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The Manager- Listing The National Stock Exchange of India Limited “Exchange Plaza”, Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400051 NSE SYMBOL: SENC0	The Manager – Listing BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 BSE SCRIP CODE: 543936
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Dear Sir(s)/ Madam(s),

Sub: Earnings Call Transcript pertaining to Q4 FY26 – Financial Results

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 27th May 2026 post declaration of Standalone & Consolidated Financial Results for the fourth quarter and year ended 31st March 2026.

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

This is for your information and records.

Yours sincerely,

For SENC0 GOLD LIMITED

Mukund Chandak

Company Secretary and Compliance Officer
Membership No. A20051

Encl: As above

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 India's 2nd Most
Trusted Jewellery
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by TRA report.





Senco Gold Limited

Q4 FY26 Earnings Conference Call”

May 27, 2026



Management:	<ul style="list-style-type: none">• 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:	<ul style="list-style-type: none">• Mr. Vikrant Kashyap – Asian Markets Securities
Total Participants:	<ul style="list-style-type: none">• Total of 124 participants, including the Speakers.
Active Participants:	<ul style="list-style-type: none">• Siddarth S from NAFA• Viraj from Enigma• Amish Kanani from Knowise Investment Manager• Kaushik Poddar from KB Capital Markets• Pallavi Deshpande from Sameeksha• Anushka Vora from Vimana Capital• Subhanu Bangal from 3 Head Capital• Raj Sarraf from Finvestors• Arvind Dureja, an Individual Investor

Moderator: Ladies and gentlemen, good day, and welcome to the Senco Gold Limited Q4 FY26 Earnings Conference Call hosted by Asian Market Securities. 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.

I now hand the conference over to Mr. Vikrant Kashyap from Asian Market Securities. Thank you, and over to you, sir.

Vikrant Kashyap: Thank you. Good morning, everyone. On behalf of Asian Market Securities, I welcome you all to the Q4 FY26 Earnings Conference Call of Senco Gold Limited. Today, on the call, we have Mr. Suvankar Sen, MD; and Mr. Sanjay Banka, Group CFO.

I now hand over the call to Mr. Suvankar Sen for his opening remarks. Thank you, and over to you, sir.

Suvankar Sen: Thank you very much. Good morning to all. It is a pleasure to be here, and this marks our first investor conference call of the new financial year. We're very pleased to report a strong Q4, crossing INR1,997 crores in revenue with EBITDA of INR274 crores and with a PAT of INR157 crores for the Q4 FY26.

And we are very happy to let all of you know that FY25-26 has been a record-breaking year for Senco Gold and Diamonds from a revenue perspective, where we have recorded a sale of INR8,430 crores, which is almost a 33% year-on-year growth, a great acceleration over last year.

There are 2-3 factors that have led to the great performance in terms of growth in revenue. One is that the gold prices have moved up by almost 60% from the beginning of the year.

Despite the increase in gold price, the faith and trust that the customers have placed in us, the new store openings during the year, and the continuous focus that we have put on innovating with new designs and creating jewellery, which will continue to be something that the customers can buy and afford, have been the crux of the matter.

We have been continuously focusing on driving efficiencies, optimising stocks and ensuring that within the resources that we have in this uncertain overall price scenario, we should keep the products that the customer can buy within their budget, and that has led to this amazing performance by the team.

From a macro standpoint, if you've seen that, especially in Q4, the gold price and the silver price have been extremely volatile. There was a time in January when the international prices surged to an all-time high of \$5,600. And again, within a few days, it retracted back to \$4,400- \$4,500. So, it's been an uncertain time overall.

And if you look at it from an INR point of view, the prices averaged about INR 1.51,000. So, it's been itself a quarter with extreme price volatility. But in that, we have a balancing between the various kinds of risk, the risk of price going up or down, the risk of managing liquidity, with

the pressure on margin calls. We've kept a steady mind and a steady head and kept our hedging ratio at about 40% to 50% to balance between all kinds of risk.

Now we have seen that even though the gold prices have been volatile. The wedding season was a big trigger, especially for January, February, and March, which led to the kind of sales that we have seen. We had the occasion of Valentine's Day or Mother's Day, which drives the diamond jewellery sales for us. And in this high gold price scenario, we have been focusing on 9-carat and 14-carat jewellery, whether it'd be in gold or in diamonds.

I'm happy to let all of you know that Senco was one of the first players in the industry to launch 9-carat jewellery the moment the government announced their permission for hallmarking of 9-carat jewellery, because we firmly believe that jewellery is something that every consumer should be able to wear and by making it much more affordable, it will only increase our customer base and make sure that the young generation as well as those who comes from various economic sections of the society will continue to be able to buy gold and silver.

In terms of the expansion, we have been expanding into new geographies. We've opened stores in Rajasthan, Central Maharashtra and Western UP, whether it be with company-owned company-operated (COCO) stores or even franchises. That will be the focus area, one of our core strengths, East India and Bengal.

We have seen that Bengal is going through a very positive change with the current scenario socioeconomically. So, we are very positive that Bengal will continue to be an engine of growth. Even in East India, we can see that there is a huge potential. There's a lot of growth happening. We're focusing on Tier 2, 3, and 4 towns and cities. and opening more franchises in the smaller towns.

And along with that, our pan-India expansion with a focus on North India and Central India, that will be the core focus. So, with these 3-pronged planning, we will be able to continue to expand for the future.

We have seen that this lightweight design portfolio that we are building up, creating almost more than 1.5 lakh designs for the year, has been one of the factors that has helped our customers, who are our old customers, loyal customers keep coming back to the stores. Usually, in this particular financial year, what we have seen is that, along with new customer acquisition, one of the reasons for growth has been that our existing customers have kept coming back to us.

We have worked on how to make our old dormant customers active through our various schemes, offers, and that has something that has worked for us in Q3, where we had a phenomenal performance for our festive season for Dhanteras, and that was also a buildup that we did towards our Akshaya Tritiya season in April as well.

We are also extremely happy to discuss with the Board and propose a final dividend of 20% in addition to the earlier interim dividend of 15% that we had announced. Very importantly, currently, if you have seen our honourable Prime Minister, Shri Narendra Modi ji, talking about how we need to make sure that we promote the old gold exchange. We promote ways and means by which the consumption of imported gold can be reduced.

It's not really the consumption that is important, but rather that the import of gold into our country should happen in a very rationalised manner. Towards that, over the last 4–5 months, we have been promoting old gold exchange in a big way, coming up with new campaigns and giving benefits to customers. In the last year itself, we have seen that old gold exchange as a proportion of our overall transactions has gone up to ~44% of total revenue for FY 26 and ~50% for Q4 FY26.

And that is what creates sustainability. There is an ESG aspect to it also, that we are promoting recycled gold, and it will indirectly help the economy in reducing its imports. We firmly believe that there is a lot of gold already imported and lying in the economy, and we just need to ensure that the household gold can be used in a very optimised manner and used for our exchange, and that will also drive our business.

So that is the reason why we have been able to have our diamond volume growth also increase by 9% by ensuring that the consumers can also exchange their old gold to buy diamonds. We've seen a 32% value growth in the diamond jewellery sales also. So, it is not only that people are exchanging old gold for new gold, but we are also encouraging how they can exchange their old gold to buy diamonds.

As far as the future is concerned, Senco Gold and Diamond has always looked at every scenario and the opportunities therein. We will continue to remain optimistic no matter what. I must tell all of you that in the month of April, we saw very strong and robust growth compared to last year's April, of close to 40% to 50%.

In May, after the announcement, there has been a little bit of a slowdown. But again, at the same time, for the whole year, we will continue to remain positive. This time, it is Adhik Maas going on, which is an inauspicious season to buy gold. So that could be another reason for the current slowdown.

But our focus of 18% to 20% growth for the whole year, and working on an EBITDA of about 7.5% on average and a PAT between 4% to 4.5%, that will be the kind of guidance with which we will continue to look at the future. 18 to 20 stores is what we would like to open.

And the focus for our team is on how we can open more and more franchisees because that will enable our scalability, and the penetration into the Tier 2, 3, and 4 towns and cities continues to grow. On the other hand, I think that we've been doing a lot of data analysis. We've been using various tools to ensure how we optimise our stocks.

In this high gold price scenario, getting the exact weights, exact designs, and exact products that the consumers will be buying is the key to success, and that will give us the best return on capital, profitability and growth. So, we will continue to work towards optimisation of stocks and focus on exactly the right thing and the right place at the right time.

So, with this, I would like to end my introductory speech. And I would like to thank all of you, all the investors, for firmly believing in our company, in our performance, in our thoughts, in our vision and jewellery making and building the brand is our passion and our love, and we will

continue to work hard towards achieving our goals and aims and grow the business. Thank you very much.

Sanjay Banka:

Thank you very much, sir. As you briefed, I would like to quickly recapitulate that in Q4, we achieved revenue growth of 45% Y-o-Y, EBITDA growth of 116% Y-o-Y and PAT growth of 151% Y-o-Y.

In fact, gross margin and EBITDA were higher than our earlier guidance of 7.5% to 7.8% for the quarter as well as for the whole year, as we have explained earlier that this is due to the price rise in gold and silver and a part of it is due to the improvement in the product mix, premiumization, our movement to North outside Bengal, where our ASP ratings are very high.

So basically, for FY26, we achieved the highest ever top line with 33% Y-o-Y growth and 24% CAGR over 5yrs and as we've already said earlier, that coin and bullion sales were marginal at 6% only. So, balance is entirely jewellery.

Similarly, the stud ratio was in the range of 11%, while we have achieved the value and volume growth, which are explained in the presentation. But since the entire site itself has moved, that's why the stud ratio has not moved.

On the working capital front, our total inventory increased 61% Y-o-Y to INR5,296 crores. There are 2-3 reasons for this. One is that the gold price increased, and due to that, the GML and all those things increased. Similarly, there was an increase in inventory for the 7 new showrooms launched. Then we increased the inventory at the existing stores, but most of it was in value terms, not in volume terms.

Our gross margin continues to be among the best in the industry, even now on account of the price rise. It is also due to our 75% handmade jewellery. While we have reported EBITDA at 13.7% for the quarter and 11.5% for the whole year, we are still giving the guidance of 7.5% to 7.8% for the future. Inventory days have increased to 186 days.

Two reasons can be stated. As you said, our inventory always builds up during September and March. These are the 2 primary reasons. An extra reason is that for us in the East, Poila Boishakh is one of the most important festivals. While Akshaya Tritiya as Prime India phenomena, Poila Boishakh was one reason.

Secondly, considering the elections and possible disruptions in the logistics, we had to build up extra inventory for the month of April, and that is reflected in the performance of April as well. In April, during the Akshaya Tritiya and Poila Boishakh, we grew by 67%, and we achieved very high sales. I'm saying at the primary level of around INR1,500 crores. So, there was 67% growth in the Akshaya Tritiya season. West Bengal was almost 69%, East Bengal was 78%, and North Bengal was 75%. Northeast is 64%, Central 162%. So that explains the reason for the inventory buildup.

Moreover, this stellar performance for the year has led to substantial improvement in ROE and ROCE to 25% and 22%, but a word of caution is that this is for the current year, as we are looking at the sustainable EBITDA of 7.5% to 7.8%.

So maybe in future, the ROC, ROE and ROCE may be in the range of around 15.5% to 16% for the whole year. And we remain very optimistic and confident about our target of a minimum 20% growth, 7.5% EBITDA and 4.5% PAT.

With that, I think we have given you broad guidance, and we welcome you to ask any questions, and it will be our pleasure to respond to you. Thank you.

Moderator: Thank you, sir. First question comes from the line of Siddarth with NAFA.

Siddarth: Congrats on a great set of numbers. So, I'd just like to get some light on what your guided mix is in the future, towards the old jewellery that's currently going on. It's been phenomenal that you've been able to drive around 50% of the Q4 revenue from the old gold exchange program. If I could just get a light on how much mix would potentially come up in the future, and possibly if there could be a tentative margin for that segment, that would be really helpful.

Suvankar Sen: So, thank you very much for the question. I think that old gold exchange is a minimum 50% of the overall business to move ahead from that, what we are seeing should be something that should be a benchmark, and we should work towards getting it. There are possibilities of increasing it further, maybe from 50% to 55%.

But I would say that 50% to 55% is the range we will closely monitor. We are all trying to create our campaigns, all our schemes, offers, and reach out to our customers with that in mind. And as far as the impact on margin is concerned, I do not see that there will be such a direct impact on margins for now.

Over a long period of time, yes, initially, what used to happen is that as an industry, when we used to exchange old gold, there were certain melting losses that we used to charge the customer. But currently, we are not charging any kind of melting losses or the whole cost of procuring the old gold from the customer for exchange purposes.

So, there are small minor risks of maybe 0.1%, 0.2%. But I guess that in the overall scheme of things, we shall not be seeing much of an impact on the margins because of the exchange of old gold. And also, one has to look at the broader picture.

If you look at how the old gold exchange has been behaving over the last 3-4 years, 3 to 4 years back, the old gold exchange had been about 25% to 30%, then it moved up to 35% to 40%. And now it is about 50%, so I guess that it really did not have such an impact on the margins.

Yes, as an organisation, I think we need to bring in more efficiency in terms of ensuring that the old gold is mobilised in a faster manner as much as possible, so that it can be used up, manufactured and replenished into making jewellery as fast as possible. So that is one aspect we'll all look at, but I do not see much of an impact on the margin.

Siddarth: Thank you, sir. So, I mean, what's interesting is that the current scaling up that you're doing in this segment would be aligning well with the import restrictions that are being imposed by the government as well. And I wish you the best.

- Moderator:** The next question comes from the line of Viraj with Enigma.
- Viraj:** Sir, my first question is regarding the current inventory. With the customs duty hike that we have seen, what impact will it have on the inventory gain? Because I'm assuming there will be further inventory gains, we'll have this quarter because the pricing of the same gold would have gone up. Is that a correct understanding? And what will be the quantum of that for us?
- Suvankar Sen:** Yes. As far as the impact of customs duty is concerned, the company has recognised an inventory gain arising from the customs duty revision. But we will keep getting the gain as and when that inventory is sold. So, you will see the gains happening, maybe not in the full first quarter itself, you might see the gains happening in maybe 2 quarters.
- But because of the action taken by the government, there was a one-time loss incurred when the customs duty was reduced in the past. So here again, there should be those kinds of gains sitting on the inventory. And with the sales of inventory, we will be able to get some mileage out of it.
- Viraj:** Right. And sir, what I wanted to understand is when you are saying you will have only 20% growth for the year, because we've already seen 50%, 60% growth this month. And for the quarter, whatever, 20%, 30%-odd growth, that would mean that for the rest of the year, we are expecting a very low single-digit growth.
- That is very counterintuitive to what a lot of other jewellery players are talking about in terms of: we understand the volume degrowth, but the value degrowth we are talking about seems much higher than everyone else. Can you talk about the reason why you feel much less optimistic about the growth this year?
- Suvankar Sen:** So, actually, I'll tell you that we've always taken a conservative approach. Even in the last financial year, we've been guiding the investors on around 20% to 25% growth. And by the end of the year, we have achieved a growth of 35%. So, this is something that, while others are looking at the trend, there are also those who, today, the gold prices compared to last year's average are on the higher side.
- So, similarly, we are guiding you on a very conservative approach of about 20% to 25% growth. But internally, we will all endeavour to overcome and have a higher growth rate. But for you all, I would rather say that a 20% to 25% growth for the business in terms of value.
- Yes, volumes will get impacted because of the higher gold price. We are seeing that the average weight range of the products that are being sold is lighter. So that is there, and I think that's how the consumers would behave. But from a guidance perspective, we would like to give you a 20% to 25% growth range.
- Viraj:** Right. And sir, so you specifically mentioned that post the announcement by the Honourable Prime Minister, we have seen subdued demand. Can you quantify in terms of what the trends are you are looking at in the sense of May, especially post the announcement, are we seeing a decline in revenue? Or has the growth tapered down to 15%, 20%?

Like, just a ballpark understanding of how the impact has been. I'm not looking for an exact number, but I'm trying to understand, like, how the impact has been on the consumer?

Suvankar Sen:

Right. So, see, it's been about 7 to 10 days, and consumers have taken our Honourable Prime Minister's announcement seriously, and they are actually looking at a more wait-and-watch situation. And along with that, the Adhik Maas, an inauspicious time to buy, also started.

So, if you look at it, as Banka Ji already said, we had a very good performance in terms of growth in April for Akshaya Tritiya. And if you look at May, YTD, just to give you a perspective, in terms of performance of May of this year versus last year, the performance is broadly similar to that of May last year, with growth remaining largely in line with the corresponding period.

So, all in all, YTD, you will still see growth. But in the last 7 to 10 days, the footfalls at the stores have come down. We could also see the heat wave having a great impact, in which the consumers are not getting much out of the house, and only in the evening, they are out.

They are also thinking that, okay, let us not buy right now if there's no emergency. The wedding season is not right there. In June and July, we will again see the wedding season, and the various gifting linked to weddings will start again. I want to tell all of you that we need to look at the long term.

Yes, the last 7-10 days have been a little bit of a slowness in the business, but our planning, back-end tracking, designing, manufacturing and preparing for the future has not stopped because of that. We need to just make sure that we are ready with the product that the consumers will buy when they decide to buy.

So yes, we need to ensure that at these high gold prices, what is the weight range, what is the product, what is the design that we'll sell, and we are doing our homework at this time when things are a little slow.

But in the long run, again, I want to tell you that in a very optimistic manner, we should be able to see that consumers coming back and business will grow at around 20%, 25%. So that's how I would like to look at it.

Viraj:

Sure. And sir, my last question is regarding margins. You mentioned that we'll have 25% growth. I'm assuming we are opening only 10 stores, so there will be 5% growth due to the stores. But majorly, I would say, 18%, 20% growth will be SSG-led growth. Now, in an environment where your SSG is increasing, and I'm assuming your gross margins remain the same.

In that scenario, should it be a normalised margin range if you take out inventory gains, even for last year, our margins would be higher than that. So, like in an improving SSG, in a format like yours, we have generally seen margins always uptick.

But we are talking about the same margins that we had even when we had almost 40% lower revenue than what we will have this year. So how does that work? Like, why will we not have any operating leverage?

Sanjay Banka: Siddharth ji, while we are certainly looking for operating leverage, if you look at the competition, both the organised and unorganised. The organised players of South and West are entering into West; we are entering into West. Then some local players don't do hedging, right?

So, if you look at the competition, go to any market, go to Borivali market, go to any Delhi market, Rajouri Garden market, there is one local player in Delhi who is offering huge discounts. So, we have to work within the constraints of the market. And hence, we have to balance.

So, prima facie, we are not looking at any substantial, I would say, substantial improvement in margin year-on-year despite operating leverage at full play. And let's say, 10 to 15 bps max, we are looking at as the competition will continue to intensify.

Suvankar Sen: So, yes, while what you all are saying is a very logical way, things will move ahead for profitable growth. But at the same time, in the market forces scenario, we need to ensure that we keep acquiring new customers.

We make sure that our customers keep coming back to us with not only new design offers, but also provide value-for-money offerings to the customers. So, a balance between growth and profitability, it is a good thing to have a sustainable EBITDA and a sustainable profit and keep investing for the future and keep growing. So that's how one has to look at it.

Viraj: Right. Thank you so much. So, essentially, I'll just end this conversation. You are saying we'll do anywhere between INR10,000 crores to INR10,500 crores revenue, and we're looking at 4.5% PAT margin. That's roughly where we'll end, and we'll grow post that 20%, 25% next year. We'll see how it happens. Is that a fair understanding after all this conversation?

Sanjay Banka: Yes, absolutely. That is in line with our guidance. While internally, we'll continue to target more. But I think these are the conservative estimates.

Moderator: The next question comes from the line of Amish Kanani with Knowise Investment Manager.

Amish Kanani: Congrats on a good set of numbers. Sir, growing within West Bengal in Tier 3, Tier 4 towns, as you mentioned, versus growing beyond West Bengal, how do you see opportunities? What are the priorities? So, do you see deep within West Bengal, given the kind of political environment it has been?

Do you see that as an opportunity, say, on a 12 to 18-month basis? Or do you see diversifying business beyond West Bengal as more important in terms of building a very strong and stable franchise, which you said North and Central?

Suvankar Sen: No. So, I think we need to understand where our strength lies, and we need to understand where the opportunity for future growth lies. So, for being in Bengal and the Eastern part of India for more than 80, 85 years, there is a strong loyalty, and there is a strong emotional connection with the consumers here.

And as a brand emerging out of this part of the country, we should continue to work towards how we can keep on penetrating into the smaller towns. And I must tell you that, considering

the changing scenario, and I would say, the positive growing scenario in Bengal and East India, our one core focus will be to continue to focus on growing in the Eastern part of the country and play to our strengths. So that will be one area.

And I would give it a weightage of almost 50% to 60%. And a weightage of 30% to 40%, I shall be giving towards the North and the Central because we all know that the market size, the future growth opportunities, the growth and development in those consumer bases will be there. Our endeavour to increase our diamond jewellery sales and increase our stud ratio shall also be achieved through a very strong brand presence and growth in those regions as well.

So, one is to take the low-hanging fruit of where we are already strong. And one is to look a little into the future and grow further. I would say a 60-40 weightage ratio is the optimum way to grow and put our energy towards.

Sanjay Banka:

And to complement what MD has said, we have grown last year into the newer markets. We have gone into Rajasthan (Bikaner) through the franchise route. So that's opened an immense opportunity. In Madhya Pradesh, we have a franchisee. In Maharashtra, Nagpur, we have launched. So those opportunities, we continue to explore. But we have a very strong pipeline for FY27, which is skewed towards Bihar and UP.

Amish Kanani:

Okay, sir. That's very heartening to note. And sir, normally, this wedding and festive season, and you mentioned about Akshaya Tritiya and all. So, the question is, sir, this year vis-à-vis last year, any trends in terms of overall wedding dates come festive season activity on an annual basis?

And if at all, are there some variations that we need to keep in mind on a quarterly basis, which should impact either the positive or negative side for us in the revenue growth outlook? And are we heavier for the wedding versus the festival, and wedding plus festival put together versus normal business? Any things that we should know, which give us a better appreciation of the quarterly trend of the numbers, sir?

Sanjay Banka:

Yes. So, as you said, Akshaya Tritiya was extremely good for us. And despite the readiness for the election, we achieved around 66% growth. We have seen the growth across all the zones, let's say, West Bengal, East, North, and even Central.

We did not find any major variance in the trend, while we have launched 9 carats, but 9 carats continues to get traction. Obviously, there is a growing skewness towards lightweight jewellery, and a major part of our jewellery is already lightweight. Our diamond jewellery growth has been happening.

So, we did not find any major change other than the movement towards the old gold. And as you mentioned, the customs duty has increased as an appeal made by the PM for the old gold. I think that the momentum of old gold is only going to increase, along with the 9-carat and lightweight jewellery.

Suvankar Sen:

And just to define that lightweight jewellery would not only mean jewellery that you see people wearing every day, office or casual wear. Even when it comes to buying jewellery for traditional

locations and weddings, consumers are looking at how they can reduce the overall weightage, or they reduce the purity of the product from 22-carat hallmark to 18-carat hallmark and make it within their budget.

So lower purity, making the weight light for even the heavier-looking product. And we, at Senco, since we are working with the karigars very closely, our effort is to find out how we can keep on making the product look heavy but weigh light. So, there are always ways in which we are trying to provide the product and make the design.

Amish Kanani:

Sure, just as a follow-up, sir, is there any trend in the ticket size, so there's a lot of debate between a price rise of 40%, but volume degrowth and all. Should we be looking at a ticket size per customer or per footfall, which we convert as a good proxy of growth, one, in terms of value growth?

And second, within that, one, the expansion of stores as an additional kind of growth. So, if you can give us some sense there as a follow-up, that will be helpful.

Suvankar Sen:

So, our ATV, if you look at it, our average ticket size has grown by almost 30%YoY. So, consumers using either the money that they have or the old gold that they have, they are buying the jewellery based on their budget. But the average ticket size has increased by 30%, so that's the way to look at it.

And see, we are talking of now, we have seen it over 25, 30, 40 years that the gold prices were much lower, then also people who are buying jewellery. Now, at these high levels, people will buy. But obviously, the quantities will differ. And that's the way the volume has to be looked at, right?

Moderator:

The next question comes from the line of Kaushik Poddar with KB Capital Markets.

Kaushik Poddar:

Can you give a sense of how Sennes is doing? I mean, with artificial diamond, that's a different sector altogether. So, can you give a sense as to what your initial aim was for Sennes? And how is it progressing on the goal you must have set for having a completely new brand and new setup?

Suvankar Sen:

Right. Thank you very much! Sennes is a brand that is created keeping the lifestyle changes of the consumer in mind. And it was also one of our strategy that how to connect with the young consumer. So, while we are sitting on our strong, loyal customer base, our constant endeavour is to understand how we can keep on innovating ourselves and create new lines, new products to connect with the new generation consumer with the changing lifestyle.

So, it is something that, along with Senco or compared to Senco, the volumes and the value are much lower. It is still in a state of getting invested, and we are building the brand. We all know that while increasing the stud ratio is one of the strategies that the jewellery industry has to work towards, increasing the stud ratio will not only happen by increasing the share of diamond sales, but also by increasing the share of other gemstones and lab-grown diamonds.

We are putting our energy and effort. We've got 12 stores right now. We are building the awareness levels of the consumers with regard to lab-grown diamonds and lifestyle products. The base is still very low. There is not much to talk about except the fact that we believe that in the future, this, along with the other kind of jewellery that we sell.

So, from a Senco perspective, we are selling gold, diamond and platinum. We are also selling silver and fashion jewellery. So, along with that, this will be another line of business of selling lab-grown diamonds. Also, the fact that consumers will look at other products complementing jewellery.

And as a result, we have launched perfumes, leather bags and leather accessories. And we will continue to work on building that base for the future. That's how I would like to kind of share my thoughts with you.

Sanjay Banka:

Just to complement. So, while we have 12 exclusive Sennes stores, we are also selling Sennes products from Senco stores, excluding the lab-grown diamond. If I look at the Sennes business as a whole, at the EBITDA level, it is positive. Broadly, that's great news because when you build a great brand, you can invest in the brand up to INR50 crores to INR100 crores.

And within the second year itself, Sennes' business as a whole is EBITDA positive. So, there may be some impact for 1 or 2 years, but we are on a long-term journey in this Sennes brand as a house behind.

Kaushik Poddar:

Okay. And see, the point is in order to grow the market, that 9 carat and 18 carat, what percentage of your sales comes from such kind of lower than 22 carat gold?

Suvankar Sen:

As of today, I would say that though it won't be the exact figure, I would say anything between 15% to 20%, 15% for sure, which will be lower. If you look at diamond jewellery, gold, and everything put together, it will be around 13%- 15% approximately.

Kaushik Poddar:

That's not in substance. That is quite a significant number. So, are you doing something to promote that kind of thing? Because I don't see awareness being built up that this kind of jewellery is available. Are you doing something on that? What are the steps you have taken towards that end?

Suvankar Sen:

So, I can only let you know that in all the various communication campaigns on our advertisement medium and digitally, we are continuously sharing with the consumers that 9-carat jewellery is available because even for traditional jewellery designs, people are looking at 18-carat options and not just 22-carat options.

So maybe we can take a point out of your suggestion that maybe we are doing, and maybe we need to do more or make sure that people are more aware of it. But the reality is that most of the diamond jewellery that we are selling, and even gradually the lightweight gold jewellery that we are selling, is put in 9-carat, 14-carat and 18-carat jewellery. But we might need to do a lot more, and we'll take your point, and we'll keep that in mind.

- Kaushik Poddar:** And my last question. See, Titan, I mean, the leader in your business is operating, say, at 11%, 10%, 12% margin. And you are operating at 7.5% to 7.8%, as you said. Why this difference? What will make you bridge that gap?
- Suvankar Sen:** So, one of the biggest reasons for it is that their share of diamond-studded jewellery. That is what has been almost all you can analyse the data; it wouldn't be right from my side to say what it is. But that is the biggest difference. And we are working towards increasing our sales of diamond jewellery.
- We are creating a lot of innovative designs in lightweight or even for party wear, cocktails and trying to give the most value for money proposition to our customers. And sitting in Calcutta, we have the strength of karigari of artisanship of creating those designs.
- So, we are working towards it. And I guess that, see, they have been leaders, and they have been established in the market for a long period of time. And we are also very respectful of the same, and we want to get inspiration and do the best we can to keep on growing the way they have done.
- Kaushik Poddar:** So, I also happen to be from Kolkata, so I wish you all the best.
- Moderator:** The next question comes from the line of Pallavi Deshpande with Sameeksha.
- Pallavi Deshpande:** I just wanted to understand, in the 9 months we had said about the hedging gains contributing to 2.5% of the margin, giving a boost. How much would it be for the 12 months? And the second question would be GML, which is also reduced. Any particular reason for that?
- Sanjay Banka:** Hi, Pallavi. Good morning, and thanks for asking this question. If you look at the number and the guidance that we are giving, it is partly self-explanatory. So, if you look at the gross EBITDA margin of 13.7% for the quarter and 11.5% for the whole year. And when I'm saying that my margin guidance is 7.5% to 7.8%, at least in the range of 2.5% to 3% is due to the price rise again.
- And while it cannot be exactly extrapolated because it is simple to explain, but this is broadly in this range, there is a weighted average cost impact, right? Then there is silver, which has also increased. Premiumization, you are seeing that the ASP and ATV have increased versus last year, almost. So, this is an impact of that, but you can broadly take 2.5% to 3% for the whole year.
- Pallavi Deshpande:** Right, sir. So then that extra 1% is because of our better product, more handmade and all that. So that should continue, right? So, my point is this margin guidance seems conservative because 11.5%, minus 3%, will give me 8.5%?
- Sanjay Banka:** See why we are still guiding because it's a very dynamic market. And market to market, we have to see the competition and how they will behave in the next quarter, how the market will take up the PM's appeal, old gold. That's why it is so dynamic; it is fair for us not to give aggressive numbers.

So, that's why we are still retaining at 7.5%. As we said, we will certainly aspire to increase the margin to bring in more operating leverage, there's a balance between the brand building, serving the customer and still taking the market share.

Pallavi Deshpande: And what would be the target for marketing expenses, now 1.9% of revenue? Are we planning to increase that by 50 bps, 100 bps next year?

Suvankar Sen: No, I think that the marketing expense is 1.8% to 2.2%, we will continue at that kind of thing that we will invest for the future. 1.8% is something that will be needed for future growth.

And I think that is how we will keep on growing. The new brands are coming up. We will keep focusing on the new brands, the lightweight jewellery, and the various categories. But yes, 1.8% is what we would like to look at.

Pallavi Deshpande: Right. And lastly was about the GML portion, why we see a decline this year?

Sanjay Banka: So, GML, Pallavi ji, it declined because of the huge gold price rise, which happened in March. You are aware that in the month of March, the fee went up to almost 180,000, right? At that moment in time, there was a cash flow mismatch, and a lot of positions had to be squared up due to the hedging position taken through GML. The MCX had to be squared off, the GML had to be squared off, and then the payment had to be made.

So that's why it has come down; it is one of the reasons for the increase in borrowing costs for Q4 and maybe in Q1 also. But obviously, we intend to increase the GML portion to 50% plus. We are short-term business dynamics. That's why we have to understand them. But the intent remains to increase the GML because my borrowing cost on the GML is 3% to 3.5%.

One good thing that I must highlight is that our rating has been upgraded 1 notch by ClearEdge, and the rating renewal is pending with ICRA. And with the improved financials and improved interest coverage ratio of 4.5% and the return on equity of 20% northwards, I mean plus 20%, I think we are expecting an improvement in the credit rating, which would reflect in the borrowing cost.

Moderator: The next question comes from the line of Anushka Vora with Vimana Capital.

Anushka Vora: So, you said that around 50% of the sales in Q4 came from the old gold exchange. So, I just wanted to understand how your order relationship with the manufacturers has been changing. So, do you give more of an advance gold in respect to the traditional way of placing orders where they themselves buy the inventory, but has your portion of advanced gold to them been increasing?

Suvankar Sen: Right. No. So with the manufacturers, there are 2 parts, almost 70% to 75% of our work is done through job workers or our factories and the manufacturing production is mostly finished goods purchased. Now what we are also seeing is that diamond jewellery, where we used to do a lot of finished good purchases, we are utilising these kinds of goods advances. And this has started in the last, I would say, 1 or 2 months, where we are giving them some of the gold in advance for their manufacturing process.

So, it's more gradual. It's not a very drastic situation right now. But see, gold is equal to working capital in that manner. And we are utilising this opportunity to give certain of that to the manufacturers. And against that, we'll also get some minor benefit in terms of getting better pricing whenever we are doing it. So, it's a very gradual process. It's not been a very drastic process yet.

Anushka Vora: Right. That's fair. So, how much of your overall production or volumes would you say was through advanced gold?

Suvankar Sen: We don't have the exact numbers right now, but we will analyse, and we'll get back on that. It won't be a very large number, but we'll get back to you. And I think that you will not see the impact much happening in the previous financial year, but maybe in this current financial year, that would be one of the aspects that one has to look at.

Moderator: The next question comes from the line of Subhanu with 3 Head Capital.

Subhanu: Can you tell me what kind of gold volume is kept today?

Sanjay Banka: I could not get you. Kindly repeat.

Subhanu: What gold volume do you currently keep in your gold inventory?

Sanjay Banka: See, I think we should refer to the published number. We are saying by inventory days are 188 days blended. So, the gold volume approximately sold is around 6 tons. So, you can extrapolate from that how much inventory is, yes. 6 tons is the total gold sales by us. You can extrapolate the number accordingly.

Subhanu: Okay. Understand. And as you mentioned, we procured the gold due to political uncertainty in West Bengal. What was the procurement cost at that time?

Sanjay Banka: No, sorry. What we said is that we built up the inventory ahead of elections, right? The model was the same, as we explained to the previous gentle lady, we procured 50% from old gold, 20% from the ready-made jewellery, balance from the traders. This is the mode of procurement of the gold.

Second, thinking is how we get it manufactured. So, 20% is ready-made jewellery, which I explained and balances the old gold or the GML, which we procure from the bank that is given to Karigars. So, 20% traders, 70%-75% is Karigar and the balance 4% to 5% is our own factory, which will increase in future. We want to take the factory manufacturing to 10%.

Let's say, if I'm selling today 5% of INR8,000 crores, that is INR400 crores. When it becomes INR20,000 crores, 10%, it will become INR2,000 crores. So, from INR400 crores to INR2,000 crores, the size will increase, but the percentage will be below in the range of 8% to 9% of total manufacturing.

Subhanu: Understood, and as you mentioned, we will be maintaining around 50% plus hedging. That means going forward, if the gold price increases further from here on, then we automatically gain margin from this inventory?

Sanjay Banka: See, what the MD has said is that our policy is to hedge up to 80%, right? So, it is the current scenario. While currently, it is 50% to 60%, it will be in this range. It can go up to 80% also. So, if the hedging increases, it is a good risk mitigation technique. So, if the hedging increases, your sustainable margin will come, and the non-sustainable one-time gains will not come.

But as we've always said, the intent of the company is focused on sustainable margin, risk protection, while managing the cash flow mismatch. So, the hedging percentage is linked to the cash flow mismatch.

Moderator: The next question comes from the line of Raj Sarraf with Finvestors.

Raj Sarraf: So just wanted to understand that inventory must be repriced as the duty hike to 15% now. So, how much effect are we going to have this year, apart from the guided EBITDA or any ballpark number, if you can give?

Sanjay Banka: If you can just rephrase the question, then I will attempt to answer you.

Raj Sarraf: Sir, the inventory must be repriced at the duty hike from 6% to 15%. So, how much effect are we going to have this year, apart from the guided EBITDA or PAT or any ballpark numbers you can give, sir?

Sanjay Banka: Sir, I will say inventory is not repriced. See, the inventory is valued at cost or net realisable value, which is lower. So, inventory is always valued at the cost. Cost means weighted average cost. Now, the weighted average cost is usually lower than the market cost. And in the weighted average cost, hedging losses, the realised and unrealised losses, as well as a mark-to-market impact for the gold metal and MCX, both are added.

I'm reconfirming to you that inventory valuation is as per Ind AS 109. It is audited thoroughly by the auditors. They check the valuation and inventory valuation, which includes the realised and unrealised losses to the extent of inventory unsold, which will be realised in future, and it is lower than the net realisable value.

So, if you are looking at a value of INR5,200 crores of inventory, which is approximately INR4,500 crores of gold, INR500 crores of diamond, platinum and silver, the realisation price is more in the month of April and May. Now, if again, gold prices go up, which it has gone up in April, May and June, then the gain will come.

Raj Sarraf: Sir, just want to understand as a layman, when the duty was reduced from 14%, 15% to 6%, we have an impact of INR57-odd crores in our balance sheet or our P&L. So right now, the scenario has been reversed.

So definitely, if you are not fully hedged, we are going to have an inventory gain. So, at that time, sir, we are having lesser inventory. Now we are having more inventory. So, what is the quantum of gain, what you say is realised gain or anything we will have this year?

Sanjay Banka: No, see, I don't want to give a ballpark number. I'm trying to tell you that this 9% gain, very simple, 6% to 15% is 9%. 9% on the gold value of INR4,500 crores, you can assume INR450

crores or INR400 crores, but it is not that simple. So, from a rough out-of-the-envelope calculation, it will be 9% of INR4,500 crores.

But whatever the gain is, it goes into the weighted average cost daily. So, the inventory is getting repriced on a daily basis from 30th June until 30th September. So, this inventory will get sold in quarter 1 and quarter 2, but effectively it should be in the range of at least 6% to 7%, but we don't know what is going to happen in future. It will also depend on how the market is giving a discount on the gold price.

We understand if I am selling gold at a certain price and if in the market, the nearby market, my competition is giving at less, then I can't take that much gain. So, the gain will get reflected in quarter 1 and quarter 2, and we'll disclose what gain has come due to the customs duty impact.

Raj Sarraf:

Sir, that we clearly understand. And then the competition kicks in when the gain is so much that I clearly understand. Just wanted to highlight this. Now, sir, we have seen in the past that the negative result of duty reduction, which will eventually come next year, as I guess.

And then we have a negative duty impact of INR57 crores, I think, in FY '25. So, how are we preparing for next year if the duty is reduced from 15% to 6% and 5% in next year? Are we going to hedge our inventory more, or how to mitigate these kinds of scenarios going forward, sir? Because that is eventually going to affect us negatively in the coming year?

Sanjay Banka:

You asked a wonderful question. What has come as a one-off gain. Now we have to be more cautious not only for us, but also for the entire industry to be cautious, and whenever it happens, it will be sudden. So, at that moment in time, the gain will convert into a loss if the hedging is not done. Now, hedging can only be done through the MCX.

So last year also, the price fell, and the impact could not be mitigated. Impact would have been mitigated only if the 100% of the position was covered through MCX, a slightly complex subject because you would read that the hedging is done through GML and MCX.

So, in the GML, even in the current year, we will continue to pay customs duty at 15%. That means that risk is uncovered. So, if my 100 kg of inventory is there and if I have purchased 50% through GML, I would have paid the customs duty, which means that I have to take 150% hedging to cover the risk of a gold price rise.

So, thank you for raising this question. You can ask me one-to-one. We are cognizant of that. But I don't think that it will be possible to cover the entire hedging position through MCX because now the MCX margin has increased to almost 25%- 26%, which is becoming a challenge.

We'll issue more details on this during quarter 1 as to what actions we are taking for possible reduction in future.

Raj Sarraf:

That's exactly my point, sir; the inventory hedging is now very important because, sir, eventually, we are going to grow more in the coming year also. So naturally, this INR5,200 crores inventory is going to increase in the coming years also. So that time, having an inventory

hedge at an amount of 50% will cost us more in our balance sheet and our P&L going forward. So that's my concern is?

Sanjay Banka: Rightly raised, sir. We are certainly thankful to you, but we are aware of this risk, and we will take adequate measures so that the repeat of the previous customs duty fall does not happen. Fortunately, we have a gain, a one-time gain. I think that a part of it will certainly have to be sacrificed, if I'm very plain and blunt.

Raj Sarraf: Okay. Sir, how is the trend now in coins and gifting jewellery right now? Because some of your peers have also mentioned that now the government has taken a duty hike. So, the gold coins and any investment purpose buying is now being discouraged.

So, I wanted to know the trends going forward in the last 10 days, also when the Honourable Prime Minister announced that call-out. And even the going-forward trend you have seen in the past with your experience?

Suvankar Sen: So, see, coins and bars are around 5% to 6% of our overall business only, right? And previously, it was about 2% to 3%. It has gone up to 5% to 6%. So, I think that we will see some amount of slowdown in coins and bars, and people will not invest as much. But again, from our business perspective, selling more coins and bars doesn't add much of a margin to the business.

So, this is more of a customer service that all the jewellers do and not really a margin-adding situation. So, we'll see, and we will be guided by what the government takes and the policies that are taken.

Our focus is to drive more and more jewellery and designs, and how we fulfill that need of the customer, and we will focus more on that. And so that was your thing on the question of the impact of the current situation on coins and bars.

And as far as gifting is concerned, I think we need to look at the lower caratage jewellery, 9 carat, 14 carat, so that consumers can use it for gifting to their loved ones and make things within the budget. So that is something that we'll keep looking at and keep creating new designs in that segment as well.

Raj Sarraf: My last question is, sorry...

Moderator: Sorry to interrupt, Mr Raj Sarraf, I would request you to please come back in the queue for further questions. Thank you. The next question comes from the line of Arvind Dureja, an Individual Investor.

Arvind Dureja: Sir, my concern is related to the inventory buildup. If I look at your inventory turns, it has gone down from 2.6x, I think, or 2.7x to now less than 2x. So, what would be the steady-state target for inventory turns?

Because if the inventory keeps inching up and if there are no inventory gains, then our ROCE will keep on declining. And there is also market scepticism because of the past accidents in the

jewellery sector. I'm not implying that this is the case with us, but this is something that makes the investor worried. Thank you.

Suvankar Sen:

So, see, if you look at the inventory days in the previous year, it was around 166 days. And this year, since we had to build up the inventory for the festive season of April, it's looking a little on the higher side, plus the gold prices that has moved up so much has made us look at what is the exact kind of inventory that is selling and gradually changing from a heavier weight to lighter weight to make sure that the consumers can continue to buy.

So, these have been the cases. So, if you look at a benchmark inventory days, I would think that anything around 150 to 160 days is a great inventory days and inventory turns that will look good and is good for the business.

And as far as working towards that is concerned, I think that we all need to look at how the market stabilises, the gold price stabilises, the consumers also get more comfort with stable gold prices and not so much volatility and our effort towards what we are already doing, a lot of data analysis and producing products, making it lightweight, selling what exactly the consumers want.

And together, I think from our side and the consumer side, we'll be able to move towards lower inventory days and make it more efficient. But again, I want to assure you that gold is something that is very much fungible and can easily be manufactured back. The only risk is your manufacturing cost, which is a very low single-digit manufacturing cost on average.

So, on the broader perspective, unlike other materials, it is not that it will remain the same; it will lose its value that way. But again, at the same time, we don't want to lose sales. So, for the purpose of sales, we'll need to make sure that the designs are correct and as per the budget of the consumer. So, we are working towards the same.

And the last point I would like to make is just to get the inventory days right as a brand, as we are building the brand for the long run, we are also a little conscious of the fact that we don't want to discount ourselves too much to kind of dilute the brand strength, just to make the sales happen. So, it's a lot of balancing that we need to do and ultimately work towards the 150 to 160 days inventory.

Arvind Dureja:

So, can we expect this to be the bottom? I mean, it will not go beyond what you have already reported, and ultimately, it's going to improve from here on.

Suvankar Sen:

Yes, that's it. Obviously, that should be our effort and endeavour. We are focusing on building diamond jewellery and increasing the sales of that. But this should be on the higher side, and we don't want to increase it more than that. So, this is how we can let you know for now. We don't want to do it anymore.

Sanjay Banka:

Arvind Ji, if I complement, I do the benchmarking within the industry, it goes up to 220 days also. So, the days are high and at a lower parity at 160 days. So, we would intend to keep it between 160 and 180.

Some specific actions, we have closed some stores, right? So one is that we are using technology. We are shifting the inventory from intra to intra-zone, interzone own to franchisee, franchisee to intra, all those things we are doing. But yes, we will explore all possible options to ensure that inventory days are in the range of 165 days to 180 days.

Arvind Dureja: So, 165 to 180?

Sanjay Banka: Yes.

Arvind Dureja: Okay. And sir, you said that the sustainable PAT margin is 4% to 4.5%, right, in the presentation and also the press release. However, if I look at the past 3 to 4 financial years, you have never touched the target. So, what gives you the confidence that the margin at 4% is sustainable without any inventory gains?

Suvankar Sen: No, because 4% margin will happen as we keep on increasing our diamond sales, and we are charging whatever making charges that we are charging to the customer for the designs and the lightweight jewellery that we are selling. So, I would suggest that this 4% to 4.5% margin. This year, our margins are looking higher because of the inventory gains. But in general, it's been in the range of 3.5% to 4%.

So, I'm confident that with the gold prices going up, there will be an increase in sales of 9 carat 14-carat jewellery. And with the gold prices going up, there will be more sales happening of jewellery with stones to make it much more affordable for the customers at a lower purity. So, with that thought in mind, I'm a little confident that we should be able to achieve the 4% margin.

Arvind Dureja: Okay. Thank you. And my final question is, what are the sustainable ROE and ROCE targets?

Sanjay Banka: See, even earlier, we have said that it should be north of 16%, right? So, what you are seeing for the current year is primarily a price rise. But if the price rise does not happen, incidentally, once again, this year, the customs duty impact will come.

And if the customs duty impact is not negated or if the risk is not mitigated, it may still be high. But I think that we have earlier guided it should be -- we will try to reach to 20% over 2-3 years. So, north of 16%, 17% is a good target.

Arvind Dureja: Without any inventory gains?

Sanjay Banka: Without any inventory gain, of course.

Arvind Dureja: Yes. Okay. And sir, final question, sorry, but final question. I mean, I understand that free cash flows have been negative because of the inventory buildup and the rise in gold prices. But any guidance because some of the peers are very close to positive cash flows, but the U.S. is, of course, significantly negative?

Sanjay Banka: No, I'm not able to give a comment on this. So, we have debated a lot on this, and the numbers are there. So, to me, it does not seem to be easy. That's all I can say. While we are cognizant, when we see the free cash flow of others, at least we are not able to give guidance on this that will become positive in the next 1 or 2 years.

See, the dynamics of the price range are impacting things hugely, even without disclosing the number. If I say that my inventory per kg at a store has come down, the front-end inventory, the back-end inventory, what you look at in the financial total inventory. We'll try to work on it. We have been aware of this issue for 3 to 4 years.

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

Suvankar Sen: Yes. No, thank you very much. It's been wonderful talking to all of you and answering all your queries. We want to, on behalf of the team, Senco would like to assure you that we shall keep working towards growing our business, working on ensuring that we work towards increasing the profitability and getting the best return on capital that we would be employing in our business.

We know that the world is in a little bit of an uncertain situation. There are a lot of events happening. But again, as long as we can keep on continuing and focusing on the fundamental aspects of the business in terms of design and in terms of customers, I'm sure that as a brand, we will keep growing and increasing the business and the brand in the long run.

So, with that aspect, we want to thank all of you and look forward to interacting with all of you again in the future. Thank you.

Sanjay Banka: Thank you, everybody. Thank you very much.

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

Senco Gold Limited — Q4 FY26 Earnings Call Summary**Date:** 27 May 2026**Hosted by:** Asian Market Securities**Management:** Suvankar Sen (MD & CEO), Sanjay Banka (Group CFO & Head IR)**Operational & Business Highlights:**

- **Revenue mix:** Coins & bullion at just 6%; balance entirely jewellery.
- **Stud (diamond) ratio:** ~11% by value; **diamond value growth 32% YoY; volume growth 9% YoY.**
- **Old gold exchange:** Reached in Q4 FY26 ~50% of total revenue (for FY26- 44%), up from 25–30% a few years ago. We are actively promoting recycled gold in line with the PM's appeal to reduce gold imports.
- **9-carat jewellery:** We are among the first to launch post-government hallmarking approval.
- **Average Ticket Value (ATV):** Grew ~30% YoY.
- **Lightweight design portfolio:** Over 1.5 lakh designs created during the year.
- **Sennes brand (lab-grown diamonds & lifestyle):** 12 exclusive stores; EBITDA-positive in its second year. Also selling Sennes products through Senco stores.
- **New showroom launch:** 7 new own showrooms launched in Q4 FY26 and 26 in FY 26; target 18–20 showrooms for FY27, skewed towards franchise model.
- **New geographies:** Entered Rajasthan (Bikaner), Western UP, and Nagpur (Maharashtra). FY27 pipeline skewed towards **Bihar and UP.**
- **Akshaya Tritiya (April 2026):** Achieved ~66–67% growth; West Bengal +69%, East Bengal +78%, North Bengal +75%, Northeast +64%, Central +162%.
- **Credit rating:** Upgraded one notch by ClearEdge; ICRA renewal pending — improvement expected.
- **Dividend:** Final dividend of 20% proposed, in addition to the interim dividend of 15%.

Key Management Commentary:

Gold Price Volatility: International gold prices swung from an all-time high of \$5,600 to \$4,400–\$4,500 within days during Q4. INR average price ~₹1,51,000/10g. The company maintained a **hedging ratio of 40–50%** to balance risk and liquidity.

Customs Duty Hike (6% → 15%): Gain estimated at ~9% of gold inventory value (~₹4,500 Cr), expected to flow through Q1–Q2 FY27. However, management guided that the reverse scenario (duty cut) could be a risk and flagged the difficulty of fully hedging this via MCX (MCX margins now ~25–26%).

Post-PM Appeal Slowdown: Post the PM's appeal regarding old gold recycling and rationalising gold imports, the last 7–10 days of May saw a dip in footfalls. Additionally, **Adhik Maas** (inauspicious period) is contributing to near-term softness. Management remains optimistic for June–July with the wedding season.

April 2026 Performance: April was very strong, with primary-level sales of ~₹1,500 Cr, driven by Akshaya Tritiya and Poila Boishakh. Built up inventory ahead of Bengal elections to avoid logistics disruptions.

Guidance for FY27:

Parameter	Guidance
Revenue Growth	18–20% (conservative; internal target higher)
Revenue (implied)	~₹10,000–₹10,500 Cr
EBITDA Margin	7.5–7.8% (sustainable)
PAT Margin	4.0–4.5%
Store Openings	18–20 stores (franchise-led)
Inventory Days (target)	160–180 days
Marketing Spend	~1.8–2.2% of revenue
Sustainable ROE/ROCE	North of 16–17% (ex-inventory gains)

Key Q&A Takeaways:

- **Old gold exchange** is expected to remain at 50–55% of business going forward; minimal margin impact.
- **GML (Gold Metal Loan) declined** in Q4 due to cash flow mismatch triggered by a sharp gold price spike in March; intent is to restore GML to 50%+ as borrowing cost is only 3–3.5%.
- **Free cash flows** remain negative due to inventory expansion and gold price rise; management acknowledged difficulty in guiding positive FCF in the near term.
- **Geographic strategy:** 60% focus on East India (core market); 30–40% on North & Central India.
- **Inventory turns:** Current 188 days seen as the peak; target to bring it down to 160–180 days via technology-driven inventory transfer (inter-zone/intra-zone).
- **PAT confidence at 4%+:** Driven by growth in diamond sales, making charges on lightweight jewellery, and increased lower-caratage product mix.