of-East India markets have been growing at around upwards of 25%. So, that is the way to look at it.

And in terms of profitability, it is not about East or out-of-East. It is overall, whenever we open a new store, we usually say that it takes about one year if it is a store in the East India market to break even, and it takes about two to three years for a non-East India store to break even. And

out of the total number of stores we have, we can comfortably say that 90% of our stores are at operational level break even. And 8%, 10% of the stores are something that we are all working towards having a higher growth and higher sales so that the break-even numbers can be reached.

Ranganathan: That's it for me.

Moderator: The next question is from the line of Himanshu from MB Investments. Please go ahead.

Himanshu: My question is, how are we going forward in the upcoming quarter? So, generally, it's been seen September is quite a subdued quarter for you all. And this time around, it has been quite significant. So firstly, what was the reason for that?

And secondly, going forward, how are we going to tap into the coming wedding season and the engagement season that is going to come in? How is the next quarter you are expecting? December is generally a good quarter for you. So, is it going to be a significantly good quarter, or is it going to be in the mid-range, or is it going to be bad?

Suvankar Sen: No, see, we have seen a growth of almost 55% to 60% in the month of October itself. And currently, we are seeing a growth of upwards of 20%, close to 25% YTD. So, we are kind of positive and optimistic with a strong Q3 as we see it.

And the question on your Q2, Q2 for us always has been amongst all the quarters a kind of a slow quarter. Only in the last financial year, Q2, because of the duty cuts, had a very strong demand from the consumer side. But other than that, Q2 has always been historically amongst the slower quarters out of all the quarters. So, I guess, that is what we have been seeing in this particular financial year.

And with the wedding season and the focus on diamond jewellery, we will be looking and targeting those consumers that are there for those segments and continue to create products and marketing campaigns around it. We have already launched our wedding campaign, and we will be launching our new set of collections for diamond jewellery. And that is how we are looking at the days ahead.

Himanshu: Just another follow-up question. I am from Gwalior. I visited your local store in Gwalior, and I visited Tanishq's store. So, I think Tanishq is the benchmark for jewellery in India. How would you differentiate between Tanishq? And what would you say you have a better competitive edge than Tanishq in, say, what is it that goes for Senco as a company?

Suvankar Sen: I think one of the competitive edges for us could be a wider range of jewellery that we provide to the customer, right? So, this is something that we have, what I am saying is from our belief and what we hear from the customer base. So, the range of jewellery from a lower ticket size to a higher ticket size, we keep a wider range. In terms of overall designing, we also try to keep a much more variety of designs. And I guess that is how it is.

You have reached our Gwalior store. So, I think that what I am aware of is that compared to our Gwalior store and Tanishq store, we have been able to try our level best to build relationships with the customers and give them that variety. And the store has been in a strong growth phase. So, we are able to connect with the consumers there and provide them with the kind of designs that they are looking for.

And in terms of diamond jewellery, I wouldn't want to compare with any particular competitor. They are all our peers, and we respect each other. But we are also working hard to provide diamond jewellery within the budget of the customers and keeping the margins that we have, we are trying to be as competitive as possible. So, that is how we are working towards.

Himanshu: Just another follow-up quick question. Let's say there is a new franchise opening and you...

Moderator: Sorry to interrupt, sir.

Himanshu: One question. Just it's another follow-up question. So, the question is, what is the tentative investment of a full-fledged flagship store, tentatively, whether at any region, you would say, on an average?

Suvankar Sen: No, it is like a flagship store, a value store, there are various levels. For a full-fledged flagship store, we will say not in terms of value, but in terms of kilos, anything around 30 Kg to 40 Kg of inventory would make it a full-fledged flagship store. And in the tier two, three towns and cities, that quantity can come down by a certain extent. There has to be faster replenishment and fulfilment of stock. So, that is how one has to look at it, and this is the model with which we are working.

Himanshu: That will be all from my side.

Moderator: Next is a follow-up question from Raj Sarraf from Finvestors. Please go ahead.

Raj Sarraf: Thank you for giving me opportunity to ask the question as a follow-up. So, just wanted the karat-wise revenue percentage and margin in each karat.

Sanjay Banka: Raj, what do you want to know? Territory-wise margin percentage?

Raj Sarraf: Karat-wise, sir, like gold jewellery, 22 karat, 18 karat, 14 karat, and 9 karat. So karat-wise revenue share and margin in each karat.

Sanjay Banka: I think these are extremely confidential information. We are basically pricing driven by market competition, availability, and competitive edge. I don't think that this should be shared in the earning call.

Raj Sarraf: Just wanted to understand, sir, if you can't share that lower margin, lower karat gold jewellery would have been more margin percentage.

Sanjay Banka: No, I think these are business secrets.

Raj Sarraf: Then the other question is, sir, how do we see the store addition? Are we planning to diversify more to the South and Western regions?

Sanjay Banka: No, our focus, as we have said, will continue to be East and North. South and West will be more for only specific cases. That is when we talk about South, as of now, it is only Bangalore and Hyderabad. When we talk about West, it is clearly Mumbai, Pune, and Nagpur where we have opened a franchise store. It is a very selective rollout because there is huge potential still left in East and North. Once that is fully captured, then only we will go.

And as we all know, that the margins are very low in South, particularly, where there is huge competition. And if you look at the public result of the players, you will be able to understand it. So, we are highly focused on margins, ROE, and ROCE. And hence, East and North will be our first choice always. And almost 80% of the future growth, if we are looking, let's say, 20 to 25 stores next year, 80% will come in East and North. We have the blueprint ready in front of us.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Suvankar Sen for closing comments. Please go ahead.

Suvankar Sen: I would like to extend my gratitude to all the members who have attended the conference and for continuously encouraging and supporting us and the team in our endeavours. And I would like to reiterate that as we see currently, the YTD growth is happening at approximately 25%. So, that gives us a lot of optimism and confidence that we should be able to achieve our 20% growth year-on-year. And we have already crossed INR 5,000 crores of turnover.

So, therefore, we are very much in the journey. And the EBITDA, as we go closer and closer to the end of the year, we will be more and more confident in terms of giving the accurate figures. But on an estimate basis, we are looking at anything between 7.2% to 7.4% for the rest of the year. And that will show how it will all shape up, and our effort will be towards the wedding jewellery segment and diamond jewellery in the upcoming seasons to capture the best of the consumer demand and continuously creating designs and products that will fit into the budget of the middle and upper-middle-class customers in this kind of a volatile gold scenario.

So, we are sure of the steps that we will take and driving on the efficiencies, looking at the data, exactly what is selling where, and trying our level best to ensure that our investors' need for a very good number of ROCE and ROE is met and will work towards the same. Thank you very, very much.

Sanjay Banka: Thanks, everybody. Grateful to you for your support and trust in Senco. Thank you.



Senco Gold Limited
November 13, 2025

Moderator: Thank you. On behalf of Senco Gold Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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Summary of Earnings Conference Call Company: Senco Gold Limited
Event: Q2 & H1 FY'26 Earnings Conference Call
Date: November 13, 2025

1. Executive Overview Management reported performance for Q2 FY'26 despite market headwinds caused by high gold prices and consumers postponing purchases due to GST. In addition, in case there was higher base effect of Q2, FY 2025 and flood/ excessive rains in Kolkata / West Bengal during last 2 weeks of September impacting sales. While Q2 revenue growth was tepid, the company achieved a sharp recovery in October 27 with the highest-ever monthly sales and YTD growth of 25%. Management has reaffirmed its full-year growth guidance of 18%–20%. However, based on the YTD October performance, growth could potentially reach around 22% by year-end supported by a strong wedding season pipeline and continued strategic focus on lightweight and studded jewellery.

2. Financial Performance (Q2 & H1 FY '26)

- **Profitability:** Consolidated Q2 PAT jumped by nearly 300% YoY to INR 48.8 crore. Even after adjusting for customs duty impacts, adjusted PAT grew by 43%. For H1, PAT achieved was INR 153 crore, approximately 90-95% of the FY 25 PAT.
- **Revenue:** Consolidated revenue for Q2 grew by 2% to INR 48.8 crore, while standalone revenue grew by 6.6%. The Trailing 12 Months (TTM) sales have crossed INR 7,400 crore.
- **Margins:** EBITDA margins improved significantly YoY. Consolidated EBITDA margin expanded by 340 bps YoY to 6.9%, and EBIT margin expanded by 360 bps to 6.9%. H1 EBITDA achievement was Rs 290 Cr at 8.6%
- **Ticket Size:** Average Ticket Size (ATV) increased by 16% to INR 84700 due to improvement in Product Mix, Higher Stud Ratio and rising gold prices.
- **Recent Trends (October):** The company recorded sales of over INR 1,700 crore in October alone (approx. 50% YoY growth) and has crossed INR 5,000 crore in revenue YTD Oct 25. YTD value growth stands at approximately 25%.

3. Operational Highlights

- **Store Expansion:** The company launched 6 showrooms in Q2, bringing the total to 16 new showrooms in H1. This includes 11 Franchisee and 5 COCO.
- **Same Store Sales Growth (SSSG):** Q2 SSSG was -4% due to purchase deferment, but H1 SSSG was +8%, and YTD (up to October 25) SSSG stands at 17%.
- **Product Mix:** The stud ratio remains strong at approximately 12%. Old gold exchange transactions increased to 42% in Q2, while for H1FY26 they contributed 34% to total sales.
- **Volume vs. Value:** While value growth is strong (25% YTD), volume growth remains in the low single digits or flat due to high gold prices. Consumers are opting for lighter-weight jewellery (weights down 10-12%).

4. Strategic Updates & Balance Sheet

- **Inventory:** Total Inventory increased from INR 3,500 crore to INR 4,200 crore, driven by Dhanteras preparedness and new stores roll out .
- **Hedging Strategy:** Sales are hedged 90-100% (effectively 105% with replenishment). Inventory hedging is maintained at 65-70%. Management noted that if gold prices trend downward, the hedging ratio can be swiftly increased to 80-90%.
- **Borrowing Mix:** The Gold Metal Loan (GML) mix dropped to ~51% in H1FY26 and is currently around 54%-55% to manage margin calls amidst gold price volatility. The company has enough utilised Cash Credit (CC) limits to manage liquidity, noting that the cost differential is manageable.
- **Debt:** Net debt-to-equity ratio remains comfortable at 0.75.

5. Market & Regional Commentary

- **Regional Performance:** Eastern India (accounting for ~65% of business) saw slower growth in Q2 due to Durga Puja timing and GST changes, but rebounded in October 25. Non-Eastern markets are witnessing growth of upwards of 25%.
- **Consumer Behaviour:** There is a noticeable shift towards lightweight designs (18k, 14k, and even 9k in diamonds) to fit consumer budgets.
- **Franchising:** 8 franchise stores opened this year with a pipeline of 4-6 more. Focus remains on Tier 2, 3, and 4 cities in East and North India.

6. Future Outlook & Guidance

- **Revenue Guidance:** Management maintains confidence in achieving 18-20% revenue growth for rest of the year and with 25% growth already achieved, full year growth is likely to cross 22% .
- **Margin Guidance:** Sustainable EBITDA margin guidance is maintained in the range of 7.2% to 7.4% for the full year, having already achieved 8.6% in H1



Senco Gold Limited
November 13, 2025

- **Stud Ratio Target:** The company aspires to increase the stud ratio to 13-13.5% by FY'27.
- **Wedding Season:** A strong number of wedding dates in Q3 and Q4 is expected to drive continued demand momentum.