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

Sub: Earnings Call Transcripts pertaining to the Unaudited Financial Results of Q1 FY26

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

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

This is for your information and records.

Yours sincerely,

For SENC

Mukund Chandak

Company Secretary & Compliance Officer

Membership No. A20051

Encl: as above



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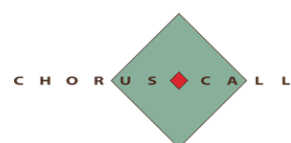


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“Senco Gold Limited
Q1 FY '26 Earnings Conference Call”
August 13, 2025



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 • MR. DHAVAL RAJA – CHIEF GENERAL MANAGER SALES- Senco Gold Limited
MODERATOR	<ul style="list-style-type: none"> • MS. VAISHNAVI MANDHANIYA – ANAND RATHI SHARES AND STOCK BROKERS LIMITED
QUESTIONERS	<ul style="list-style-type: none"> • MIHIR SHAH - NOMURA • DEVANSHU BANSAL - EMKAY GLOBAL. • VIDEESHA SETH - AMBIT CAPITAL • AASHAKA SHAH - SAMEEKSHA CAPITAL. • BHAVYA GANDHI - DALAL & BROACHA STOCK BROKING LIMITED. • RUPESH TATIYA - SHRIRAM MANAGERS • AKASH JHA - AJ WEALTH • MIDHUN JAMES - MOAT PMS. • SUBHANU - 3 HEAD CAPITAL • BHAVYA GANDHI - DALAL & BROACHA STOCK BROKING • HIMANSHU SHIVHARE - Md INVESTMENTS

Moderator: Ladies and gentlemen, good day, and welcome to Senco Gold Limited Q1 FY '26 Earnings Conference Call hosted by Anand Rathi Shares and Stock Brokers Limited. As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing. Please note that this conference is being recorded.

I now hand the conference over to Ms. Vaishnavi Mandhaniya from Anand Rathi Shares and Stock Brokers Limited. Thank you, and over to you, ma'am.

Vaishnavi Mandhaniya: Thank you. Good morning, everyone. On behalf of Anand Rathi Share and Stock Brokers, it's our pleasure to host the Q1 FY '26 Earnings Conference Call for Senco Gold. From the management side today, we have Mr. Suvankar Sen, MD and CEO; and Mr. Sanjay Banka, the CFO.

And I now hand over the call to the management for their opening remarks, followed by a Q&A session. Thank you.

Suvankar Sen: Thank you very much. Good morning, all my dear esteemed investors. Today, myself, Mr. Banka and many of our team members, namely Mr. Dhaval Raja, who is heading our Sales. We are all joining for the conference call with all of you.

Just to kind of update you that today, I am joining from my home because I'm under the weather. So, my team is in the office. I'm at the home. So, there could be some coordination delays or any kind of thing. So kindly take note of it, and we shall otherwise continue with the call.

The good part is that, as we begin this financial year, and we look at the results and the numbers of quarter 1, on behalf of Senco Gold & Diamonds, we are extremely happy and extremely delighted to inform that overall, the performance of the company in terms of top line, in terms of bottom line has been extremely robust and very, very encouraging.

If we look at the particular quarter before we get into the numbers, and we look at the overall macroeconomic scenario, we are all aware that this quarter, while there was the Akshaya Tritiya and Pohela Boishakh and New Year's in many, many states, which gave a very strong platform as an auspicious season for the consumers to come and buy.

At the same time, there are macroeconomic, geopolitical tensions that we continue to see, and that has led to the increase of gold prices about 5% quarter-on-quarter, and about 30% compared to the previous year's similar quarter. But in spite of the increase in gold prices, we have seen that the consumers have continued to come and buy and purchase Jewellery.

In terms of the growth that we have seen that the revenue has been up for the retail side of upward of 28%. And the same-store sales growth, which is a very good indicator of the loyalty of the consumer of the commitment and the effort that the teams are putting has been upward of 19%.

And overall, if we look at the bottom line, the profitability, we have seen that we have seen last year's quarter to this year's quarter profit PAT growth of upward of 100%, where we crossed INR100 crore PAT for this particular quarter. And this reason of a very good PAT that we could

achieve has been led by 2 to 3 reasons. We have seen that in terms of the diamond Jewellery sales, there has been a very strong demand, and we have had a 35% year-on-year growth in terms of volume, and above 50% in terms of value.

Now there could be a lot of thought processes. We have all been hearing for the past financial year that the diamond prices have been on a downward trend and consumers are losing their faith and trust on diamonds. So that was the situation that we had seen in the previous financial year.

But if we look at it and see how what we are seeing in quarter 4 of the previous financial year and quarter 1 of this year, that with the gold prices going up so high, there has been a tendency of the consumers to buy diamond Jewellery for their everyday wear basis, or for their special occasions.

So, our stud ratio, which was on an average of 9% to 9.5% in the previous financial year has moved up crossing 11% for this particular financial year Q1 with such a high growth, and that has been one of the major reasons why we could see that there has been a positive impact towards the profitability.

At the same time, we have also seen that there were certain uncertainties in terms of the gold metal loan interest that the banks were charging, and due to certain of the tariffs, and certain of the policies that Mr. Trump was putting or the U.S. had towards the gold loan, there was a short-term impact of increase in interest rates on the metal gold loan.

And as a proactive measure, what we had done is that in order to mitigate that high gold price, we were trying to mitigate it with increasing the making charges in certain categories. So that, those higher costs could be passed on. And I think that, those timely actions that we have taken by protecting our bottom line, and by being extremely efficient, with our planning has helped us, in order to ensure that we can cover the cost.

And we have seen over a period of time that, those interest rates that were increased at that point of time has gradually over a period of time come down. So that has been one of the major part where we could continue enjoying the benefit of those little higher interest rate. Because what we have seen is that this whole season because of the high gold rate, we had to continue to give discounts to give offers, whether it be for Akshaya Tritiya, whether it be for Rath Yatra, which was in the month of June, or the necklace festival that we did. But because of those, the management of the making charges, I think that there was a lot of intelligent action that we had taken that could help us in increasing our profitability.

Also, one thing that we have done for this particular quarter is that usually, we have been last financial year, maintained a hedging ratio of about 75% to 80%. In this particular quarter, in order to maintain the liquidity, in order to maintain that, yes, we could continue to focus on our business and not get impacted with the increase in gold price giving a higher amount of money towards margin. We had kept our hedging ratios about 55% to 60%. And I think that, that has also worked in favor of the company and helped us to ensure that the liquidity continue to remain strong, and the profitability also continue to remain strong.

And one very important thing is the focus on efficiency. For the last 6 to 8 months, we have appointed a particular consultant and a tool and a software on which we are continuously working on driving efficiency at the store level, exactly which stock, which design, which is -- what is moving at what store. And especially so more, because with the increase in gold prices.

We are seeing that the average ticket size and the weight range that we are selling to the consumer has been on a downward trend. The ability of the consumer to buy Jewellery of higher quantity is getting impacted, and we are proactively looking at the weight ranges that are getting sold. And accordingly, fulfilling that kind of designs and products at the store level. And I think that, that has also worked in our favor on the efficient planning and has led to a higher increase in terms of the margins.

Now, what we could see in terms of certain good achievements for this particular quarter is that our focus on designing has continued to remain very strong. We have created more than 11,000 designs for this particular quarter. And I think that, our design team, our merchandising team are continuously working towards it.

We are very much conscious that, with this high gold price, 18-carat, 14-carat, 9-carat, these are the future, and we need to focus, whether be it in diamond Jewellery or plain gold Jewellery, so that we can continue to have the younger generation coming and buying from Senco or people who have a lower ticket size can come and buy from our brand. Because we always, have always stood for design and we have stood for creating Jewellery that could be afforded and bought by everyone and anyone. And we will continue with that pursuit and focusing on the same.

And in terms of the Bridal, which is some kind of a purchase, no matter what the gold price is, consumers will buy. So, we had launched our Khushiyon Ki Reet, the legacy tradition and the legacy collection, focusing on an ad campaign that the grandmother, the mother and the daughter, or rather the granddaughter is buying the Jewellery from Senco, which we stand for. I think that has kind of connected with the hearts of the consumer, and they have continued to stay and buy for the wedding also.

One very important thing that we have seen is the old gold exchange, which has become 40% of the total transaction that we are doing. So the fact that, we are conscious that people might be having lesser liquidity and lesser ability to spend money on cash, we have seen that the old gold exchange was about 25% of the overall business, maybe 2 to 2.5, 3 years back, but that has become almost 40% of the overall transaction that we are doing and is helping the consumer to keep on coming back to the stores.

This particular quarter, we have been able to open 10 stores, including 1 Sennes store. And I think that, our overall aim for the financial year is to open 20 stores. We are very much in the journey of opening 20 stores. And our hope is that we might open 1 or 2 more stores more than 20, but surely, our expected numbers of 18 to 20 stores will be achieved.

If we look at the overall guidance in terms of the numbers that we want to achieve over the period of full year, in spite of the fact that, yes, this particular quarter, we have grown by more than 30%. But as a guidance, we will continue to guide all of you that, yes, 18% to 20% growth

for the whole financial year shall continue to remain as we cross quarter 2, move on to quarter 3, have the Dhanteras season and experience it and how consumers are behaving on it. We will be in a better position to up our guidance. But for now, I think that we should all aim for looking at a guided number of a 20% growth.

At the same time, if we look at the EBITDA numbers, Mr. Banka shall further on explain to you with all the details. But I think that, we had initially guided about 6.8% to 7.2% EBITDA for the whole year. This particular quarter, we have been able to perform and achieve very good numbers. But I think that, that 7% EBITDA should be a conservative way of looking at the full year guidance. And as we progress with the year, we will keep on updating you.

And before I kind of give my closing remarks, what we want to tell you is that this particular quarter and quarter 2. If we look back to the previous year, particularly this quarter, we had experienced the duty cut by the government on gold, and that had led to a kind of a robust sales in the month of end of July and August. This year, we do not have such an incident of any kind of duty cut unless we see the gold prices coming down.

So, I think that the growth compared to last Q2, this particular Q2 will again remain in the range of 18% to 20%, maybe 16% to 18% as on-date, if you look at it. And going forward, we are all planning for the Q3. We have the Durga Puja, the festivities starting from September.

So, everything has come ahead. Currently, as we speak, we just finished off with Rakhi and then now the Independence Day offers, and collection of chains have been launched for this particular Independence Day offer period. And I think the focus on the new collection for the Bridals, for the Men's Jewellery, for Everlite, everyday wear. Also, we have seen that the silver and fashion Jewellery has also had a lot of traction and has growth of upwards of 50%, 60%.

So, in this high gold price, I think that gifting for your loved and near and dear one's fashion, these will all become very, very critical and all aspects of the business has to be looked at. And obviously, in order to ensure that the profitability remains, diamond Jewellery will continue to remain our focus, and we are coming up with new collections in the field of diamond, whether be it necklace or small items.

And with that full planning, this quarter 2 will be more towards gearing up for planning, for customer relationship building and for the fact that we all get ourselves fully prepared for the festive season that is coming up in the first part of quarter 3.

So with this, we would like to sincerely extend our gratitude to all of you for being a part of our team, for being a well-wisher and gratitude to the whole team of Senco for giving their hard work and effort for the wonderful achievement and the wonderful numbers of quarter 1 for financial year 25-26. Thank you very, very much.

Sanjay Banka:

Sen, sir. Thank you. So, building on what our MD has said, there are a few incremental points. One is that you have seen that the growth has been quite satisfactory Y-o-Y 30% growth on top line and EBITDA has grown by 68.8%.

Our EBIT has grown by 78.3% and PAT has grown by 104%. So, while and similarly, the EBITDA margin has grown from 7.7% to 10.1% Y-o-Y. But if you look at quarter 4, it has moved from 9.2% to 10.1%. Similarly, the EBIT margin, while Y-o-Y have moved up from 7.3% to 10.1%. But on Q-on-Q, it has moved from 8.9% to 10.1%, and PAT has come in the range of 5.7%.

So, while these are the qualitative factors, but as we have guided that on a sustainable basis, we are looking at 6.8% to 7.3%. It can be 7.3% or 7.4%. But so we should see these numbers with a particular quarter perspective.

I'm also happy to announce you that in the month of April, we achieved a top line of almost INR1,000 crores. And in the entire history of last 5 years, only last year, October was around INR1,100 crores. So, this superior achievement is clearly reflected due to our consistent focus on Hyperlocal Jewellery, the new stores we have launched and the Pan-India story. That is point one.

Secondly, it's important to understand that, as we've said earlier, we don't sell any bullion. In our case, it's only coin sales. So, coin sale out of the total sale is only around 5%. That's why we don't see any dilution in our gross margin.

If we look at other factors, so within the growth if we look at the growth prism, the value growth in diamond is around 54% and volume growth is 36%. So, we are seeing a consistent momentum in the diamond sales.

And I also understand that a few mines have closed abroad, 2 to 3 mines have closed, and the prices are likely to increase. So, this is going to be a major tailwind for increasing the prices. And when the prices will increase, you will see an improved realization, what you've seen, which is getting reflected in our superior gross margin for this quarter, which is partly ascribed to the making charge increase, the better realization and pricing on the diamond and a certain impact of higher gold price.

And we have also stated that our growth, which has come from owned store and franchisee store, the growth from both are slightly different. But overall, we are looking at this growth, and we are confident that we'll achieve around 20% to 21% growth.

We are also happy to announce that ICRA has confirmed our credit rating for short-term working capital requirement at ICRA A2+. Similarly, our investment in inventory is consistently increasing.

If you look at the balance sheet numbers, which we have published, it has increased to around INR3,558 crores as against INR3,300 crores in March '25 and INR2,457 crores in March '24. So, from INR2,457 crores in March '24 within these 15 months, it has increased almost by 40% to 50%. So, this clearly shows that we have a commitment to growth. We have adequate working capital available with us, and we will continue to grow in the range which you guided.

So, with that, I close my remarks, and thank you all, and then we can start the Q&A session.

- Moderator:** The first question is from the line of Mihir Shah from Nomura.
- Mihir Shah:** Congrats on a good set of numbers. So, I wanted to check on how should one think about the impact of revenue, if contribution of lightweight Jewellery goes up, can it impact the overall revenue growth as value of gold will be much lower for 9-carat, 14-and 18-carat? And what percentage of sales are now coming from lightweight for you?
- Also, a follow-up is, if you can also share our margins in your lightweight Jewellery very different from your 22-carat and 18-carat? So that's my first question.
- Suvankar Sen:** So, thank you, Mihir. Mr. Banka, am I audible? Yes?
- Sanjay Banka:** Yes, sir, you are audible.
- Suvankar Sen:** Okay. There's a little echo happening, but what I want to answer to the question, maybe I'll give a few to just give a guidance and you all can support with the data, that our average ticket size overall, whether it be the lightweight or heavyweight Jewellery all put together is in the range of INR70,000 to INR72,000. And the good part for us and our products that we are selling to our consumer base is 60% to 70% of the products are below, I would say, 7 grams, 8 grams. So, with an average ticket size of INR50,000, INR60,000.
- So, it is not really the lower purity of products that there becomes a risk of the ticket sizes going down because there is a range of INR10,000 to INR20,000 products which is of the lower ticket size of 9-carat and 14-carat, which is in demand for the young generation consumer.
- But in general, even if we look at a housewife who is across the age of 30, 35, 40, and we look at her purchasing power and the ticket sizes that she would be looking at, it would be in the range of INR40,000 to INR55,000, INR60,000 in the form of a earring or a pendant or a chain.
- And it is only that, the form or the design of the product is changing for the purpose of fitting into the budget of the consumer. But just by making it 9-carat, 14-carat or 18-carat, I do not see it as a big risk that the overall ticket sizes will come down, because consumer's budget over a period of time because the gold prices have gone up by almost 30% year-on-year, the consumer budget can get adjusted by maybe 8% to 10% depending on the growth of the economy, the income levels of the consumer growing.
- And we are all confident of the India growth story. So yes, over a period of time, the consumer shall have it's her increased budget. And the budget, even with lower ticket size in terms of weight has gone up over the past year.
- So just to allay your concern that, I do not see it much of a risk. Rather, it is only going to be a solution that we will provide to the consumer by providing Jewellery, most of it Western and modern design in 9-carat, 14-carat or 18-carat. And when it comes to bridal shopping, where the consumers, irrespective of whether it's 22-carat or 18-carat, people go for a higher ticket size item, where it can be above INR1.5 lakhs, INR2 lakhs, INR3 lakhs upwards INR4 lakhs, INR5 lakhs, INR6 lakhs, INR7 lakhs, it goes on like that.

So there, I think the ability of the consumer for a wedding is that, yes, a part of it will be given with their old gold. A part of it will be given with their whatever cash, credit card and all of that. So, we will see a 10%, 15% downward trend in terms of volume for that kind of bridal Jewellery. But there, again, 22-carat, 18-carat will be the main focus area.

So that's how it is. I do not see that much of impact happening on the overall volume. We need to increase the number of consumers also as a part of the growth story with opening of new stores, or even the same-store sales growth of 19%. So even if the stores can gain maturity, we are encouraging the stores to acquire newer and newer consumers. That is one.

And in terms of the margin, I think that, if it is plain gold Jewellery, whether it's 14-carat or 18-carat, it is of a smaller quantity. So, there is not much impact in margin. But what we have seen is that most of the 14-carat Jewellery or 18-carat or 9-carat is studded with either diamonds or other stones and just the way our diamond Jewellery has a higher margin.

So, this 14-carat or 18-carat Jewellery will have marginally higher margins than a plain gold Jewellery. So, this is to answer to your question. Mr. Banka, Dhaval, if anything you want to add, please?

Sanjay Banka:

Mihir, as sir has explained, if you look at our ASP, ASP has moved up from INR48,000 to around INR52,000. So, ASP has increased by almost 12%. And while the gold prices have increased 30% Y-o-Y and 5% Q-o-Q, customer has to make purchases. So, it slightly moves up in lower size and balance looks at either reducing the type of Jewellery or goes to lower carats.

Similarly, ATV has also moved up from INR73,000 to INR79,400. Your question was what is the lightweight Jewellery? So, this amount itself is lightweight Jewellery, INR52,000 or INR79,000. Now, this is a blended ASP for gold, diamond, platinum and silver.

So, if you look at ASP of silver, that is around INR2,800. So, if you look at ASP of gold Jewellery, if I give you a ballpark number, around 61% of Jewellery in terms of count are in the range of INR25,000. So, 61% of Jewellery, INR25,000, that is a key strength. And similar would be number in the diamond Jewellery as well.

While in terms of value, we can take a number of 33-33-33. But in terms of quantity, this 61% is around INR25,000, that is our key strength on which we have built a strong moat around our business. I hope that answers your query. Dhaval, you want to add something.

Dhaval Raja:

Yes. Mihir, see, on an average, our ASP is INR55,000. So, we are enjoying that dominance in the lighter space. So, average selling 6-odd grams itself is a lightweight Jewellery. So, introduction of 9-carat or 14-carat or 18-carat will further add to the overall buying pattern of the consumers. But right now, per se, the business that we are driving is driving to the lightweight Jewellery that we have.

Mihir Shah:

Understood. Thanks, gents that clarifies. Secondly, I wanted to check

- Moderator:** Sorry to interrupt. We have several participants waiting. We request you to please come back in the queue for a follow-up. The next question is from the line of Devanshu Bansal from Emkay Global.
- Devanshu Bansal:** Congratulations on a good set of numbers and Suvankar, wish you a fast recovery. Suvankar, definitely, we are seeing that franchisee interest is definitely picking up with 6 additions already in FY '26 till date. How is the pipeline looking for you for the rest of the year? And can we expect higher than, say, 20 additions that you have planned and that too with a higher mix of franchisees for the current year?
- Suvankar Sen:** So, thank you, Devanshu, for your wishes. See, our plan as we began the year was 20 stores, 10 owned stores and 10 franchisees. While internally, our effort and plan are that we should try to open more franchisee rather than your owned stores in order to have a better performance overall.
- So, we have already opened 5 franchisee stores, and I can tell you that we have more than 5 franchisees in the pipeline. So hopefully, instead of 10, we shall be able to open maybe 11 or 12 franchisees. And so that is how it is. So, 20 stores are something that we will keep guiding you right now. And maybe after end of quarter 3, we can update you further on it. But our efforts are towards opening more and more franchise.
- Devanshu Bansal:** Understood. And so, are there any specific initiatives that we have taken, which is helping us gain more franchisees in the non-West Bengal region. So earlier, we were very skewed in terms of West Bengal, but now we are seeing evidence of franchisees in Maharashtra, U.P., Bihar. So, any initiatives that we have taken, which are helping us there?
- Suvankar Sen:** So, I think that it's more of brand awareness that is very, very critical. So, our investment into marketing, brand building continues to remain. Our brand ambassadors, most of them have -- they are national celebrities. So, I think that the visibility is growing up, awareness is growing up.
- Along with that, our team, there is a dedicated team who are connecting with the potential franchisees. And I think that for the industry per se, it's not just us, but all our fellow jewelers who are in this particular business, it is an opportunity. We have all seen that gold is a good asset to invest for any kind of investor along with real estate and other investments. So, it is all about building the brand and building the relationship.
- And then there are potential franchisees are willing to open a store of Senco, plus what is very important is that our manufacturing strength and ability being from the geographic zone that we are gives us that flexibility. And I think that, we are there in the business of franchisee for more than 20 years. And with all our experience, we are giving our best to keep on connecting with the franchisees. So that is what we feel is from our side. Thank you.
- Devanshu Bansal:** Understood. And sir, studded growth has picked up significantly. This is almost at 35% growth in Q1 versus last year, we did about 5%-odd growth. And when compared with larger peers also, there the studded growth is only 10%, 11%, right? So, what is sort of helping us here because

this is a segment where our presence was very low, how are we sort of trying to differentiate our margins with peers?

Suvankar Sen:

So, I think that two things majorly. One is that, designing where if you look at our numbers, we have done more than 11,000 designs overall, gold and diamond put together. So, a lot of design development under our Everlite collection is happening. And also, in terms of our pricing, though we don't want to get into any kind of a price competition with others. But overall, I think that we're being able to manage our cost better and have giving a competitive rate to our customers.

And there is a continuous effort by the team in terms of offerings, in terms of schemes. I think when the consumer is coming to the store and then looking at it, and especially with the gold prices going up, if you want to buy a INR40,000 worth of gold jewellery and what you are getting with diamond jewellery, the design attraction is much better. So, we have been able to convert it in a much easier manner. So, I think all put together, this is where we are getting the results.

And last financial year, sometimes the overall situation is such that even with your best efforts, you might not get the results, right? So last financial year, when the gold price was moving up from INR60,000 to INR70,000 to INR80,000, even as we were offering diamond jewellery to the consumer, they were not in a mood to buy.

They were like, "No, no, we will buy gold jewellery only." But what we have seen from the last -- Q4 of last year and this year is that the consumer is open to try and convert themselves from gold to diamond Jewellery. And I think our efforts and consumer requirements; both are helping in the growth of diamond Jewellery.

Moderator:

The next question is from the line of Videesha Seth from Ambit Capital.

Videesha Sheth:

My first question was on the margins, where you talked about the 3 to 4 levers which drove 230 basis points of margin expansion. If you can help us out as to which of breakdown which lever contributed to what percentage of the margin expansion? And how much of it is sustainable going forward?

Sanjay Banka:

See, Videesha, as we have said earlier, we have talked about a sustainable margin of 6.8% to 7.3%. So which MD sir said that it can be in the range of 7%. So, on an extremely aggressive side, we can take from 7.2% to 7.5%, but that is on a higher side.

So sustainable EBITDA margin, we are looking at in a range-bound manner only, not what has come in quarter 1. So now the question is what margin is a very complex result of multiple efforts which have been taken from time-to-time, okay? But if I try to pinpoint it to 2 or 3 reasons, was the making charges.

We had increased our making charges in due to the expected GML price rise. And while the GML price is coming back to an original level, we have not reduced our making charge. And you are saying that with the brand positioning, we are able to charge a better pricing. So that is one. I'm not putting a number to it.

And similarly, diamond price, since we have built our inventory base of diamond when the prices were lower last year. And as we told that, some diamond prices are moving up and some mines have closed, and customers are coming back to the natural diamond. So, we are able to realize better prices for diamond.

And third is what we already said is about hedging. While we are doing the daily hedging regularly and hedging in the range of 65% to 67% on an average. So, due to lesser hedging also, we have been able to realize the gain on the gold price effectively. So, these 3 are the major reasons which we can say have contributed to the higher gross margin and the resulting higher EBITDA margin in quarter 1.

Videesha Sheth: So, the hedging ratio would remain at 60%? Or how should we think about hedging ratio going forward? While Board policy, we understand is more than...

Sanjay Banka: Hedging is a very dynamic thing. It will depend upon the risk scenario, the global geopolitics, how the entire demand supply thing is happening. But we are committed to maintain a very robust and dynamic risk management policy. We remain cognizant that while the hedging policy is dynamic and robust, our coverage will consistently remain above 50%.

That is the Board norm. And on a daily basis, we are almost doing 100% hedging at an inventory level since our inventory is only for 6 months. So that's why 6 months inventory, 50% for 3 months, volatility around. So, it will be in the range of 50% to 80%, depending upon the risk perception.

Videesha Sheth: Okay. And the second question was on the competitive landscape. How do you see that evolving? And how does it impact the industry making charges going forward? Will it further come down? Or what are your thoughts on the competitive landscape, please?

Suvankar Sen: So, I think that when it comes to competition, I do not see that making charges would be going down much further. Yes, based on the situation, there could be continuous offerings and special incentives and special schemes. But I think that we have reached almost the kind of the best possible situation of competition.

I think it's better now. I think we all the Jewellery industry players are looking at focusing on design, focusing on brand building, focusing on any kind of innovation in the market rather than just play on the part of pricing. I think that's how we are looking at it.

Moderator: The next question is from the line of Aashaka Shah from Sameeksha Capital.

Aashaka Shah: I would like to ask you in your gross margins, what is the share of gains due to higher gold price? That is my first question. And my second question is what is the value of inventory as on June 30?

Sanjay Banka: June 30 inventory is -- we have given the balance sheet as well. The June 30 inventory at INR3,558 crores as against March '25. So, March '25 was INR3,299 crores, which has increased to INR3,558 crores. This inventory clearly includes the gold, diamond, platinum, silver, etc.

So, let's say, diamond should be around INR450 crores, INR100 crores should be silver, platinum stones, balance is all gold. The inventory is -- the number is the cost or net realizable value. There was some newspaper report also where -- so I'm taking this opportunity to voluntarily clarify that we have been following weighted average cost method for almost 10, 15 years. So, the inventory reported is a weighted average cost and cost or net realizable value duly audited consistently. That is one.

Your second question was -- so this inventory, you have to look at from the inventory turn perspective. So, let's say, as you have said, on the whole year, the total sale will be around 6,500 kg to 7,000 kg depending upon how the prices pan out. That means in 1 quarter, it will be around 1,500 kg or 1,600 kg. So, 2 quarter inventory will be around 3,000 kg. Those are the broad numbers.

Your other question was how much is the impact of lower hedging? See, it's very complex process of hedging. I would suggest that you look at the document, which we published in quarter 3 regarding the hedge accounting impact of fair value hedge and cash flow hedge. But broadly, as I explained earlier, it should be around 100 or 120 basis points impact, which has flowed into the gross margin, but it is purely temporary for quarter 1.

We are not saying that it will happen every quarter. If the volatility increases tremendously, we will go back to the 80% level of hedging immediately. And then these gains will not flow. That's why we are saying 6.8% to 7.3% as a sustainable level of EBITDA margin.

Moderator: The next question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking Limited.

Bhavya Gandhi: A couple of questions. My first question is regarding hedging only. Sir, at what point we decide to increase. So, I mean, if the price fall is more than 10%, we decide to increase that hedging by 10%. Is there some metric that we internally look at? If you can throw some light on that? That is my first question.

Sanjay Banka: As I just said that we have a very robust risk management policy and we have a risk committee of Board of Directors continuously reviews who continuously reviews risk in...

Moderator: Sorry to interrupt. We would request Bhavya sir to please mute your line while the management is answering, as there is a lot of background noise.

Sanjay Banka: So Bhavya, we have a very robust risk management policy and framework in our company. And we can take advice and guidance from international experts on hedging as well, then we have Internal Treasury Committee. So based upon the entire framework, the company is committed to maintain a robust risk management framework. That's all I can say.

So, the level of hedging, the percentage of hedging is very dynamic. It is also subject to the working capital availability at a particular moment of time. But the Board policy clearly say minimum 50% hedging. And we've always said that hedging will be between 50% to 80%. Last year at many times up to 88%, 89% and even 100% as well.

- Bhavya Gandhi:** Fair enough. Sir, another question is regarding, is there any arithmetic correlation between stud ratios? If suppose 1% increase in the stud ratio, what impact will it have on the EBITDA margins? If you can throw some light on that as well?
- Sanjay Banka:** There is no direct correlation. Yes. So, what we have said is that we want to take the stud ratio to 15%. But if the ratio slightly increases to, let's say, one more percent, I think 30, 40 basis points improvement will happen in the EBITDA margin. But then once again, as we grow, we'll have other pressures as well. But I don't think that we can take more than 20, 30 basis point increase in the EBITDA margin.
- Bhavya Gandhi:** Got it.
- Sanjay Banka:** And we got a higher stud ratio.
- Bhavya Gandhi:** Got it. And is it possible to say the secondary sales number for the quarter and this year as well?
- Sanjay Banka:** Secondary sale, you are saying at the franchisee level. So, what we are reporting the total growth of -- total growth is at the primary level, which we have reported at 30% Y-o-Y and 32% quarter-on-quarter.
- And between the -- so what we said is that the owned store growth was 25% and franchisee growth was 34%. We've also said that the SSSG. SSSG was owned store 21%, franchisee 16%, blended 19%. So, the primary -- the secondary sale would be around 85% of the primary sale. I think that is a ballpark, which I can give you, and just give me 1 minute time, if I can check them. Around 85% will be the secondary sale. So, let's say, the franchisee growth, which is 34%.
- Dhaval Raja:** Secondary is 24%.
- Sanjay Banka:** 24%. So, the secondary growth -- while the primary growth in the franchisee sale is 34%, secondary is 24%, which effectively same around which I said 80%, 85%.
- Dhaval Raja:** Because of the growth, we are opening new stores, primary is more.
- Suvankar Sen:** Yes.
- Sanjay Banka:** So, what Dhaval is clarifying that since and you'll see this phenomenon in other peers as well. So, if you open more franchisees, obviously, your primary will be high. So, let's say, this year, we've already opened 5 franchisees. So, to that extent, the primary is more.
- Dhaval Raja:** So, we have a primary of 34% in the franchisee channel in Q1, which is a growth. And we opened 5 stores, 5 new stores. So, by virtue of opening new stores, we have more primary, whereas the secondary growth in the franchisee channel stands to 24%.
- Moderator:** The next question is from the line of Rupesh Tatiya from Shriram Managers.
- Rupesh Tatiya:** Before starting my question, I have one clarification on the opening remarks. Did you say that, for Q2 to Q2, Q2 last year to Q2 this year, we can still expect 16% to 18% growth despite

deferment of demand from Q2 -- from Q1 to Q2 last year because of duty impact. Did I hear that right?

Suvankar Sen: You're right.

Rupesh Tatiya: Okay. That's good. So, my other -- first question or sort of observation, Suvankar, is, I mean, you are in the business of providing solution to your customers. You are doing so many designs; you're coming up with so many formats. This quarter, if I heard right, you were able to increase your making charges.

So, you're in the Jewellery business. Why play around with this hedging and become -- try to gain from commodity movements. I think, my humble submission is that you should review your hedging policies and get them closer to the market leaders.

You should probably study Titan or Kalyan, or maybe some other global brands. And you should get it closer to that. You are in the business of selling aspiration. You do that. Don't do commodity hedging and try to gain out of it. So, this is my humble submission to you.

Suvankar Sen: Thank you. No, I totally take your submission. But times what is happening is that these liquidity constraints that we get because when you are taking hedging, there are 2 parts to it, right? One is 100% hedging as whatever you're selling, you are buying. So that is something that is anyway automatically 100%.

But when it comes to taking a sell side on MCX, or when there is a gold loan that you take from the bank, and the prices are on an upward trend, then because of the liquidity constraint, you are unable to hold on to your position, and then you think of reducing it from an 80% to 60%.

And it is not about gaining profit, but it is about protecting liquidity also. Like last 2 years, it is a fact that, almost INR100-odd crores, while the profits have come, everything has gone. But because of, say, hedging, INR100 crores of liquidity also kind of got out of the system.

So, this time, we are also trying to maintain the liquidity along with the business growth and profitability. But we totally take your point. And whenever we don't -- we are not in the business of kind of speculating and making money out of it. So let me assure you on that part, and we will keep your advice in mind.

Rupesh Tatiya: Okay. The second question, sir, is how is Q3 looking from festive season, from wedding dates? I know it's maybe a little bit too early to talk about it. But I mean, seasonally, Q3 is strong. How is the preparation? What is the expectation in the market? When there is this tax cut, I think benefit will start flowing into hands of consumers? So, any early outlook, if you can give on Q3?

Suvankar Sen: So, if you ask from an outlook perspective, I think we are being very positive in terms of our planning, in terms of our ensuring that the right inventory comes at the store before the Diwali, Dhanteras season, festive season starts. Those -- all the plans are in place.

And what we have seen is in Q1 or even in Q2 compared to other years, this time, the number of wedding dates have been lesser. And most of the wedding dates now that will come majorly

will be in Q3 and Q4. And if I'm talking to my consumers also, I think that everyone is in a mood that the moment either liquidity comes in their hands or they feel that the gold price is at the right price to buy, I think the wedding demand will come in a big way.

So yes, Q2 will be a little not so, I would say, robust because of lack of auspicious season. But yes, it is more of the beginning of the auspicious season. And Q3 will be a very good Q3. So, we should be all ready for the season to become strong any moment.

Rupesh Tatiya:

Okay. Okay. And then quickly one last one. What was our LGD revenue in this quarter? And any guidance on LGD revenue for FY '26?

Suvankar Sen:

LGD revenue has been very -- it has been in the, I would say, single digit, high -- low double digit, single digits. So LGD is still in the phase of -- we have 6 to 7 stores. We are not selling LGD to all our stores. We are creating a separate brand. Consumers are building up the awareness.

And we are very clear that, when it comes to the weddings, people are not buying LGD. It is more from a fashion perspective. But when it comes to weddings or such occasions or emotions are strongly attached and it's once in a lifetime, people are preferring the natural diamonds.

When it comes to fashion or some kind of impulse purchase, people are going for LGD. So that is how it is. So, over a period of time, maybe in 4, 5 years, LGD will keep picking up more. But till now, it is still natural diamonds that is holding the fort.

Rupesh Tatiya:

But will it cross, let's say, INR50 crores in FY26.

Suvankar Sen:

FY '26, I do not see it from our side crossing, I do not see.

Moderator:

The next question is from the line of Akash Jha from AJ Wealth.

Akash Jha:

Congrats for a great set of numbers. So first of all, I want to understand early consumer response to our 9-carat Jewellery as well as the margin per gram compared to 14-carat and 18-carat?

Suvankar Sen:

So, the consumer response has been, I would say, positive because the 9-carat jewellery is coming to around INR3,500 to INR3,800 per gram. And if it is like a 1-gram, 2-gram lightweight everyday wear, then if the budget is anything below INR10,000 or below INR15,000, it is allowing the consumer to kind of buy it within the budget.

And we are also taking, I would say, measured steps. It is not like we can convert all our inventory into 9-carat and especially it is in the studded sector. It will not be much in the traditional designs that people will buy 9-carat. It will be in the modern western design that people will buy 9-carat.

So, in diamond Jewellery and in lightweight gold Jewellery, we are said, before introducing selected collections and testing the markets and -- but consumers are being positive.

And I must say that it is the young consumers who are more open to the idea that in terms of buying 9-carat. And I think that once the wedding season will be in full force, even when people

will have to give gifts to their near and dear family members and friends, then also, I think 9-carat will become a very important tool to give a gift item to your loved ones. So that's how I'm looking at it. So -- but if you ask me that is it a positive thing response? I will say, yes. The initial responses are positive.

Akash Jha: Okay. And one question related to this, sir. How do you see the organized Jewellery sector's market share changing over the next 2, 3 years due to this 9-carat hallmarking becoming mandatory?

Suvankar Sen: So, I think the organized sector is in a growth trajectory. And as we look at it, what we have seen in the last 10 years that the organized sector is having -- growing at a higher rate and capturing more market share. I think whether it's 9-carat, it just opens up the opportunity for, I think, the industry to provide Jewellery and especially so the studded Jewellery in within the budget of the consumer.

And just like diamond Jewellery, even lab-grown diamonds, gemstones, these all will become together along with this 9-carat, 14-carat will become a product for the consumers to buy, and the margins also will be strong for the companies also.

So, I think it will help the organized players to grow. And anyway, I think, I mean, unorganized players are -- they're finding it difficult to survive in an unorganized manner, and they are also getting either organized or getting out of the system. So that's how we are looking at it.

Akash Jha: Okay, sir. And one last question, sir. Out of the planned 20 stores, we have already opened around 10 in Q1. So, what would be the trigger for you to consider increasing that total store opening target for this year?

Suvankar Sen: No. So, I will still -- as of now, we'll continue to guide all of you with 20 stores. And when we are closer to the number 20, then we can review on the guidance. But as of now, we will keep guiding on 20 stores.

Moderator: The next question is from the line of Midhun James from Moat PMS.

Midhun James: My name is Midhun James. I represent Moat PMS. So, my first question is more of a slightly a strategic long-term question. So, what do you think is your right to win in this market against the likes of the bigger competitors like, say, Kalyan or Titan? The reason why I'm asking this question is, if I understand it right, it is -- our story is a story of premiumization of maybe advantages of Eastern India karigari.

And when your competitors are sort of planning for starting 70, 80 stores this year, we are still having a moderate plan of about 20 store additions. Despite that, we have despite we are having a very good same-store growth rate of about 19%. So -- and you are not very aptly represented in the Southern part of India, which has got about 40% of the entire gold consumption Pan-India. So that is where I'm coming from. So, can you please respond to that?

Suvankar Sen: Yes, So, see, our focus has been more of Eastern India and Northern India. Our competitors from Southern part of the country, they have been very strong in that part of the country. And we

wouldn't want to focus there for now. We will work towards getting deeper and deeper into the markets of Eastern and Northern India. So that is one.

And the second part is that, yes, being from the Eastern part of the country and closer to the manufacturing hub of Calcutta, we will try to create new designs, make lighter weight Jewellery. Our competition is also working on designs, but everyone to their own, they are increasing their market share by opening more stores. We will also open our number of stores in the markets in which we are strong, focus on the low-hanging fruits so that our return on capital remains strong. And the right to win is where I think that the market is big enough for everyone to live together.

For a consumer, today's day and time, no consumer is very loyal. They are looking for new designs. They are looking for options. And I can see myself that, the same consumer that is with me is with, say, 2, 3 more Jewellery players. So, they are also trying out many types of Jewellery. So, I think that as long as we can focus on fulfilling the needs of the consumer and creating the product that they need, consumers will continue to buy.

And most importantly, for the Jewellery industry per se, the unorganized to organized shift that is happening is helping all the players, all of us together to capture more of the market. And I think that's how one has to look at it.

Midhun James: Okay. Right. And my second question is regarding the operating profit margin. So, this quarter, we have clocked about 10%.

Moderator: Sorry to interrupt. Sir, we request you to please come back in the queue for a follow-up.

Midhun James: This is my second question. I'll just ask this question also.

Suvankar Sen: Yes, we'll give answer to you. This operating margin as we have applied earlier.

Midhun James: Sir, no. My question was this, regarding the operating profit margin, if you look at the trend, the last 3 years in quarter 2, it has been almost 4%, 5%. So, is there some seasonality, some impact on operating profit margin in quarter 2? That's the question. Sorry, please go ahead.

Sanjay Banka: No, I will answer this question. See, so we had a slightly aberration in the operating profit margin quarter-on-quarter, and this was a major issue in quarter 3 as well. So, we have looked into our entire process discuss on our accounting.

We have discussed our hedge accounting as well. And then our quarter 4 number, we said, we are confident about the reporting quarter 1 also. So, this sort of aberration, which you've seen earlier, we are hopeful and confident that those aberrations will not happen. Aberrations cannot be more than 100 basis points.

So, because we don't reduce or increase our making charge from 1 quarter to other, there's no substantial change in the product mix. So, one can say that, okay, in the wedding season, wedding will be there.

So, our understanding is that it will -- the difference will not be more than 100 basis points is max variation which can happen, if at all. But for the entire year -- for an entire year of 12

months, we will earn around 6.8% to 7.3% or maybe, let's say, 7.5%. Quarterly aberrations will reduce substantially. That is the key income.

- Moderator:** The next question is from the line of Subhanu from 3 Head Capital.
- Subhanu Bangal:** My first question is how is the demand and footfall are you seeing in Tier 3 and Tier 4 market after this gold price go up?
- Suvankar Sen:** Dhaval, would you like to answer?
- Dhaval Raja:** Yes. So, we have seen good traction in Tier 3, Tier 4 towns also. The footfalls are up. And if you see, the way we are moving, we are opening more and more stores in Tier 3 and Tier 2 towns through the franchisee model. So business is up. The traction is good, and we are seeing a positive season ahead with festive setting in, we are seeing Durga Puja and Diwali setting in. We are seeing a good numbers so far.
- Subhanu Bangal:** And my second question is why your FOFO store growth is much better than FOCO store?
- Dhaval Raja:** Sorry?
- Subhanu Bangal:** Why is your FOCO store growth much better than COCO store?
- Dhaval Raja:** Why our FOCO stores grow better than COCO stores?
- Subhanu Bangal:** Yes.
- Dhaval Raja:** No, no. So, if you see our numbers in like-to-like store growth that we have, in fact, our COCO is performing better in terms of same-store growth than the FOCO stores. So, COCO is doing better. It's not that the COCO is not doing better. We are seeing a good traction.
- In fact, all the metros that we have, including the Delhi NCR, we are seeing a good 34% growth in the Delhi NCR market. So, our COCO are performing very good right now. Similarly, on the franchisee stores are also having a good same-store growth of 17% to 18% right now.
- Suvankar Sen:** See, I'll just add to what Dhaval said, what happens with the franchisees is that because they are in the smaller towns, they are able to manage with lower inventories. However, in larger metropolitan markets where our COCO stores are present, the higher level of competition and broader consumer choice necessitate maintaining a deeper inventory, which becomes strategically more important. So that's where the franchisees also with a lower level of inventory, can manage to perform better. That is also one more part of it.
- Moderator:** The next question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking.
- Bhavya Gandhi:** Thanks for the follow-up. Sir, just wanted to understand your view because we are slightly comparatively weak in terms of liquidity because you said just to manage hedging and liquidity, we are doing lesser hedging ratio. So why not focus fully on FOCO stores and improve the liquidity position and the ROCE metrics? And that is what Kalyan did, and we can see how they've been expanding. So just wanted your view, sir, on this.

Suvankar Sen: We are conscious of the fact. And that is why our expansion and our strategy to the team is that most of the expansion should be with the focus on opening more franchisees and the offerings and the commission, incentives that we are giving to the franchisee. We are also continuously working on that so that we can make it easier for the franchisee to open more stores. So, we are very much conscious of the fact that you are saying, and we are trying to strategize accordingly and do that.

So once that happens in a very good way and a faster way, as you rightly said, that the liquidity challenges will not be there. So hopefully, in the coming year, next 2, 3 years, our franchisee numbers will also be higher.

Bhavya Gandhi: Sir, just a follow-up on this. So, I mean, can we expect like the further store openings would be more on the franchisee side? If you can just guide for maybe FY '27 store openings and what is our future plan beyond FY '26? That would be really helpful.

Suvankar Sen: So, see, I'll tell you. As per the plans, we always believe in giving you a conservative estimate and an approach. And so, from that perspective, we have always said that we want to open 18 to 20 stores every year, year-after-year, funded by the profits, funded by the equivalent amount of debt that we have. But yes, like we always say 50-50 franchisee and 50% franchisee and 50% owned stores. But our internal efforts are always that, that 50%-50% can become 70% -- 65%, 70% franchisee and 25%, 30% owned stores. So, this is how we would like to do it in an ideal case.

Bhavya Gandhi: So just -- I mean, just wanted to understand, is there any hurdle in terms of opening franchisees, or getting franchisee partners on board that is why the ratio seems to be slightly lower? Or is it our choice that we are opening balance of both COCO as well as FOCO?

Suvankar Sen: There are 2, 3 things. One is that in East India, North India is our focus. So as a brand as we are expanding nationally, obviously, people across the various markets, across the towns and cities. So, we want to grow in a concentrated manner focusing on East India first and the second priority is North India.

So, I guess that it is about finding the right partner and getting the right market, the right location, those are certain critical aspects. And even after finding the right partner, that partner needs to have the adequate capital to open a franchisee store. So banking is one. So, there are various methods to it. So, getting the right partner with the adequate capital is one of the key factors, and then satisfying his needs and getting the right product in place. So that is what it is.

So, I think the hurdle is about getting the right kind of people. And once that effort that we are putting is going on, we will be able to achieve what we will be able to achieve. And I know that, you're being -- you're comparing with the other competitors and the way they have been able to execute and have been able to grow at a faster rate. So, I think that it's a matter of time as and when our performance and our awareness will continue to grow, we'll also be able to do the same manner in the coming 2, 3 years.

Bhavya Gandhi: Fair enough. Sir, just one last thing if I can squeeze in on the Melorra front, if you can provide some light, are we going to require any capital? What is the outlook there over there on the Melorra front? That's it from my end.

Suvankar Sen: On the Melorra front, with the 9-carat hallmarking, 14-carat with the gold prices going up so high, we feel that to cater to the new generation, it is going to be an important tool and a method to reach out to the new generation customer. So that is where from a brand perspective, we are looking at doing this collaboration.

And when it comes to acquiring Melorra as a brand, most of it, the inventory part of it is not going to be a challenge at all because anyway, there is more than enough inventory that we have with us, be it gold or diamond. It is all about getting a platform to reach out to the new generation customer. So, I don't see much of a challenge. We are in the negotiation stage. And as and when any kind of positive news come out, we will be updating our investors and analysts.

Moderator: The next question is from the line of Himanshu Shivhare from MD Investments.

Himanshu Shivhare: My question is, what is the company's philosophy in terms of corporate governance? Do you want to -- does the company aspire to be in terms of corporate governance in the leagues of your peers like Tanishq? And if you could give me what is the company doing in terms of related party transactions, in terms of independent directors, in terms of transparency -- to increase transparency among shareholders.

And my second question is, if you could give me an insight on what percentage of your Jewellery is generally hedged gold and how is it managed by the company? And what is the overall company's philosophy in terms of managing the inventory in terms of the -- in conjunction with the supply -- demand supply dynamics?

Sanjay Banka: Thank you for the question.

Suvankar Sen: Banka ji, so you take it. I'll just say that, in terms of the benchmarking, we have a lot of respect for the Tatas and the Titan as a company with which how they are running their business. And Mr. Ratan Tata is one of my role models, and I would like to follow his path and take my company forward. So that is how I would like to look at it, and we will be -- we are doing our best in terms of various initiatives of corporate governance and the best practices. I'll request Mr. Banka to explain a few things that we are doing.

Sanjay Banka: Sir, building on what you said, since the -- and in this journey of corporate governance in Senco, while I joined 5 years back, I see this journey for more than 20 years. And while the first private equity funding happened in the company in 2014, we -- the company, the promoters, our Founder, Chairman, Late Sankar Sen has the vision to take the company to the highest level of corporate governance and the journey started appointing independent directors, appointing KPMG as the statutory auditor. KPMG completed 2 terms of 5 plus 5. And then we appointed Grant Thornton that is Walker Chandiook as our statutory auditor.

The investors can look at our independent directors. It's a Board-governed company, very reputed independent directors who have got, excellent experience in their respective field. Mr.

Bhaskar Sen, he was Chairman of United Bank of India; Mr. Sankar Halder, he has been working with the top company as CFO; Mr. Kumar Sankar Datta; Ms. Suman Varma. So that is one.

We have a strong set of rules and regulations, LODR policy, very strong governance focus as far as the IFC framework, risk control metrics, risk register, internal controls. So total organization is driven by ERP. We are one of the top customers of Microsoft ERP in India. Our entire organization, most of our activity runs on Microsoft ERP, workflow-driven approvals.

And in most of our audit committee meeting, we consistently work at enhancing. And Sir, as you rightly said, I am also admirer of Tata Group, and I've worked in a Tata Group company for 3 years. So, whatever I've learned, we intend to implement all these corporate governance practices, and this is the hallmark of our commitment for transparency, for speed and for governance levels. That is a larger answer.

The second question was on the hedging practices. We have issued a detailed document in quarter 3 on our hedging practices, and we continue to follow the same rules and norms. So, our gold policy talks about a minimum 50% hedging of inventory. So, if you look at our inventory in the balance sheet at around INR3,500 crores, the gold inventory will be around, let's say, INR3,000 crores or INR2,900 crores. 50% of that is always hedged.

Last year, that number ran up to even 95% or average was almost 88%, which we have said in quarter 1 is between 60% to 65%. And hedging is a very dynamic activity. We are cognizant of the risk, which is inherent in the business, and we will follow a very dynamic policy to ensure that we are risk mitigated.

First quarter, due to the extreme volatility and due to the working capital requirement, we have maintained a slightly lower hedging ratio. But yes, and that has moved to the P&L. But -- and that's why we are still giving a guidance of 6.8% to 7.3%, which automatically means and assumes that hedging can go to 80% as well. I hope that this answers the questions.

Himanshu Shivhare: Just a follow-up question. Like what is -- at the moment, what is the hedging percentage, if you could give me a tentative figure, which would be nice.

Sanjay Banka: No, I don't want to give you a specific number. See, it should be around 60% to 65%.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference to management for closing comments.

Suvankar Sen: Thank you very much. I would like to thank all of you for joining the call, listening to all of us. And I hope that, we have been able to answer as much as possible the queries that you have. Mr. Banka and our team is always available to answer any more of your queries. You will all get the updates on our website in terms of the numbers.

One is that we have our official commercial website, which is sencogoldanddiamonds.com, and we also have a corporate website, which is sencogold.com. So, a lot of information on our company and the updates you will be getting there as well.



Senco Gold Limited
August 13, 2025

So, look forward to meeting and talking to all of you once again, and Happy Independence Day in advance. And hopefully, we'll have a great Q2 and a great preparation for the upcoming Q3 as well. Thank you very, very much.

Moderator: Thank you. On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Sanjay Banka: Yes. Thank you very much.

Moderator: Thank you.

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