Ref: SEC/SE/45/2026-27 **Date: 18th August 2026**

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

Dear Sir(s)/ Madam(s),

Sub: Earning Call Transcript pertaining to the Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June 2026

Pursuant to Regulation 30 and 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Analysts/Investors Earning Conference Call organized on 12th August 2026 post declaration of the Unaudited Standalone and Consolidated Financial Results for the quarter ended 30th June 2026.

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

This is for your information and records.

Yours sincerely,
For SENCO GOLD LIMITED

Mukund Chandak Digitally signed by Mukund Chandak Date: 2026.08.18 16:21:20 +05'30'

Mukund Chandak
Company Secretary & Compliance Officer
Membership No. A20051

Encl: As above

"Senco Gold Limited

Q1 FY27 Earnings Conference Call"

August 12, 2026

MANAGEMENT	• Mr. Suvankar Sen - Managing Director and Chief Executive Officer - Senco Gold Limited • Mr. Sanjay Banka - Group Chief Financial Officer & Head IR - Senco Gold Limited
MODERATOR	• Mr. Amit Purohit - Elara Securities
QUESTIONERS	• Viraj Mehta - Enigma Investment • Abhijeet - Antique Stock Broking • Saurav Bedia - Sameeksha Capital • Yash - Yedyna Investments • Amish - Knowise • Arvind - Individual Investor • Yash - Edelweiss • Vaishnavi - Anand Rathi Investments • Gunjan - GB Investments • Madhvendra - Individual Investor

Moderator: Ladies and gentlemen, good day, and welcome to the Senco Gold Limited Q1 FY27 Earnings Call. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero, on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Purohit from Elara Securities. Thank you, and over to you, sir.

Amit Purohit: Good morning, everyone. On behalf of Elara Securities, we welcome you all to Senco Gold's Q1 FY27 Conference Call. I take this opportunity to welcome the management of Senco Gold, represented by Mr. Suvankar Sen, Managing Director and CEO, and Mr. Sanjay Banka, Group CFO and Head IR. We will begin the call with a brief overview by management, followed by a Q&A session.

I will now hand over the call to the management for opening remarks. Over to you, sir.

Suvankar Sen: Thank you very much. A very good morning to all the participants. Ladies and gentlemen, we are very pleased to inform you that, as we begin financial year 2026-27 with a positive mindset, we have delivered a strong Q1 performance, achieving record sales and crossing INR3,000 crores in a single quarter.

The momentum achieved in financial year 2025-26 continues. As a growth-oriented company, we have always believed in beginning the year strongly, and we have tried our level best to deliver such a performance in the first quarter.

If you look at revenue on a consolidated basis, we have grown by almost 67%. This reflects continued and renewed customer trust in the brand. At the retail level, we have grown by more than 50%, which has been a wonderful performance.

We also need to keep in mind that this quarter presented both opportunities and challenges, especially with almost 65% to 70% of our business coming from Eastern India and West Bengal. We faced elections during the quarter and therefore had to plan from the previous quarter itself to ensure strong performance during Poila Boishakh and Akshaya Tritiya.

I am happy to say, and I would like to congratulate my team, that the planning and execution that began 2-3 months before the quarter started were carried out very well.

We also need to understand that the quarter faced certain headwinds, including Adhik Maas and the heat wave. Despite this, April was a wonderful month, in which we clocked sales of almost INR1,500-1,600 crores. In May and June, despite these headwinds, monthly sales moderated to an average of around INR500-600 crores in each month.

However, there was some support from the summer wedding season, and we continuously introduced schemes, discounts and offers to keep customers coming into the stores. There were challenges in terms of footfalls, but our innovative schemes and attractive old gold exchange programmes helped convert customers' old gold into diamond jewellery sales. Altogether, we had a wonderful quarter.

Along with retail sales growth of 50% YoY in Q1, our same-store sales growth was almost 39%. This demonstrates the strong relationships our existing stores continue to maintain with customers through engagement, innovative designs and new collections.

One observation I would like to make is that, at these high gold prices compared with the last financial year, customers have shifted towards lightweight, more delicate and design-led jewellery for daily wear and gifting, rather than simple, standard or old-fashioned jewellery.

We must mention that diamond jewellery sales increased by almost 43% in value and 18% in volume. This gives a strong signal about design development, the shift in consumer preferences and the long-term impact these trends could have on margins as we work to increase the stud ratio.

Another aspect is that lower-ticket-size items were in greater demand. Consumers remained inclined to buy jewellery despite the headwinds, but they wanted products within their budgets. We continuously analysed data and consumer trends and offered jewellery accordingly. We kept building our 9-carat, 14-carat, lower-carat and lightweight jewellery assortment throughout the quarter.

Another aspect to keep in mind is the old gold exchange, which accounted for almost 43% of total sales quantity. Following the appeal by our Honourable Prime Minister to reduce gold imports into the country, I believe the industry collectively made strong efforts to encourage consumers to exchange their old gold. This also became an important driver of our overall numbers and helped customers upgrade their old jewellery.

We have seen average gold prices rise by 61% year-on-year and by just 1% quarter-on-quarter. This has also been one of the drivers of value growth in sales, which has been partly led by the increase in gold prices.

In terms of new stores added during the quarter, we added 3 company-owned, company-operated stores, 4 franchise stores and 1 Sennes showroom focused on lab-grown diamonds. The company remains on track to open another 12 to 15 stores during the remainder of the financial year, and these are very much in the pipeline. In line with our strategy, the majority of the stores we open will be franchise stores, with a focus on East and North India. This remains one of our strategic priorities.

Looking ahead to Q2, Q1 is usually strong because of Akshaya Tritiya, New Year celebrations across various regions and the summer wedding season. Q3 and Q4 are typically led by festivities and weddings. Therefore, Q2 is seasonally softer in terms of overall sales.

However, Q2 is the quarter in which we focus on planning and building inventory so that we are well prepared for the festive season. Another positive development is that, after softer consumer footfalls and sentiment toward the end of May and in June, we are seeing improvement in the market.

As we move through July and August, we are seeing a substantial improvement in consumer sentiment and in customers' inclination to buy jewellery and prepare for their festive and wedding requirements.

Senco has always stood for innovation and new collections and designs. As I have mentioned before, we come up with more than 150,000 designs every year, and we will continue to introduce new designs throughout this year.

I would also like to announce that, alongside our women-focused lightweight jewellery designs, including 9-carat jewellery and new Everlite collections, we have recently launched a new men's jewellery collection under Aham. The range combines titanium with gold and diamonds.

I can proudly say that, consistent with Senco's focus on innovation, we are among the first in the industry to launch titanium jewellery. While gold and diamonds are incorporated in the jewellery and contribute to margins, the addition of titanium keeps the overall price range affordable. The range starts at about INR20,000 and goes up to INR1 lakh.

As part of our strategy for the financial year, we will continue to prioritise lightweight jewellery collections. We are continuously analysing data and optimising inventory to improve diamond jewellery sales, while increasing the share of franchise stores so that margins are protected.

We will continue to focus on improving margins and optimising return on capital. We remain focused on achieving 20%+ value growth for the financial year, building the Senco brand across the country, reaching more customers and expanding through both owned and franchise stores, with a geographical focus on East and North India.

So with this, I would like to request Mr. Banka to say a few words before we start taking questions from all of you. Thank you very much.

Sanjay Banka: Good morning. While Mr. Sen has given a detailed background, I would like to clarify that total growth was 67%, while retail growth was 50%. This 50% retail growth was broad-based across all zones. We have seen good growth even in the newly launched Central region, where we have 7 stores, and in Delhi NCR. Overall, growth has been strong across both owned stores and franchise stores.

ASP increased by almost 40% YoY versus Q1 last year, while ATV increased by 38% YoY. When we look at EBITDA in the 7% range, it is important to remember that every quarter has its own unique characteristics, particularly in the jewellery industry.

Q1 last year benefited from a price rise, and we clarified at the time that although the reported EBITDA margin was 10.1%, our sustainable EBITDA margin was between 7.5% and 7.8%. We have maintained the same guidance with the Q1 results this year. Therefore, we consider the quarter's 7% EBITDA margin and INR213 crores of EBITDA to be a good outcome.

Consolidated PAT for the quarter was INR101 crores. PAT was lower than the standalone figure partly because of the impact of our three subsidiaries. Of these, the factory subsidiary, which is a captive design and jewellery-supply hub, is doing very well and enables us to launch almost 100 designs per day.

However, the Sennes brand is still in its start-up phase and is developing its lab-grown diamond, perfume and leather-bag businesses. Any new brand takes time. Sennes Fashion Limited and the Dubai entity therefore partly affected consolidated PAT, which was nevertheless at a margin of 3.3%.

What we want to reiterate is that the quarter should be viewed in a broader perspective. We have continued to optimise inventory, which has improved inventory days, and we have taken various actions to obtain operating leverage. For the full year, we remain optimistic and continue to guide for a 7.5%-7.8% EBITDA margin.

With that, we can begin the Q&A session and invite your questions.

Moderator: Thank you very much. Let us now begin the question-and-answer session. The first question is from the line of Viraj Mehta from Enigma Investment.

Viraj Mehta: Very good performance. My first question is regarding the guidance for the year. We are still guiding for 20% growth, which would imply very limited growth for the rest of the year after such a strong Q1. What am I missing? You have had a spectacular first quarter despite the headwinds. Now that Adhik Maas and the election are behind us, why are we so conservative about growth for the rest of the year?

Suvankar Sen: I appreciate your question. If you look at our overall performance over the past 2-3 years, we have always been somewhat conservative in giving guidance. The range we usually communicate is 20%-25% growth. We have had a wonderful first quarter, and I am confident that performance in Q2, Q3 and Q4 will continue to remain strong. We believe that after Q3 we will be in a better position to give any revised guidance. For now, you may look at our guidance as 20%+ and perhaps 25%+, depending on how the rest of the year averages out.

What you are saying is logically correct. With last year's revenue of INR8,430 crores, we can comfortably say that we should cross INR10,000 crores this year, and our internal team endeavours to achieve an even higher number. Please appreciate that we are guiding conservatively, and we will continue to update you as the year progresses.

Viraj Mehta: You said April was a spectacular month, while May and June were softer because of various factors, including global uncertainty and the call to moderate gold buying. You also said July and August were better in terms of footfalls. Without asking for an exact number, have monthly sales moved back from roughly INR500-600 crores toward INR700-800 crores in July and August, or at least in July?

Suvankar Sen: In terms of the Q1 monthly mix, almost 55% of the quarter's sales came in April, while the remaining 45% came in May and June. From July onward, we have seen footfalls return, and consumer sentiment improve.

Compared with June, we have seen stronger traction in July and August. At present, July and August are up by around 8%-10% compared with the May-June level, and we expect the build-up to become much stronger in October and November. That is how the seasonal trend typically looks.

Viraj Mehta: Just to be sure, are you saying July was up by 8%-10% compared with July last year?

Suvankar Sen: No. I am referring to July being around 8%-10% higher than the May-June level. Compared with last year, July is also showing growth of about 25%.

Viraj Mehta: Understood. On margins, please help me break this up, Banka ji. Last year, when we reported around a 10% margin, I assume a reasonable portion came from inventory gains in Q1. This quarter, the average gold-price movement QoQ was only about 1%. If I think about operational profit, would it be fair to say that roughly INR70-75 crores of adjusted PAT last year has become about INR100 crores this quarter, largely from operations?

Sanjay Banka: Yes. On last year's earnings call, we said that at least 1.5%-2% could be ascribed to inventory gains.

Viraj Mehta: Absolutely.

Sanjay Banka: Exactly. While we cannot disclose an adjusted EBITDA impact every quarter, we can reasonably assume that adjusted PAT for Q1 last year was around INR70-75 crores. The roughly INR100 crores of PAT this quarter should be viewed from that perspective. The reported EBITDA margin this quarter is 7%.

Adjusted EBITDA will depend on hedging, discounting, other competitive factors and the customs-duty gain. Therefore, we should look at 7.5%-7.8% as the sustainable EBITDA margin over a normalised period of 2-3 quarters.

Viraj Mehta: My last question on margins is this: when you guide for 7.5%, you have already delivered 7% in one of your leanest quarters. The December quarter could be double-digit on an operational EBITDA-margin basis. You appear conservative on both the top line and margins. With such strong sales growth and costs not rising at the same pace, should margins not be higher?

Sanjay Banka: As Mr. Sen said, we are usually conservative in our guidance, particularly in the first quarter. The same trend was observed last year, when actual top-line and bottom-line performance was higher than our initial guidance. Based on our detailed planning, we continue to look at a sustainable EBITDA margin of 7.5%-7.8%. Any upside beyond that could come from other dynamics such as price movements, discounting and improvement in the stud ratio. For now, 7.5%-7.8% remains our sustainable range.

Moderator: The next question is from the line of Abhijeet from Antique Stock Broking.

Abhijeet: My first question is on other expenses. These have generally been in the region of INR123-124 crores and have suddenly increased to around INR229 crores. If I apply the normal run rate for other expenses, the company could have achieved a much higher margin. I understand the gross-margin impact from changes in inventory, but other expenses have made a meaningful difference to the overall margin. What is the reason for the increase?

Suvankar Sen: Thank you for the question. I would attribute the increase in other expenses to the efforts we have made to grow the business. These include marketing-related expenses, store renovations undertaken during the lean season, and customer offers and schemes.

Because of these initiatives, certain expenses were booked during the quarter to support the business and mitigate risks. Other expenses therefore appear higher. If we could control them further, margins would look better. However, these types of expenses will not recur at the same level every quarter, which is one reason we expect margins to improve as the year progresses.

Abhijeet: I was also looking at marketing expenditure in the presentation. Marketing cost has declined, so the main driver appears to be other expenditure excluding marketing. Should we therefore expect these other expenses to subside or normalise going forward, since they were more specific to this quarter?

Suvankar Sen: We continue to invest in brand-building initiatives. For our men's jewellery brand, for example, we have launched a new collection and engaged brand ambassadors to build traction and attract younger customers. We will make similar efforts for youth-oriented, everyday-wear jewellery to bring more young consumers into our stores.

Abhijeet: To clarify, marketing cost in the presentation has declined by 19%, from about INR43 crores to INR35 crores, while other expenditure has increased from about INR80 crores to INR195 crores. Should we expect this run rate to subside, as it was more specific to the quarter?

Suvankar Sen: Exactly. This run rate will not continue, and we expect it to subside in the upcoming quarters.

Abhijeet: My second question is on finance cost. The lack of GML availability led to an increase in cost. What caused the lack of availability, and what is the situation currently?

Suvankar Sen: If you remember, during March and April there were certain issues that we also discussed on the previous quarter's call. Banks were not able to provide GML as freely, gold imports were constrained, and there was considerable uncertainty. This happened during the peak season, ahead of Akshaya Tritiya, when we needed to ensure that raw material was available.

There was also uncertainty from banks around the duty changes being discussed at the time, alongside the geopolitical situation and efforts to reduce gold imports into the country. As a result, Gold Metal Loans were not as freely available during those first two months, and we had to procure more gold from the local market.

To mitigate that risk, we reduced our Gold Metal Loan exposure at that time. Now that conditions are stabilising, and with crude oil prices coming down, we hope the pressure on the economy will ease, and gold imports will become less constrained. GML is now more easily available, and we will start building the portfolio again.

Moderator: The next question is from the line of Saurav Bedia from Sameeksha Capital.

Saurav Bedia: I have two questions. First, what is the current hedging ratio? Second, have the supply-chain issues been resolved, and what are the current inventory position and weighted average cost of inventory?

Sanjay Banka: The supply-chain issue related to GML availability, but physical gold itself was available. Old-gold procurement accounted for 43% on a blended basis across owned and franchise stores, while it was above 55% for our own stores. We also purchase ready-made or traded jewellery, which accounts for around 20%.

The balance is sourced either through GML or bullion vendors. Therefore, the issue was primarily a function of finance cost rather than physical availability. We have been benchmarking our inventory days and inventory turnover against industry peers, and we see an opportunity to improve. We have also implemented gold-rate-based software to evaluate store performance.

Based on store-by-store performance, we have reduced inventory in both kilogram and value terms, which has improved inventory days. We will continue to improve inventory efficiency in line with industry benchmarks.

Saurav Bedia: What is the current inventory-days position? I may have missed that part.

Sanjay Banka: Inventory days are currently around 152, as stated in the presentation. We will continue to work on improving this further.

Saurav Bedia: First, how has demand been in the current quarter so far? Second, a bookkeeping question: why did retail and reported sales diverge by 19%?

Sanjay Banka: I think you are talking about the business update, right?

Saurav Bedia: Yes.

Sanjay Banka: If you are referring to the business update, we reported 62% growth at that time, while the limited-review number is now 67%. As we have said, the business update is preliminary, and certain accounting adjustments, including sales and right-to-return adjustments, are still pending at that stage.

That explains the gap between the 62% growth reported in the business update and the current 67% figure. The present numbers are limited-review numbers, while the business update is based on preliminary closure numbers and can vary slightly upward or downward.

Moderator: Sorry to interrupt, Saurav. Please rejoin the queue for follow-up questions.

Suvankar Sen: To answer your other question, the current-quarter performance is showing about 25% growth year-on-year.

Moderator: The next question is from the line of Yash from Yedyna Investments.

Yash: My question is about operating margins. When management guides for a 7.5%-7.8% EBITDA margin and around a 4% PAT margin, does that guidance include the impact of hedging, or are these purely operational margins?

Sanjay Banka: The 7.5%-7.8% range assumes a normalised situation in which there is no material gold-price rise or fall, and the business is appropriately hedged. In other words, it assumes a broadly neutral price environment.

Depending on the hedging percentage - whether 50%, 80% or 100% - reported results can vary slightly. Our intent, based on the present hedging level, is to ensure that we can still deliver a 7.5%-7.8% operational EBITDA margin. We have delivered that in the past as well.

Yash: So the 7.5%-7.8% range is purely operational, correct?

Sanjay Banka: Correct. It is the operational EBITDA range.

Yash: My second question is on hedging. How do you decide the appropriate hedging level for a quarter? The margin swing has been quite wide: Q1 FY26 was around 10%, while Q1 FY27 is 7%. What factors do you consider when determining the hedge ratio?

Suvankar Sen: Our hedging strategy is guided by the Board-approved policy. At present, we are maintaining hedging at approximately 50% because the last financial year saw extreme volatility. We need to balance liquidity risk with the risk of gold-price movements.

For now, until gold prices stabilise to some extent, we intend to maintain hedging at around 50%. As conditions become more stable, we can gradually increase the hedge ratio.

Moderator: Sorry to interrupt, Yash. Please rejoin the queue for follow-up questions. The next question is from the line of Amish from Knowise.

Amish: Congratulations on the good operational performance. April was very strong, while May and June were softer, and the operating margin has come down to 7%. We had also built inventory ahead of the quarter and saw an increase in customs duty. Could you explain how inventory utilisation and hedging affected the 7% EBITDA margin? Was there any inventory loss, or did the customs-duty increase create a gain? The presentation or press release refers to the benefit of the higher customs duty accruing over Q3. Could you give us some flavour of whether the 7% margin is after the impact of inventory movements, hedging and price volatility?

Suvankar Sen: First, the inventory build-up ahead of Poila Boishakh and Akshaya Tritiya was a very useful initiative and helped us achieve strong sales in April by ensuring that stock was available when consumers were willing to buy. That was one part of the strategy.

Over the rest of the quarter, as demand moderated, we focused on selling through the inventory we had built and reducing overall stock. By the end of the quarter, our stock-turnover ratio had improved substantially.

As we approach the festive season, we will begin building inventory again from September onward and then work to reduce it during the festive period. That is our general inventory strategy: build ahead of the season and sell through during the season. Banka ji can elaborate on the operational EBITDA point.

Sanjay Banka: As I clarified, 7.5%-7.8% is our operational EBITDA range. Whenever gold prices rise, there can be some gains, and when gold prices fall, there can be some losses.

As noted in our comments, this quarter's margins were affected by the fall in gold prices, competitive intensity and discounting, partly offset by the customs-duty impact. That is the broader context in which the 7% EBITDA margin should be viewed.

Amish: Understood. You also said retail sales were 50% higher, reported sales grew by more than 60%, and the average gold price in the press release was up by more than 60%. Does this imply a reduction in grammage sold, and should we be concerned about that despite the network expansion?

Sanjay Banka: Grammage reduction is not a major concern. When we discuss grammage, we also look at it on a 24-carat-equivalent basis. On a mixed-purity basis, grammage has increased, while on a 24-carat-equivalent basis there is only a slight reduction of around 1%.

As we have always reiterated, jewellery retail is not only about volume; customers buy gold largely by value. At the India level, gold volumes have remained broadly around 750-800 tonnes.

Of that, around 60% goes into jewellery, and roughly 40% of the jewellery sector is organised. These broad industry proportions have remained relatively stable, while our company has grown significantly within the market. We therefore look at grammage as only one part of the business and focus more on making charges, which are linked to value rather than charged purely per gram. I hope that clarifies the point.

Amish: One last bookkeeping question: can you share cash flow from operations for the first quarter? I would have expected it to be positive because inventory was reduced.

Sanjay Banka: We will share cash flow from operations with the H1 results. As you would have seen last year, the accounting presentation can be affected by the level of GML. I would not call it an anomaly; it is more a matter of accounting optics. Since GML borrowing is lower this quarter, my understanding is that cash flow from operations may appear negative from an accounting perspective.

Let Q2 play out, and the position will become clearer when we publish the cash-flow statement. It is more an accounting presentation issue than a reflection of business reality. The business is generating sales, revenue has grown 67%, customers are coming in, and we are profitable. The main point is that we are reinvesting and recycling cash back into the business.

Moderator: The next question is from the line of Arvind, an Individual Investor.

Arvind: I have a couple of questions. First, congratulations on the meaningful reduction in inventory days. Even if inventory days do not reduce further, can we expect them to remain around the current level?

Sanjay Banka: Arvind ji, while we are taking all possible steps to improve inventory days, we are equally focused on business efficiency, return on capital employed and return on equity. At the same time, we are preparing for 25%-30% growth, having already achieved 67% growth in Q1.

When the entire business is growth-driven, we need to provide customers with choice, a wider range and more designs, and that requires inventory. We therefore need to maintain a tightrope balance. We prefer to view return on equity and return on capital employed as the primary criteria, with inventory days as a supporting efficiency metric.

We take your suggestion and concern seriously, but we want to grow without optimising only one or two parameters at the expense of the broader business. Our focus is on overall shareholder wealth creation and improving return on equity.

Arvind: I hope you also benchmark your performance against listed peers. Some newly listed companies, such as P N Gadgil, have inventory turns closer to 3x or above and return ratios closer to 25%-30%. Where do you think Senco differs?

Sanjay Banka: Sir, we do not want to comment on competitors. Every business has a unique customer base, product mix and strategy. We track our peers with respect and curiosity. At this stage, I would not describe it as a matter of lacking; it is a function of business model and market strategy.

While those terms may sound generic, let me assure you that we look at all relevant factors. As mentioned earlier, we have implemented AI-based software to analyse inventory productivity by jewellery category, range, design, metal and customer base. At the same time, we have to keep creating traction in the market. That is all I can say without divulging too much on this forum.

Moderator: Sorry to interrupt, Mr. Arvind. Please rejoin the queue for the follow-up question. The next question is from the line of Yash from Edelweiss.

Yash: I have a few questions. I hope I'm audible?

Moderator: Yes.

Yash: My first question is on gold prices, which have risen significantly over the last year. On a steady-state basis, what level of inventory do you envisage per store, what revenue per store are you targeting, and what inventory turns are you focused on?

Suvankar Sen: This is a strategic question, but to give you a broad idea, inventory per store can range from around 15-18 kg to 35-40 kg depending on market potential, local requirements and the competitive environment. It is dynamic and cannot be fixed at one number, but that is the broad range we work with.

At the same time, we are conscious that we do not want to block inventory unnecessarily. We look at customer budgets and offer different purities - 9-carat, 14-carat and 18-carat, along with traditional 22-carat jewellery - so that we can meet product requirements within customers' budgets.

The second aspect is that stores also need adequate availability of diamond, platinum and other modern, higher-margin jewellery. We maintain an optimum stock level store by store and try to fulfil it. That is how the overall inventory picture should be viewed.

Sanjay Banka: There is an inventory value appearing in the balance sheet as of March 2026. If you exclude roughly 10%-15% that is in transit or at various stages of tagging and divide the remaining amount by the number of stores, you can calculate an average inventory per store. However, that is a somewhat narrow approach because we operate a hub-and-spoke inventory model.

For example, inventory at an owned store in Mumbai may also support Nagpur, inventory in Indore may support Gwalior, and inventory in Patna may support Bhagalpur. Therefore, although you can calculate a simple average after adjusting for inventory in transit and tagging, inventory per store is ultimately a strategic and network-level number.

Yash: Understood. The reason I ask is that the vision of INR20,000 crores of revenue with 300 stores by 2030 implies roughly INR60-65 crores of revenue per store. At 2x-2.5x inventory turns, that would imply around INR25-30 crores of inventory per store. I was trying to reconcile that math.

Sanjay Banka: That broad calculation is correct. We have stores across a wide range of productivity levels, from around INR50 crores to INR250 crores of revenue, with some stores crossing INR200 crores. In one of the earlier calls, I gave a blended average of around INR37 crores. You can also derive a simple average by dividing total revenue by the number of stores, but such an average is naturally conservative because store productivity varies significantly.

The vision we have given is very achievable, but it will also require an increase in inventory. If we are currently operating with around INR5,000 crores of inventory, achieving an INR20,000-crore top line could require roughly INR8,000-9,000 crores of inventory.

If you benchmark peers that generate around INR20,000 crores of revenue, you may find similar inventory levels, in some cases around INR12,000 crores. That is why, rather than focusing only on inventory per store, we have said that we will focus on improving return on equity and return on capital employed toward the 20% range. Inventory efficiency will be a subset of that broader objective.

Moderator: The next question is from the line of Vaishnavi from Anand Rathi Investments.

Vaishnavi: I have one question. What would the EBITDA margin for this quarter have been after removing the one-off impacts?

Specifically, after removing the impact of the customs-duty change, gold-price movements and other one-offs, what would the core operating margin have looked like this quarter, and what would the comparable figure have been for the previous quarter?

Sanjay Banka: We have said that the sustainable EBITDA margin is 7.5%-7.8%. This quarter was affected by our hedge position, which is around 50%. There was an impact from the fall in gold prices, market discounting following the customs-duty increase, and our old-gold exchange scheme, which also has a margin impact, as other jewellers have noted.

There was also a customs-duty gain. Similarly, when we offer customer schemes and advances to promote sales, we provide certain benefits to customers. The reported 7% margin is net of all these factors. This is quarter-specific, so we prefer to evaluate performance over 3-4 quarters and remain confident of delivering a 7.5%-7.8% EBITDA margin for the full year.

Vaishnavi: I understand. For example, Titan explicitly stated the positive impact of the customs-duty benefit on its EBIT. Can you indicate approximately what the positive impact of the customs-duty rate change was on our numbers?

Sanjay Banka: We have not called out that number yet.

Vaishnavi: Would it be possible to provide that number? It would help us estimate steady-state business margins without the one-offs and better understand the operating performance before hedging and other market-related effects.

Suvankar Sen: In terms of one-off gains, we believe the benefit from the duty increase will accrue over the coming 2-3 quarters. In Q1, we had roughly 45 days of impact after the announcement.

We estimate that the customs-duty gain in Q1 was around INR12-15 crores. This benefit will be partly offset by customer schemes, discounts and other promotional measures, but INR12-15 crores is the estimated gross range for the quarter.

This is only an estimate of what we believe was achieved in the quarter. As subsequent quarters progress, we will continue to assess the realised benefit and call it out when appropriate.

Moderator: Sorry to interrupt, Vaishnavi. Please rejoin the queue for the follow-up question. The next question is from the line of Gunjan from GB Investments.

Gunjan: How does management intend to optimise the approximately 50% hedging strategy going forward, particularly if gold prices rise and the higher import duty provides some cushion to margins?

Suvankar Sen: For now, we do not plan a material change in the hedging policy. The margin we provide to banks and MCX is a separate issue. From a policy perspective, given the current uncertainty and volatility, approximately 50% is a stable and manageable hedge level that balances gold-price risk with the liquidity required to support our growth trajectory.

There have been periods when the company was hedged at 75%, 80% or even 85%, when gold prices were more stable and margin requirements from exchanges and banks were lower. As conditions stabilise and liquidity adjusts to the current gold-price environment, we can move toward a higher hedge percentage. For now, however, we intend to remain around 50%.

Moderator: Sorry to interrupt, Gunjan. Please rejoin the queue for a follow-up question. The next question is from the line of Madhvendra, an Individual Investor.

Madhvendra: I strongly believe management needs to become more shareholder-friendly because the quarterly results create significant uncertainty. Margins can be 13% in one quarter, 5% in another and 8%

in another. I understand the hedging policies and inventory dynamics, but this degree of unpredictability appears unusual compared with other listed jewellery companies.

As a result, the share price has been among the weakest performers in the jewellery sector despite the company reporting record revenue and strong sales. I believe management should work toward making margins more predictable and improving shareholder communication.

Suvankar Sen: We appreciate your feedback. We continue to guide for a 7.5%-7.8% EBITDA margin for the full year and will work toward achieving it. We also continue to target 20%-25% top-line growth. Quarterly uncertainties are something we all have to deal with, but we intend to remain shareholder friendly.

We also want to be transparent and create tools and processes that improve predictability as much as possible. Over the last 2-3 years, there has been significant geopolitical uncertainty, liquidity pressure and movement in gold prices, while the company has remained in a growth phase.

We take your inputs seriously. We intend to keep growing the company and its profits, improve returns on capital for shareholders and continue building the business. We will keep working on the points you have raised.

Moderator: Sorry to interrupt, Madhvendra. Please rejoin the queue for a follow-up question. The next question is from the line of Yash from Yedyna Investments.

Yash: On hedging again, we have been guiding for around a 50% hedge ratio. Have we considered moving closer to 100% hedging, perhaps by benchmarking ourselves against larger players such as Titan or Kalyan? I understand the Board policy allows a range, but can we eventually move toward a much higher hedge level?

Suvankar Sen: Ideally, we would like to move toward a higher hedge level. If our inventory is about INR5,000 crores and turnover is about INR10,000 crores, the inventory broadly represents around six months of sales. There are different ways of looking at hedging against that inventory base.

At present, we are hedging about 50% of inventory to mitigate margin volatility and gold-price risk. If that level protects us against significant volatility over one or two quarters, it serves the risk-management objective. Ultimately, we aim to reduce margin volatility and price risk, and we will move toward a higher hedge ratio as conditions permit.

A 100% hedge is an idealised level. In practice, we may move closer to 75%-80% while keeping a buffer of around 20% for flexibility. In the long run, however, we would like to hedge as much of the exposure as is practical.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question. I would now like to hand the conference over to the management for closing comments.

Suvankar Sen: Thank you, ladies and gentlemen, for your time and for all your questions. We would like to reiterate that Q2 will be a planning quarter in which we prepare the business for a strong Q3.

The positive aspect is that, after a slower May and June, July and August continue to show around 25% growth year-on-year. This is a good sign, and I am confident that growth can strengthen as we move into the festive season. We are seeing renewed customer interest in buying, planning and preparing for the festive and upcoming wedding seasons.

Looking beyond individual quarters, our long-term vision is to build on the INR8,430 crores of revenue achieved in the previous financial year and, over the next 4-5 years, grow the company to INR20,000 crores-plus of revenue.

From around 200 stores today, we aim to build a 300-plus-store company. We will use multiple formats and models, including Senco and Everlite, with both large and small formats depending on market requirements and opportunities.

Ultimately, we want to deliver customer satisfaction while also generating sustainable profits for the organisation and its shareholders. From the current sustainable EBITDA guidance of 7.5%-7.8%, we endeavour to move toward an 8% margin through a higher stud ratio and other initiatives, while targeting a PAT margin of around 4.5%-5%.

We believe that would provide a sustainable balance between growth and profitability. As Banka ji has been saying, we also need to focus on return on equity and return on capital. We are very conscious of this, are optimising stocks and driving efficiency, and will continue working to deliver the best possible return on capital for the business and our shareholders.

Thank you very much for all your best wishes and blessings. We take your inputs in the right and positive spirit so that we can continue to improve and perform as a team. Thank you very much.

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

Summary of Q1 FY27 Earnings Call

Headline performance

- Sales crossed INR 3,000 crores in the quarter
- Consolidated revenue +67% YoY; retail sales +50% YoY; SSSG ~39%
- EBITDA INR 213 crores at 7.0% margin; consolidated PAT INR 101 crores at 3.3% margin
- ASP +40% YoY; ATV +38% YoY
- Average gold price +61% YoY, +1% QoQ

Quarter profile and demand

- April contributed ~55% of quarterly sales at INR 1,500–1,600 crores, aided by Poila Boishakh and Akshaya Tritiya
- May–June moderated to INR 500–600 crores per month on the West Bengal elections, Adhik Maas and the heat wave
- Old gold exchange accounted for 43% of sales quantity on a blended basis and over 55% at owned stores
- Diamond jewellery +43% in value, +18% in volume
- Demand shifted toward lightweight, design-led, lower-ticket jewellery; 9-carat and 14-carat assortment expanded accordingly
- Grammage declined ~1% on a 24-carat-equivalent basis

Network and product

- Added net 3 COCO stores, 4 franchise stores and 1 Sennes showroom
- 12–15 further openings planned for the year, majority franchise, focused on East and North India
- Launched Aham, a men's collection combining titanium with gold and diamonds, priced INR 20,000 to INR 1 lakh

Margins and hedging

- Sustainable operational EBITDA guidance retained at 7.5%–7.8%
- Q1 FY26's reported 10.1% included 1.5%–2% of inventory gains; adjusted PAT for that quarter was INR 70–75 crores
- Customs-duty gain estimated at INR 12–15 crores on roughly 45 days of impact, with further benefit expected over the next two to three quarters
- Margins were affected by the gold-price decline, competitive discounting and the old gold exchange scheme
- Other expenses rose from ~INR 80 crores to ~INR 195 crores on store renovations, customer schemes and brand-building; management indicated this level is quarter-specific. Marketing spend declined 19%
- Hedging held at ~50% under Board policy, with intent to move toward 75%–80% as volatility eases
- GML availability was constrained during March–April, requiring local market procurement and raising finance cost; availability has since normalised

Subsidiaries and working capital

- The factory subsidiary supports ~100 new designs a day
- Sennes Fashion and the Dubai entity remain in start-up phase and weighed on consolidated PAT
- Inventory days at ~152
- Cash flow from operations to be disclosed with H1 results; may appear negative on lower GML borrowing

Outlook

- July and August tracking ~25% YoY growth, 8%–10% above the May–June run rate
- Q2 to be a planning and inventory-building quarter ahead of the festive season
- FY27 guidance retained at 20%+ value growth, implying revenue above INR 10,000 crores against INR 8,430 crores in FY26; to be revisited after Q3
- Longer-term target of INR 20,000 crores+ revenue and 300+ stores over four to five years
- EBITDA margin targeted toward 8% on a higher stud ratio, PAT margin of 4.5%–5%, and ROE/ROCE approaching 20%