



Date: May 22, 2026

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Scrip Code: 544256

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G, BKC,
Bandra (East), Mumbai – 400051
Symbol: PNGJL

Subject: Transcript of Conference Call

Dear Sir/ Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of audio call of the Conference Call held on Friday, May 15, 2026, at 03:30 P.M (IST).

The details are also available on the website of the Company at <https://www.pngjewellers.com>

Kindly take the above information on your records.

Thanking You.

Yours Sincerely,
For P N Gadgil Jewellers Limited

Prakhar Gupta
Company Secretary & Compliance Officer

P N Gadgil Jewellers Limited

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“P N Gadgil Jewellers Limited”
Q4 FY26 Earnings Conference Call
May 15th, 2026



**MANAGEMENT: DR. SAURABH GADGIL – CHAIRMAN AND MANAGING
DIRECTOR – P N GADGIL JEWELLERS LIMITED
MR. DEEPAK VIJAY – CHIEF FINANCIAL OFFICER – P
N GADGIL JEWELLERS LIMITED**

**MODERATOR: MR. AAYUSH ADUKIA – NUVAMA WEALTH
MANAGEMENT LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to the P N Gadgil Jewellers Limited Q4 FY26 earnings conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aayush Adukia from Nuvama Wealth Management Limited. Thank you and over to you, sir.

Aayush Adukia: Thank you, Julius. Good afternoon, everyone. On behalf of Nuvama, it is a pleasure to welcome you to P N Gadgil Jewellers Q4 FY26 earnings conference call. From the management today, we have Dr. Saurabh Gadgil, Chairman and MD, and Mr. Deepak Vijay, CFO.

I would like to hand over the call to the management for their opening remarks. Over to you, Saurabh.

Saurabh Gadgil: Thank you, Aayush. Good afternoon, everyone, and a very warm welcome to the Q4 and the full year FY26 earnings conference call of P N Gadgil Jewellers Limited. I hope all of you had the opportunity to review our quarterly results, press releases, and investor presentation, which have been made available on the stock exchanges as well as on the company's website.

Before I take you through the presentation, I would like to begin by expressing my heartfelt gratitude to our customers, employees, our vendors, our partners, shareholders, bankers, and all you well-wishers whose unwavering trust has been the cornerstone of everything we have achieved so far this year. FY26 has been truly a defining year for PNG, a year in which we crossed several meaningful milestones, expanding into new geographies and reinforced the depth of our 194-year-old legacy.

Most importantly, FY26 marks the year in which we crossed INR10,000 crores of revenue, a milestone for the first time, reporting a full year consolidated revenue of INR10,739 crores, a growth of 40% year-over-year. This is a moment of great pride for the entire PNG family, an aspiration we have nurtured for many years and one which we are deeply humbled to have achieved.

This performance was meaningfully supported by an outstanding fourth quarter in which the total consolidated revenue grew by 123% year-over-year to INR3,544 crores, a clear reflection of the strong festive and continued demand across each of our core business segments. The quarter benefited from a strong wedding and festive season, complemented by record-breaking event-led sales. Starting with our Foundation Day, we recorded a sale of INR365 crores with healthy contributions across all product categories.

This was followed by Gudi Padwa, a culturally important festival in Maharashtra, where we recorded sales of INR171 crores, a 38% Y-o-Y growth. Subsequently, to commemorate our INR10,000 crores mark milestone, we celebrated a Gratitude Day offer with our customers in which we delivered a sale of INR225 crores, a heartwarming response from our patrons that reaffirmed the emotional connect our brand enjoys across markets.



Coming to operational performance, the store expansion including geographical diversification, remained a key theme throughout the year. During Q4 FY26, we added 12 new stores, 8 COCO, in which 3 legacy and 5 LiteStyle, and 4 FOCO, 1 legacy and 3 LiteStyles, taking our total store count to 78 as of March 31st, 2026. On a full year basis, we added 25 new stores, reinforcing our position as one of the fastest-growing organized jewellery brands in the country.

Our Q4 expansion also included strengthening our presence in Maharashtra and entering new potential markets like UP with the launch of stores in Gorakhpur and Banaras. Further, I would like to briefly address on the margins, the clarification which we also uploaded on the on the stock exchanges. So as of when we compare Q4 of FY26 versus Q4 FY25, there was a gross margin dilution of almost 2.3%, 230 basis points.

The company had consolidated gross margins of in for Q4 FY26, which went down by 2.3% year-over-year. So, the three factors primarily which can identify to this are higher share of gold bars and coins in the overall sales mix. This has this can be attributed to a 150-basis point or 1.5% decline. The share of gold bars and coin sales in the overall revenue mix rose 28% in Q4 FY25 to 40% in Q4 FY26.

In value terms, it rose from INR450 crores to INR1,400 crores. As this segment operates on a structurally very thin spread, the company's overall core retail jewellery business, the elevated contribution compressed the consolidated gross margins due to consumer shift of gold from consumption to gold for investment in Q4 FY26. All gold bar I would like to once again reiterate that all gold bar and coin sales in the in the period are purely B2C to customers and there is no refinery or B2B business in this. In the same continuing the same point, in Q4 of FY26, we saw a 1% lowering in the studded jewellery mix.

Now this was a one-time impact due to the Foundation Day and the Gratitude Day offer, wherein there were heavy discounting on the gold making charges and which led to almost a 1% drop in the studded ratio as compared to Q4 FY25. So Q3 versus Q4, there was a 1% lowering in studded ratio.

Also, to mention as we have mentioned ahead, with the promotional activities targeting Gudi Padwa and with the with the Foundation Day and the Gratitude Day offer, the marketing promotion and trade discounts were in excess of INR50 crores, which again had an impact on the margins. So, these three together have been able to we have been able to demonstrate why there was a dip in margins in Q4, but if you look at on a year-on-year basis, we are still we have still been able to stick to our estimate of, you know, 12% gross margins and with almost a 3.75 to 4% PAT level.

Going ahead, there was also a question on the Q4 FY26 versus Q3 of FY26. Here too, I would like to point out that the franchise sale proportion had gone up by almost INR200 crores in this quarter as we added five new franchises, and the franchise gross margins are in the range of 2.5 to 3%. So, this was again one of the reasons why the margins saw a dip as compared to Q3 versus Q4. Again, the gold the sale of gold bars and gold coins was again one of the factors which led to a decline in the margins in Q4 as compared to Q3.



If we look at the business in terms of value, it would have the gold bars and coins in Q3 were INR1,100 crores, which increased to INR1,400 crores in Q4. And the in a similar way, the studded ratio went down by 1%, which again had a negative impact on the margins in Q4. As far as the company's hedging is concerned, our monthly sales is in the range of around average of 600 kilos. The inventory we hold is around 2,000 kilos. And our hedging as we speak, as of Q4, was around 67%.

This hedging in the in the Q4 FY25 was in the range of 55%. So as committed, we have increased the hedging by 10 to 12%. So, the gain from unhedged portion of sales in Q4 FY25 was INR7.4 crores, in Q3 FY26 was INR45 crores, and in Q4 FY26 was INR20 crores. So, this was another reason why we have seen the dip in the margins. But having said this, the company remains committed to the gross margin guidance of around 12 to 13% with the EBITDA of 7 to 7.5% and a PAT of 4%, which also is in line with the current year's performance.

I would now ask our CFO Deepak to further continue with the with the commentary ahead.

Deepak Vijay:

Thank you, Saurabh, and good afternoon, everybody. I will take you through the financial performance of P N Gadgil Jewellers Limited for Q4 and the full year ended March 31, 2026. We are pleased to have crossed the landmark of INR10,000 crores revenue milestone during FY26, a defining achievement in the company's growth journey. For FY26, consolidated revenue grew 40% year-on-year to INR10,739 crores. Gross profit grew 83% year-on-year to INR1,302 crores with gross margin expanding by 280 bps to 12% on a yearly level, reflecting structural improvement in the product mix.

EBITDA grew 90% year-on-year to INR704 crores with EBITDA margin improving by 180 bps to 6.6%, which is in line with our earlier guidance as well. PAT grew 88% year-on-year to INR410 crores while PAT margin expanded by 100 bps to INR3.8 crores in this year versus last year. ROCE and ROE improved to 30.5% and 21% respectively year-on-year on a full year basis.

While coming back to the segmental performance, our retail segment continued to remain the primary growth driver, reporting a revenue growth of 51% year-on-year to INR8,131 crores, led by healthy same-store sales growth of 43% driven by wedding and festival demand, improved product mix, and contribution from newly added stores.

Stud ratio for the full year has also increased to 9.9%. The e-commerce segment delivered robust growth of 105% year-on-year to INR529 crores, reflecting increasing digital adoption and rising consumer preference for convenience-led jewellery purchases. We continue to strengthen our digital capabilities to further enhance customer engagement and accessibility.

The franchisee segment also demonstrated strong momentum, growing 83% year-on-year to INR1,292 crores, driven by store expansion and healthy traction across existing operational markets. The franchise-led model continues to support our asset-light expansion strategy while strengthening brand reach across diverse geographies.

Our average transaction value, ATV, for FY26 stood at over INR1 lakh, reflecting both premiumization in our basket and the rising aspirational quotient of our customer base. Our key



operational metrics include average revenue per store of INR137.7 crores, revenue per square feet of INR4,51,000, net profit per store of INR5.25 crores, and an inventory turnover ratio of 3.8x, together underscoring sustained operational efficiency.

Now coming on the Q4 performance, Q4 FY26 was particularly played a key role in helping us surpass INR10,000 crores revenue milestone. Consolidated revenue from operations for the quarter grew 123% year-on-year to INR3,544 crores, driven by robust demand across retail, franchise, and e-commerce channels.

Gross profit for the quarter grew 80% to INR344 crores. Gross margin stood at 9.7%. The moderation in Q4 FY26 was primarily driven by higher share of gold bars and coins, a lower stud jewellery mix in the overall sales mix, and a target customer acquisition discounts in the new markets and a bit of the gains on the unhedged portion which are coming in the sales.

The higher sales of gold bars and coins contribution reflected a temporary demand shift towards gold as an investment rather than consumption and further elevated by geopolitical situation. However, with the honourable Prime Minister's appeal and the increase in import duty, we expect consumer behaviour to gradually shift with a greater flow of old golds being exchanged for new jewellery.

Over time, these gold bars and coins is also expected to find its way into jewellery demand as conditions stabilise. We therefore view the gross margin impact as largely one-time and mix-driven, not structural, and remain focused on improving product mix and margins as our stores mature. EBITDA grew 53% year-on-year to INR166 crores with EBITDA margin at 4.7 while PAT grew 46% year-on-year to INR90 crores, translating into a PAT margin of 2.5%.

Retail grew 102% year-on-year to INR2,600 crores. Franchise grew 132% to INR430 crores, driven by asset-light expansion across tier 2 and tier 3 markets. E-commerce grew 67% to INR152 crores and the other segments contributed INR357 crores. Our same-store sales growth for Q4 FY26 stood at a robust 86% year-on-year.

Despite the sharp run in gold prices, we saw positive traction in volume. Gold grew 27% year-on-year by volume in in Q4, silver volumes rose 37% year-on-year, and diamond volumes rose an exceptional 125% year-on-year. We are also pleased to share that during the quarter, our long-term credit rating was upgraded to A+ stable from A, while the short-term rating was reaffirmed at A1.

The rating upgrade reflects the continued strengthening of the company's business profile, healthy financial position, and disciplined approach towards capital and debt management. This further enhances our ability to access capital at competitive terms as we continue to scale the business. In summary, FY26 has been a year of strong and profitable performance, a year in which we crossed the milestone revenue, expanded our network to 78 stores across 36 cities, delivered an EBITDA margin of 6.6% and a PAT margin of 3.8%.

As we step into FY27 with strong momentum, a clear strategic playbook, and a healthy balance sheet to support our continued growth. While it is still early to fully assess the overall impact of the evolving situation and we continue to calibrate our strategy accordingly, we are currently



maintaining a guidance of INR13,500 crores revenue along with an EBITDA margin of 7% to 7.5% and a PAT margin of 4% for FY27.

However, depending on how the market situation evolves during the ongoing quarter, we will update the guidance if required in the next quarter. We believe our strong operational execution, improving business mix, and resilient demand environment position us well to navigate the evolving landscape. As we step into FY27, we do so with strong momentum and a clear strategic roadmap. With that, we now conclude our opening remarks. We can open the floor for questions. Thank you so much.

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

Uchit Shah: Hi. Thank you, sir, for taking us through the presentation. I just had one quick question. Due to the recent increase in customs duty and the advance authorisation that was announced yesterday on the import of gold, do you see any impact on the sales or margins on account of this?

Saurabh Gadgil: Yeah, thank you for the question. See, as far as the advance authorisation is concerned, it is mainly for exporters, people who are importing gold for exporting jewellery. We don't fall in that category, so it's not applicable to us. Our business is purely domestic. As far as import duty is concerned, it's directly passed on to the consumer.

So, it will not have an impact on the margins, but what it may have a positive rub-off is it may induce people to buy less of bars and coins, which are which typically carry lower margins, and may push the interest further to gold jewellery by exchanging old jewellery for new. So we are hoping that the jewellery sale will see a further uptake in the year and would be a positive contribution to margins.

Uchit Shah: Thank you. Thank you, sir.

Moderator: Thank you. The next question is from the line of Yash Sonthaliya from Edelweiss public Alternatives. Thank you and over to you.

Yash Sonthaliya: Hi, team. Thank you for taking the question. I'm Yash from Edelweiss this side. So, thanks for the detailed press release, by the way. So I have a few questions. So basically in the press release, as you already mentioned about the gross margin impact because of different advertisements or the schemes we provided. So earlier you have guided about the BTL like 1.5% we budget for advertisement cost. How should we think about budgeting ATL like what you provide as a scheme because we are entering into new regions? So how you guys budget for the same?

Saurabh Gadgil: See, Yash, thank you for the question. This was not really regarding more about advertising spend. It was on the trade discount offers which we had for the Gudi Padwa and primarily for the Foundation Day and Gratitude Day. So these offers were discount on making charges, so we had a fixed making charge of INR399 per gram, which was which costed the company in the range of around INR40 crores to INR45 crores.



So this is what is the impact which has, and this is a one-time impact for Q4. So we don't see this impact being carried forward ahead. Guiding on the on the A&P spend, both ATL and BTL, 1.5 is what we would stick to or in fact we would try to go a little lower, considering the year wherein we are seeing the import duty, where the focus will move more towards exchanging old gold for new gold.

Yash Sonthaliya: Got it. Got it. Which means ideally going ahead the schemes which we will provide on different festivals will also be included in this 1.5% budgeting?

Saurabh Gadgil: Absolutely.

Yash Sonthaliya: Got it. Got it. And my second question, please correct me if I'm wrong, but basically the LiteStyle business was not in our base and that is right now 5%, 6% of our revenue, which is like 30% plus studded ratio. So ideally still year-over-year the decrease in studded ratio, if I if I adjust for LiteStyle, the studded ratio has decreased more in the core business. So is my understanding correct and follow-up on that, any assessment you would like to provide how to think about this?

Saurabh Gadgil: Yeah, yeah. So, the LiteStyle business is like around a INR70 crores business. So it's only a 0.7% of the entire turnover. It's not what you're talking in the range of, you know, 30%. So out of out of this, around 30% would be studded. So it's a very small portion of the entire studded business.

Yash Sonthaliya: Got it. Got it. Thanks. Thanks for taking the question. Thank you.

Moderator: Thank you. The next question is from the line of Bharat Gianani from MC Research. Please go ahead.

Bharat Gianani: Yeah, sir. Thank you for the opportunity. So, the first question is, what was the inventory the proportion of inventory hedging in FY26 and what is your plan going forward in FY27? Because the typically we have seen with the when the inventory hedging is on the lower side, there is, you know, a fluctuation in the margin which is not liked by the markets.

So just wanted to understand your strategy on the hedging side, what the proportion was in FY26 and what is what is your plan for FY27? Thank you.

Moderator: Mr. Bharat, please continue.

Bharat Gianani: Sir, I'm audible now? Hello?

Moderator: Yes, sir you are.

Bharat Gianani: Yeah. Okay. So my question was regarding the proportion of hedging that was there in FY26 and, you know, what is your plan for FY27? Because as we have seen like, you know, when the hedging is on the lower side, typically it leads to margin volatility, which is not liked by the markets. So that was my first question. What was your hedging proportion in FY26 and what is your plan for FY27?



Deepak Vijay:

Hi, Bharat. Deepak here. I would like to take this question for you. So as Saurabh has already explained that our monthly sales is in the range of 600 kg of gold on a monthly basis. We at the end of March '26, we are covered for 1,300 kg of gold on the hedging through various GMLs and MCX and other instruments.

So this is 67%. When I talk about last year FY25 quarter four, we were at 57%. So there is an improvement of 10% year-on-year on the quarterly basis. Year-on-year, it's a 10% improvement. Now if I go back to quarter three this year FY26, we improved from 57% to 63%. So that's a gradual increase which we know we don't want a margin volatility in our business. So we there is an endeavour to completely mitigate this and bring this hedging to over 70%, 75%, maybe 80%.

Right now, what has happened also in the last year that the margin and the premiums on the MCX has gone up to 15%, 20%, which was blocking a lot of the cash. There was a cash burden on from that point of view if we will lock these margins, this was very expensive and we also needed funds for the operations.

If we block everything there, then the funds get trapped up there. That even considering that to cut down the volatility in the margins, we have improved from 57% to 67% already in this year. And that also you will see the margin which was there in FY25 had a bigger share of unhedged gains and respective to this year for FY26.

Bharat Gianani:

Okay. So this 67% just to harp on this further, this 67% you gave that was for quarter four. I actually wanted the hedging portion for the entire FY26, like Q1, Q2, Q3, Q4 combined what was for FY26? And FY27 you've already given an indication that you'll probably try to move to 75% to 80%. So just wanted hedging number for FY26 entire year.

Yeah. Sir, my question was that 67% hedging percentage that you gave, that was for quarter four. So I wanted the hedging proportion for the entire year FY26. So, all the four quarters combined what average was the hedging proportion for entire FY26?

Deepak Vijay:

So last year in quarter four last year we were at 57%, so we gradually increased to 63% in quarter three, then to 67% in quarter four. So on an average basis, we were at round about 60% for the full year.

Bharat Gianani:

Okay, okay. And this you plan to take it to 75% to 80% in this year FY27, right?

Deepak Vijay:

Further, we plan to take it to 80% to remove the complete volatility in the margins.

Bharat Gianani:

Okay. So this 80% will be by FY27 or will it take more time?

Saurabh Gadgil:

No, see, we are already at 67% to 70%, so this is what we want to continue ahead. So next year we should be at 75% to 80%.

Bharat Gianani:

Okay, okay. And sir, last question from my side. What is your sense that, because of the customs duty increase, how will it impact the demand in the short term and any comments you would like to give on the same?



- Saurabh Gadgil:** See, we have already launched a program called Swarna Swaraj, where we are trying to encourage people to come up with old gold lying in lockers, lying into homes to make to remake into new jewellery. So in this entire year, the flavour would be towards that. I'm expecting that the sale of coins and bars will go down drastically. Prices have gone up, and we see a lot of exchange gold coming in, which would be beneficial because it will come up with making charges. Studded, I think diamond should be doing well for the year. So I don't see per se impact on the business, but yes, bars and coins I think will definitely have an impact.
- Bharat Gianani:** Okay. Okay, sir. Thank you and all the best.
- Saurabh Gadgil:** Thank you.
- Moderator:** Thank you. The next question is from the line of Pallavi Deshpande from Sameeksha. Please go ahead.
- Pallavi Deshpande:** Yes, sir. Just wanted to know what is the share of the old gold exchange in your mix for FY26? And second, what would be the share of customised jewellery sales in the total sales?
- Saurabh Gadgil:** So old gold today is around 40% of our entire business, and we expecting that this the old gold trend picks up, we should be at around 50% plus, as far as old jewellery to new jewellery is concerned. Make-to-order again is at around 30%, 35% and I think that should continue at the same level. Maybe, you know, if we're looking at a greater exchange of old gold, maybe 3%, 4% can be a further rise in the made-to-order business.
- And overall we are seeing that, you know, jewellery contribution in the overall mix would definitely see an increase in this financial year.
- Pallavi Deshpande:** My last question would be, what would be the share I mean, as you mentioned in FY25, there were some inventory gains, so if you could share the absolute amount, it would help us in the analysis and the absolute amount for FY26 and '25.
- Saurabh Gadgil:** FY so Q4 of FY25, the gains were in the range of around INR7.4 crores, wherein if you look at Q4 of FY26, the gains were around INR20 crores. So as we increase hedging, the gains have come down.
- Pallavi Deshpande:** Right, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Anukool Arora from Inved Research. Please go ahead.
- Anukool Arora:** Yeah, hi, sir. Am I audible?
- Moderator:** Yes, sir, you are. Please go ahead, sir.
- Anukool Arora:** Yeah. So sir, I had a few questions. So sir, what is our volume growth in Q4 and if you can share your outlook for volume growth for the next year?



- Deepak Vijay:** Yeah, Anukool. Hi, Deepak here, Anukool. So on a on a gold as an category, we have grown on the quarter on quarter on a yearly basis Q4 FY25 versus Q4 FY26 as a 27% on the entire gold segment. Silver, we have grown 37%. Diamond we have grown 125%.
- Anukool Arora:** Okay, sir. And if you can just highlight what will be the outlook for.
- Deepak Vijay:** Volume I'm talking about here.
- Saurabh Gadgil:** So a part of this has been due to our new store additions and also like Deepak had mentioned before, the same-store growth has also been, you know, quite strong. So it's a combination of new store and the same-store growth. So in volumes, we have grown by 27% in in gold volumes.
- Anukool Arora:** Understood, sir. And any outlook on volumes for the coming year, FY27?
- Saurabh Gadgil:** In FY27, volume... volumes are a percentage of jewellery and bullion bars and coins. I think bars and coins would see a, you know, a slowdown in this year. So, it's very difficult to, you know, talk on the exact volume side. But we feel that, you know, margins which come from making charges should be healthy, and I think when you look at the level of gross margins, EBITDA, and PAT, I think the guidance can be on that front. Net volumes, which include jewellery and bullion, exactly to quantify right now is difficult because we have just been, you know, it's only been a week after the import duty has been hiked. So let us see, you know, how much of new gold is being, fresh new gold is being bought.
- Anukool Arora:** Understood, sir. Understood. And I think another question would be, sir, you had earlier guided for a INR12,000 crores top line for FY27, but in your initial opening comments you have mentioned for a INR13,500 crores of top line. So, what would be driving this higher growth or why have we revised our guidance upward? So, what would be the driving force for this?
- Saurabh Gadgil:** So, for the year ended, you know, March 2026, we had guided for a INR9,500 crores top line. We crossed that by a INR1,000 crores and we were at INR10,700. The good factor has been our the response which we have received outside Maharashtra, primarily in UP, where the non-Maharashtra state stores today contributes 10% of the entire business. Also, the same store growth has been very healthy. So, we feel looking at these positives, you know, we feel that INR12,500 can be stretched to INR13,500, and that's where the guidance is coming from.
- Anukool Arora:** Understood, sir. That would be really great, sir. Another question would be on the side, I think our B2B bullion sales have increased significantly. So how should we think about this segment going forward and if you can explain the nature of this business?
- Saurabh Gadgil:** So, see, this is not B2B. You know, pre-IPO we had a component called, you know, old gold, which was sold for refining. So, we used to sell gold to a refinery and purchase back new gold. As of September 30th, 2024, that has been discontinued. And post that, we have not been, we're not had any sales of refinery gold. This primarily this year, the hike has been due to people's interest in gold as an investment. So, we have added a lot of new consumers, especially in Q4 of this year, which are looking at investing in bars and coins.



So, these are all B2C sales. They are not sale which were, you know, B2B. But the hike has been very high and with our strong penetration in Maharashtra, we have been able to garner a lot of new customers and hence, you know, the gold bar, gold coins, and what we call as gold Vedhani here, gold rings which in pure gold is what has really led to a sharp rise in bars and coins, which we also see as a investment for this year because people normally use bars and coins to make new jewellery. So, I think this should be advanced for us, where this year people should come with that to, you know, convert that into new jewellery.

Anukool Arora: Understood, sir. And just a follow-up on this, like I think your gold bars and coins share was around 40% in Q4, so that has impacted our margins. So, what would be the contribution going forward from this gold bar and coin segment?

Saurabh Gadgil: See, we always were in the range of 25%, previously it was 20% with, you know, with gold going up as a, you know, as interest, it had gone to 25%, 28%. Q4 had been such where it had gone to 40%. But I think this year it should again stabilize back to the 25% or even lower levels, and that is what we have been always saying that, you know, this year is going to be a year of a lot of new jewellery being bought using old jewellery and bars and coins as a category this year will see a slowdown. So, we so to give you an estimate, we should be at around 25% for this financial year.

Anukool Arora: Got it, sir. That would be great, sir. Lastly, my question would be on the front of QIP. I think you had told that the progress is going on. So, if you can just highlight what's the progress on the QIP?

Saurabh Gadgil: See, I mean, in terms of progress, like I said, there is an enabling board resolution which is till end of August. So that is where we are. We haven't really thought on, you know, going ahead on that front at this point of time. We've got we had a good year, so as we move ahead now, there's something which we would want to explore, but it's not a QIP is not an impediment for us to grow our business. The business is self-sufficient. So that's something which we will address as we as time goes by, looking at the market conditions and looking at the sector.

Moderator: Sorry for interrupting, Mr. Ankur. Please rejoin the queue for the more questions. Thank you. The next question is from the line of Nitin Jain from Fairvalue Equity Advisory. Please go ahead.

Nitin Jain: Yeah, thank you for the opportunity. So, my first question is the clarification that the management has provided for the margin drop. So quite a few reasons appear more structural than one-off. For example, discounts that you mentioned on Foundation Day and Gudi Padwa, there is a high likelihood that they might repeat next year.

Also, discounts you mentioned in the new market, as the company expands to newer geographies, there is a likelihood that they will also continue. And the last point is the franchisee share, as we open more and more franchisee stores, FOCO stores, that share also should inch up. So, can you elaborate on why we think of them as one-offs?

Saurabh Gadgil: See, that's a good observation, but if you look at it for the from the entire year's perspective, this this has not affected the entire annual margins. When you look at the margins for entire year,



these have already been absorbed into it. This was primarily Q3 versus Q4 and Q-over-Q, where we have seen that we had a lot of franchisee openings in one quarter. That has led to the franchisee margins being low and has impacted margins.

You have rightly mentioned that discounts are a part of it. But this Foundation Day offer, where we offered gold making at INR399 and the gratitude offer, these were only one-time activities. They are not annual calendar activities. So, I was saying that these instances for the year are not strategic. Like I mentioned, firstly, the impact is only half a percent when it comes to the discount side of it.

What really has been the major driver which has got margins down has been the bars and coins, which typically are in the range of 25%-26%, which for Q4 had gone to 40% because of people's interest in looking at gold from the investment perspective. And we have a lot of new customers on that front. We also expect that these customers would eventually convert into jewellery in the coming years.

The Gratitude Day sale and the Foundation Day were only one-time activities. Gratitude was mostly thanking people for the 75-store success of PNG. So, most of these numbers would not be strategic, and that's why if you look at the entire year, they have been factored into, and the entire year margins look on track as what we have projected.

Nitin Jain: Right. Sir, you mentioned that one of the corrective measures, you will be calibrating the gold coin sales. So, can you elaborate on how exactly you will be doing that?

Saurabh Gadgil: Sorry?

Nitin Jain: You mentioned in your clarification that you will be calibrating the gold bars and coin sales exposure. You will reallocate the capital towards jewellery. So, can you elaborate how exactly you would be doing that?

Saurabh Gadgil: It is being done by the industry where jewellers are encouraged of not selling more than 5 grams of gold coins to customers on a B2C level and looking at more lightweight jewellery and looking at getting old for new. So, encouraging people to buy or to exchange old gold jewellery for new. So, I think this would be an effort across the industry.

Also, the import duty hike will have a natural impact on gold investment demand, going down. And this is what we are seeing that jewellery demand is kind of inelastic, but investment demand is elastic and when the duty has gone up, we will see a dip in people's interest in gold as an investment in bars and coins.

Nitin Jain: Right. My next question is on the guidance for FY27. We have guided for INR13,500 crores. So, what impact do you think this import duty hike might have on this guidance?

Saurabh Gadgil: Import duty hike primarily would have an impact on the bars and coin sale. Like I mentioned before, I - we don't see an impact much on the jewellery side. So, if you look at our business in terms of sales, you know, there'll be a portion of bars and coins which would - which we see a



negative impact. And I think that should be in the range of 20%, 22% of the total sale. The balance 80% would be jewellery.

And that's where we're seeing we'll see a jump. So, I think there would be there would be a positive impact, if any, on the as per import duty is concerned. We are also toying with lightweight jewellery and lighter-caratage jewellery. That's something which is on the cards for this year. So, we're looking at 18-carat jewellery, also 14-carat jewellery. So, all this will ensure that the jewellery sales remain intact and would not have a negative impact on the margins.

Deepak Vijay:

Yeah. I would also like to add few numbers here for you for a better understanding. So, in particular, retail, we have closed down the year at around INR8,000 crores. And the next year targets and the guidance for the retail, which we have taken under in our AOP, is around INR9,800 crores, which is a 23% increase. Now, if I break this down into how this has come up, this year we have seen an SSSG of 43%, primarily driven by the ramp-up of the stores which are not matured for more than one year and two years.

For the stores which we have opened for more than three years, we have taken an SSSG of in the range of 5% to 10%. For the newer store, the ramp-up is anyways annualized. So that's very healthy and similar for one and two years when we increase the stock turnover from that. So, this 22%, 23% on a base of INR8,000 crores is very much achievable, and we also don't plan to open too many COCO stores this year. Yeah? Hello. Are we audible?

Moderator:

Yes, you're audible. The line has dropped. I'll promote the next participant, which is Prince Choudhary from PINC Wealth. Please go ahead.

Prince Choudhary:

Hello? Hello?

Saurabh Gadgil:

Yeah. Yeah. Go ahead.

Prince Choudhary:

Yes. So, my question is that, you know, we have been seeing that the inventory turnover ratio has been declining for us compared to the previous year and also if we see the trend. So just wanted to understand, is it due to that, you know, the investment done in the new stores, that is why the inventory is high, and that is why our turnover ratio has been dropping?

Deepak Vijay:

Absolutely, you're right there. So, if you'll see, most of our stores are opened in Q4. We have opened roundabout 8 stores in COCO category for the - in itself Q4 itself. That has what is not matured into the sales right now, and that's why you see an impact on the stock turnover for the year. But having said that, 3.8x in this industry is a healthy stock turn.

So, you know, that's how we see it, and also the value has increased on the entire gold as a commodity. So having considering all those factors, 3.8x is what we have closed the year on. But primarily, yeah, you're right. The impact of new stores which we opened in H2 is the primary driver of this coming down compared to last year.

Prince Choudhary:

Okay. So, sir, I just wanted to ask then, you know, currently if we see that, you know, our mature stores, you know, our flagship stores, so if you see that over the past two, three years, have our



inventory turnover ratio there has been stable or have we seen a decline or, you know, increase on it?

Deepak Vijay: It has been gradually being flat and declining a bit, but not too significantly. Because of the Quarter 4 this year, which we have taken the stores which opened predominantly in Quarter 4, has been the major impact in the stock turnover.

Prince Choudhary: And sir, just you mentioned...

Moderator: Sorry for interrupting, Mr. Prince. Please rejoin the queue for more questions. The next question is from the line of Jenil Barad from Prudent Corporate Advisory. Please go ahead.

Jenil Barad: Hello? Am I audible?

Saurabh Gadgil: Yeah, you are. Please go ahead. Hello? Yeah, please go ahead.

Jenil Barad: Yeah. I just wanted to know the gross margins for the gold coins and bars segment and the normal jewellery segment.

Deepak Vijay: So, the we on the gold bar and coins we operate on a very thin margins in the range of half a percent to 1%. And on the normal jewellery on the gold jewellery which is not studded, which is not non-studded jewellery is in the range of 12% to 13%. 12.5% to 13% is the right number to place on the margins for the gold jewellery. So, there's a delta of 12% to 12.5% between bullion gold bar and the jewellery.

So, what we have been trying to also explain that's with the major driver for the margin drop. And once the sales goes down, which is anticipated for the next quarters in the next year because of these recent appeals from the Honourable Prime Minister, the margins should anyways pick it up. That's the guidance.

Jenil Barad: And the franchise gross margins, I think, I heard it was around 2% to 3%, am I right?

Saurabh Gadgil: That's right. So, they are kind of franchise is like a walk-through. They are now the all the costs are borne by the franchise. So, the gross margins are almost in the -- are almost like net margins.

Deepak Vijay: And it also improves the return on capital employed heavily with the lighter balance sheet.

Jenil Barad: What would be the ROCE on our own store than the FOCO store segment?

Deepak Vijay: So, our ROCE for this year is ROCE is 30%, 30.5% for this year and ROE as 21% for this year. And on the franchise, pretty much there is no investment. So, everything which flows through contributes to the uptick in the ROCE and ROE.

Jenil Barad: Okay. No further questions from my side, sir.

Saurabh Gadgil: Okay. Thank you.

Moderator: The next question is from the line of Paras Kakkar from Finance Sarthi. Please go ahead.



- Paras Kakkar:** Yes, am I audible?
- Moderator:** Yes, sir, you are. Please go ahead, sir.
- Paras Kakkar:** Yes. So, my question is the peers in the in the industry, they have reported their gross margins and EBITDA in the normal range as compared to Q3. So, I just wanted to understand what has led specifically the decline on our side. Is it like on the jewellery segment we are facing some competition, the demand is low? Just wanted the insights on it?
- Deepak Vijay:** So, I think we'll have to recheck that from at your end also, but what we have seen the results, the big players who are leading the industry, the gross margins have dropped for the quarter FY26 versus last year quarter is in the range of 600 bps. That's what has the numbers been which we have looked at, translated. Also, the other players also have shown the similar trajectory in terms of the margin drop especially in this quarter.
- Saurabh Gadgil:** See, and like I mentioned, it is primarily due to the change in product mix, which I think is a primary Q4 had a lot of interest in gold investment, which had translated into a big rise in bars and coins. So that really has been one of the major factors. But like we said like we've given the guidance going ahead, I think this should be neutralised.
- Paras Kakkar:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Yash Sonthaliya from Edelweiss Alternatives. Thank you. Please go ahead.
- Yash Sonthaliya:** Hi. Thanks for the follow-ups. Just a quick follow-up. Like you said 10% of your revenue is from non-Maharashtra region or state. So just want some like-to-like number like what is the make-to-order mix and inventory turns over there? I know it's too early to get any view, but still any like-to-like number.
- Saurabh Gadgil:** See, make-to-order is a is a little lower there than compared to Maharashtra, but still it's a good proportion, around 22% of the entire sales outside Maharashtra are make-to-order, while in Maharashtra the number is at 30% to 32%.
- Yash Sonthaliya:** Got it. And inventory turns?
- Deepak Vijay:** Yes. So, I will take the question. On the annualised stock turns, while most of these stores have opened only for like six months, eight months into the year at the close of the year, we are already crossing stores which are in Bihar at one, UP at one. Surprisingly and to our surprise also, Indore has performed at 1.4 on an annualized basis until now. So these are very healthy for the new stores outside Maharashtra. And this gives us encouragement to also venture into these geographies.
- Saurabh Gadgil:** So, like our guidance we had projected around 0.8x stock turn for the year one, so we have we have surpassed the guidance and all the stores in primary UP, Bihar, and MP are doing annualised stock turns of 1x in the first year itself.
- Yash Sonthaliya:** Very encouraging. Thanks. Thanks a lot for answering.



- Saurabh Gadgil:** Thank you.
- Moderator:** Thank you. The next question is from the line of Sandeep Abange from LKP Securities. Please go ahead.
- Sandeep Abange:** Yes, sir. Actually, thanks for taking my question. Wanted to check on the outlook of newer store openings in the upcoming FY27. If you can just throw some light on the newer store which are going to come in terms of the number of stores as well as on the non-Maharashtra store count in FY27, how many stores you are planning to open?
- Deepak Vijay:** Yes, hi. I will take the question, Sandeep. So, in our outlook, we have planned for 5 COCO stores, 2 PNG legacy stores and 3 LiteStyle stores. The locations which we are venturing into is in Gurgaon, strengthening our position in Lucknow, and we have also venturing into Gujarat.
- We will see now with the new strategy what happens, but these are the newer locations which we have venturing into. Most of - all of them which we have planned this year is outside Maharashtra. So, we plan to open 5 COCO and 20 franchise for this year.
- Saurabh Gadgil:** So, like we mentioned, we'll still - we'll on the asset-light model for the year. So, of 25 stores, we'll try to do five to seven COCO and the balance will be FOCO. But we would be expanding in the state of UP, Bihar, MP, but adding but adding Gujarat this year. And we'd be also looking at Gurgaon, which again is a I mean neighbouring to UP but Haryana.
- Sandeep Abange:** Okay. So, overall you just to confirm, is it 25 stores, right? And 20 would be approximately COCO, sorry FOCO.
- Saurabh Gadgil:** So, we also have a lot of we have a lot of demand for franchisees. So right now, evaluating it, but it as of now it just looks on track.
- Sandeep Abange:** Okay. Thank you. Thank you so much for the taking my question. Thank you.
- Saurabh Gadgil:** Thanks, Sandeep.
- Moderator:** The next question is from the line of Bharat Gianani from MC Research. Please go ahead.
- Bharat Gianani:** Yes. Thank you for the opportunity once again, sir. So, two questions from my side. Sir, one you said that the proportion of gold bars and coins in quarter four was close to 40%, but I wanted the figure for entire year FY26. What was the proportion of gold bars and coins in our overall sales?
- Deepak Vijay:** Hi. So, the in the overall year, my whole the bullion or the gold bar is in the range of 32%.
- Bharat Gianani:** Okay. And sir, one more thing. This related to this QIP, I mean the purpose of QIP was that we will we will raise basic capital for growth and also bring down the shareholder - promoter shareholding to the 75% requirement. But then, since - so just wanted to check on the promoter shareholding. We have time till September '26 or we have more time for that because...



Saurabh Gadgil: September 26. So, we have three years. So, we listed in September 2024, so we have time till September end 2027.

Bharat Gianani: Okay, okay.

Moderator: Thank you. Due to time constraint, we take this as a last question. I now hand the conference over to the management for the closing comments.

Saurabh Gadgil: Thank you, everyone. We truly appreciate all the participants for taking the time out to join us today and for their thoughtful and insightful questions. We hope we have been able to address your queries to your satisfaction.

If you have any further questions or would like to know more about the company, please feel free to reach out to our Investor Relations partner, X-B4 Advisory. Wishing all of you a wonderful evening ahead. Thank you so much.

Moderator: On behalf of Nuvama Wealth Management Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

E&OE - The transcript has been edited for factual errors if any.