Ref: SEC/SE/71/2026-27 **Date: 20th November 2026**

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

Dear Sir(s)/ Madam(s),

Sub: Earnings Call Transcript pertaining to Q2 and H1 FY 27 – Financial Results

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Analysts/Investors Earnings Conference Call held on 16th November, 2026 post declaration of Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2026.

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

This is for your information and records.

Yours sincerely,

For SENCO GOLD LIMITED

Mukund Chandak
Digitally signed by Mukund Chandak
Date: 2026.11.20 15:01:29 +05'30'

Mukund Chandak
Company Secretary and Compliance Officer
Membership No. A20051

Encl: As above

“Senco Gold Limited

Q2 FY27 & H1 FY27 Earnings Conference Call”

November 16, 2026

MANAGEMENT	• Mr. Suvankar Sen - Managing Director and Chief Executive Officer - Senco Gold Limited • Mr. Sanjay Banka - Group Chief Financial Officer & Head IR - Senco Gold Limited
MODERATOR	• Mr. Ashutosh Joytiraditya - ICICI Securities Limited
PARTICIPANTS	• Madhavendra - Individual Investor • Deepika - Elios Financial Services • Rajas Shah - BTH Capital • Maitri Shah - Sapphire Capital • Aniket Kamble - ICICI Securities • Malay Sameer - Breakthroughs • Pawan Roy - Individual Investor • Arvind Dureja - Individual Investor • Shubham - Individual Investor

Moderator: Ladies and gentlemen, good day and welcome to Senco Gold Limited Q2 FY27 earnings conference call hosted by ICICI Securities Limited. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh Joytiraditya. Thank you, and over to you, sir.

Ashutosh Joytiraditya: Thank you, Anam. Hello and good morning, everyone present on the call. On behalf of ICICI Securities, I welcome you to Senco Gold Limited's Q2 & H1 FY27 earnings call. I would like to thank the management for giving us the opportunity to host the call. The management team is represented by Mr. Suvankar Sen, Managing Director and CEO, and Mr. Sanjay Banka, Group CFO and Head IR.

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

Suvankar Sen: Thank you very much. Gratitude to the ICICI Securities team for hosting the call. First of all, I would like to wish everyone a very Happy Diwali, and may this new year bring more prosperity and happiness to all.

On behalf of Senco Gold Limited, we would like to delightfully announce that the half-yearly numbers that we have seen, the quarter two results that we have achieved, we have seen a very strong performance of 34% growth in terms of the Q2 results. At the half-yearly level, we have seen a 52% growth at the consolidated level. We will also try to update all of you. One is in terms of the results that we have had from a Q2 and a half-yearly basis. Also, we'd like to take this opportunity to update you all on the way the performance has been for the Dhanteras festive period. But before we get into the Dhanteras festive period, we would like to update you on the Q2 performance.

If we look at the retail revenue growth that we have seen for Q2, which has been around 29%, the same-store sales growth continues to be strong at 19% in terms of value. The best part is that our H1 sales crossing ₹5,000 crore have also enabled us to achieve another significant milestone with TTM sales exceeding INR10,000 crores for the last 12 months, which again is a great milestone for the team and the company.

It just shows that the faith by the customers on the company, the effort that is done by the team, and the way the Indian jewellery market has been, in spite of certain headwinds, have continued to remain strong. Through our innovation, through our creativity, through our new product introduction and services, we have tried our best to keep on growing at this market.

Another aspect which has been very well taken by us is the diamond jewellery sales growth that we have also seen, and the diamond stud ratio for the half yearly has come to around 11.6%. Retail expansion has been one of our key pillars, and within the target that we had, that for the whole year we will be doing 18 - 20 stores, I am extremely happy to announce that by the half yearly itself, we have achieved 14 new store openings.

For the two months during Dhanteras, from 1st October to middle of November, we have already added 10 more stores. So, in totality, for the whole year till now, we have opened 24 new stores, achieving the target that we had set for ourselves in the beginning of the year.

For the next three, four months, we intend to add about three to four more stores in our total store numbers. We have to be conscious of the fact that how the markets have been behaving over the past two, three months.

We have seen that with the upcoming wedding season that is going to go on for November, December, January, February, the demand with this current gold prices being extremely attractive to the consumers, I can see that the footfall at the store continues to remain strong, not only for the festive period, but post the festive period, it continues to remain strong with the wedding season in mind.

We also have seen one more observation, and is that during these last two, three months, the inclination of the consumer has been, in general, on our average weight range, which is slightly 10%-12% lower than what it was last year.

Consumers are preferring lighter weight jewellery, and I must reinstate that for Senco, creating jewellery that looks heavy but weighs light, whether it be modern or traditional, has been a strength, and we are further innovating and continuously coming up with new ideas and plans for our lightweight jewellery range.

Another aspect that we must keep in mind for the Q2, we have seen that the EBITDA numbers have been a little on the downward trend. That is because of three, four reasons. One is that on the appeal of our honourable Prime Minister, as an industry and as a company, we have largely driven the old gold exchange program in a big way, and the percentage share of old gold as a total business that we have done has gone above ~51%.

We know that on taking such an initiative, there is a slight pressure on the margins, and that is something that we take it for the long run, for the benefit of the company and the economy. That is number one. Number two is that build up to the festive season, we try to build up the inventory for our franchisees and the channel-sales, if I call it, being on the franchisee business, which has some kind of downward pressure.

But again, nothing much to worry about because it is all a part of the normal course of business. The third thing that we have seen is that in Q2, with the overall market sentiments and the way the consumers were behaving, we have been aggressive with our discounts, schemes, and offers to ensure that we continue to grow, and that has helped us to grow.

But at the same time, the discounts and offers have created some amount of pressure. Also, the fact that our hedging percentage being at around 40% to 50%, and that with the gold price being down, there is a little bit of impact due to that also. So those are the overall reasons, but as we move on to the Dhanteras quarter, we can see that the growth that we have for the half yearly, which is more than 40% right now, we will continue to grow.

Now I will come to the numbers that we have seen in the last 41 days. So, the revenue growth that we have seen from 1st of October to 11th of November has been around 25% to 26%, and we have crossed around INR 2,400 crores of our turnover.

We have seen that the same-store sales growth in the last 41 days has continued to remain strong at about 17%, and the diamond jewellery sales growth has also been around 26% for the last 41 days. So yes, the stud ratio that we have seen for the half-yearly has been around 11.6%, but during the festive period, we usually see that the consumers prefer more of gold jewellery, bars and coins.

Bars and coins ratio in the Dhanteras period stands about 7%, but the stud ratio is at about 9.5% to 10%. Again, with December, January, and February coming in, we hope that the stud ratio will go back to 12% level once more.

As I want to repeat myself, in this last 45 days, we have opened 10 new stores, adding to the overall portfolio, and total number of stores that we opened for this financial year stands at about 24. So, with this, I think that I would like to extend my gratitude to the full Senco team for the effort that they have put for the last four- five months.

I must also mention that during the last 20-30 days before the festive season, there has been a very good rate in terms of footfall. The footfall at the store, the sales at the stores during the last 15-20 days during the Dhanteras period has been quite encouraging, very positive, and the team has put all their efforts to ensure that we keep on fulfilling the demand of the consumer. And added to that, within the constraints that we are operating, I must mention that the data analysis, the technology, what kind of products are selling at what store, what is the kind of designs and weight range that are selling at which store. This planning has been going on for the whole of Q2 to achieve a great, successful festive season. To a large extent, we have been able to ensure that the right kind of products go to the right kind of stores to get the desired results.

So, my gratitude to all of you for your continued support and encouragement, and I would now request Banka ji to share his thoughts.

Sanjay Banka: Thank you very much, sir. Good morning, ladies and gentlemen. We are pleased to discuss our Q2 financial results. As you are aware, post-Q1, which is marked by Akshaya Tritiya and Poila Baisakh, Q2 is usually a soft quarter, traditionally. This is a time, which particularly, there were a lot of noise in the market, PM appeal, gold prices volatility, at this point of time, we had to make a lot of investment in bringing the customer and in upgrading the sales. That is exactly what we did. We made deep investments in marketing and customer footfall to maintain the momentum, and we grew 34% Y-o-Y in Q2. At H1, we grew 52%. This 52% growth is extremely important for us, and we will continue to look at capturing the market and growing, while other parameters are important for us. Similarly, if you look at the EBITDA margin based on the investment which we did, slightly was down to 4.4% in Q2. But if you look at H1 performance, EBITDA margin was 7.6%, largely in the range of our guided goal of 7.5% to 7.8%.

PAT for the quarter was 4.1%, and it was 90 basis points higher versus Q2. As we said, Q2 is usually softer, so with our marketing strategy and the customer strategy, we rather grew the PAT by 4.1%. Now, if you look at H1, PAT is 3.7%.

But the main season, which is the Dhanteras season in Q3 and Q4, is still in hand, and we are confident that this short-term divergent trend which you are seeing in Q2, in terms of EBITDA, will be corrected in Q3. With that, and if you look at PAT level for H1, it has grown from INR153 crores to INR188 crores, almost 22% growth.

We have already briefed you about the number of stores opened in H1 and so far. We had stated a custom duty gain of around INR16 crores in Q1, and based upon the other competitive pressure, you must have heard about the market where people are doing a lot of discounts; we still had a custom duty gain of around INR30 crores in Q2. So, a total of INR46 crores, in H1, which is ~90 basis points in H1 EBITDA. You can read the H1 EBITDA accordingly. The fall in margin was, as I said, a direct impact of customer acquisition strategy, Flexi Gold, and so on. We feel that our inventory growth will continue to be guided by market growth, while we are cognizant of the parameters of inventory days, cash conversion cycle.

Our current and immediate priority for us is to capture the market, particularly the pan-India growth strategy. Inventory grew by around INR200 crores versus March 26, which pertains to 7 COCO stores. Similarly, in order to support the inventory and the other challenges, we increased the borrowing as well. There is a small increase in the HR cost if we look Y-o-Y for quarter two last year versus quarter two this year.

Primarily, we look at all the fixed costs as a base of year and month. Let's say March 26, if we take the HR cost into 12 months and then apply increment, then this variation is not there. It is primarily on account of the increment and the new hiring which has been done subsequently.

We are very happy to say that we have become the second jewellery company in India which has explored alternative sources of funding for our future growth. As we are moving towards our cherished short-term vision of 2 billion, we will have to open this opportunity.

We raised CP funds to support our future growth. Operating cash flow, if you look at, operating cash flow optically looks negative, but this was primarily on account of the gold metal loan. Had we taken our borrowing by way of a gold metal loan, this operating cash flow would not have looked negative.

I think with that, I am giving you an overall view on the financials, and we can straight get into questions and answers. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Madhavendra, an Individual Investor. Please go ahead.

Madhavendra: Yeah. Hi, sir. First of all, I would like to say that, yes, you have been guiding for 7.5% margin throughout, on a full-year basis. Still, as a shareholder, it is really frustrating to see your persistent margin volatility. Resultantly, your share price has underperformed for three years.

Despite repeated feedback from both shareholders and several analysts, management has not resolved this issue.

You have attributed the pressure to old gold exchange, but both national and regional players faced the exact same environment this quarter, and still they delivered more better margins, whereas Senco's operating margin compressed by over 200 basis points.

This has been a consistent problem with you, and it has been repeatedly pointed out by everyone that you need to work on your margin. Yes, you keep on boasting about your revenue growth, but Senco cannot afford to be known as a company that keeps boasting about revenue growth while failing to deliver margin predictability. What concrete steps will management take to fix this and ensure sustainable and predictable profitability?

Suvankar Sen: Thank you for your feedback, sir. Again, I will request you to look at the overall half-yearly margins. We are putting our best effort. Though this particular quarter, as you are all aware, has been somewhat- I would not say the word challenging, but we had to come up with discount schemes and new innovation in order to ensure that, in such times, we keep continuing to grow.

We are working towards what your expectations are, and I am sure that over a period of time, the sustainability and the consistency of margins shall happen. There are factors, like how much of diamond jewellery sales we are doing, and how many franchises we are doing; we are doing more and more franchises. One of our efforts of increasing the number of stores is not only through COCO stores, but also through franchise stores.

With all these factors that are playing up as a growing company, there will be certain impacts on the margins before you see a consistent stabilization. Again, we are conscious of the fact, and we totally take your feedback, and we will work on it, sir.

Madhavendra: Yeah. Sir, the problem is you are the outlier in the industry. Everyone is doing the same thing and still giving sustainable margin, but you are an outlier, which means that has not delivered sustainable margin.

Sanjay Banka: See, Mr. Madhavendra, we respect your feedback. While see, there are many things that come into play. As you understand, our market leadership is in the East. All other players, they are not East leader. Our East revenue is 80%. When we say East, West Bengal, Bihar, Jharkhand, Odisha.

Every market has its own peculiarity. What you see is a sum total of pan-India performance, and every market is performing differently. We don't want to comment on the strategy and what excess they have taken. We are fully aware of that. We only say that we are responsible for our own performance. While you are looking at a quarterly performance, a company cannot be and should not be judged on a quarterly performance.

That's why when you look at EBITDA for the H1, it is 7.6%. When you look at PAT, it is 3.7%. Every company has a legacy; every company has a future. We request that you have the faith in the management team because we are working for the shareholders only, whether public shareholders or large shareholders. That's all we can say. Thank you, sir.

Madhavendra: Okay. Thank you so much.

Management: Thank you. All the best.

Moderator: Thank you. The next question is from the line of Deepika from Elios Financial Services. Please go ahead.

Deepika: Yeah. Hi, I am speaking from Elios Financial Services. I just wanted to know your other income has substantially increased, like almost six times, from INR 177 million to INR 1,221 million. What is the reason for that? What does it constitute?

Sanjay Banka: Yeah. Thank you, Deepika. As we were saying, we made a lot of investment in the customer acquisition. We had to give discounts, and that led to impact at the gross margin level and at the EBITDA level. We were cognizant of the fact, and accordingly, we had to calibrate our hedging style. This other income includes the net impact of the gains and unrealized losses on the hedging position.

I will explain a little more to you. We, as a company, are making a lot of offers to our customers for Flexi Gold. We built up a war chest ahead of Akshaya Tritiya and Dhanteras. If you kindly look at the balance sheet, you will find a figure of ~INR700 crores to INR800 crores, which comes from the customer, which is presented as SY and Customer Advance in our financial statements.

Deepika: Sir, my question was, what was the constituent of other income?

Sanjay Banka: Constituents of other income.

Deepika: Yeah.

Sanjay Banka: See, other income is primarily the income from your FD and securities, which we keep with the banks as part of margin. That is around INR35 crores to INR40 crores per year. At this time, the other income is primarily the gain on the hedging position to protect our cash flow and risk management, which has already been covered in the accounts by a separate note.

To protect the cash flow, we had to take some hedge positions, which was not adjusted to gross margin. Our focus was to protect the cash flow. That is why you are seeing a net figure of INR 99.9 crores.

Deepika: Sir, there is a lot of disturbance, and it is very difficult to clearly hear what you are saying.

Sanjay Banka: Am I audible clearly now?

Deepika: Yeah, a bit better.

Sanjay Banka: The other income pertains to the hedging position which we have taken to protect the cash flow and liquidity management. As you said, we had to take this position to protect the cash flow as we give a lot of offers to the customer through our MariGold scheme and Flexi Gold scheme ahead of Dhanteras.

And the total advantage which we receive from the customer, it picks up to INR 750 crores. So, there is always a volatility. The gold prices can go up and down. And incidentally, on those positions, we had a gain which has been reported as other income.

Deepika: Okay. So, this is much more like one-off thing, right?

Sanjay Banka: Yeah, these are one-off things. We are depending upon the business strategies and our risk management policy.

Deepika: Okay. My next question was that hedging was again maintained somewhere around 50%-55%. On a longer-term basis, what do you decide on the hedging policy for the gold, and how is that related to the gold prices? How do you decide the hedging policy?

Suvankar Sen: No, ma'am. There is a hedging policy guided by the board, and there is a balance between price risk, the liquidity management. 50% is something that we shall continue to sustain, though our endeavour is to take it more than 50% towards 65%-70% over a period of time, once the gold prices stabilise. But in general, it is guided by the board policy.

Deepika: Okay. I just had this one last question. You have increased the old gold buyback thing. Does that hamper your margins, or does it improvise it?

Suvankar Sen: Madam, by the old gold exchange buyback, it hampers the margin by around anything between 20 to 40 bps, which is 0.2% to 0.4%, because of the cost of handling it. There are certain melting losses, and there is a little bit of opportunity loss also.

However, again, I want to reinstate, madam, that we should not discourage old gold exchange in considering the current economic condition of our nation, and we have to support the vision of our honourable Prime Minister. That is why we are trying to drive it and promote it amongst our consumer base at the cost of that little bit of loss. But I think in the long run, it will help all of us.

Deepika: Okay. Just one more thing: your margin, I know you have guided around 7%-7.5%, but they are still very, like, on quarterly basis, they are very volatile. How, looking forward, do we see any stagnant growth with the EBITDA, sorry, net profit margin?

Sanjay Banka: No, let me take this question. See, if we grow at a stagnant rate of 20%- 25% only, then there will be no impact on the EBITDA. The market does not behave as per our choices. Market is extremely dynamic, and we always have to see, like you are aware that lot of local jewellers were selling gold at a discount due to custom duty benefit, right?

Every quarter has its own challenges. While management gives a guidance of 7.5%-7.8%, but macro dynamics we can't control. Our focus is clearly to grow the market, capture the market, and in the process, if sometimes we have to go out of our way to acquire the customer, we will do that. While we are very confident of 7.5% to 7.8%, we have to ignore this, I say, transient diversion. These transient diversions are part of a strong management team. We are very confident that we will manage the business like this.

Deepika: Okay. Got it. That is it from my side. Thank you so much.

Sanjay Banka: Thank you so much, Deepika.

Moderator: Thank you. The next question is from the line of Rajas Shah from BTH Capital. Please go ahead.

Rajas Shah: Hi, sir. My first question is regarding the gold metal loans, which are currently down to 17% of working capital borrowings. Can you please help us understand if the reason here is any constraint in terms of bank appetite or your preference due to margin call liquidity, or is there any other factor at play? What is the medium to long-term range for gold metal loan that you want to bring this to?

Suvankar Sen: If you remember from the months of March, April, when there were talks of controlling of gold imports, there were certain uncertainties related to the availability of gold metal loans. Then in between, there were certain issues that was happening during that Q1 period, Akshaya Tritiya season, where there were certain GST-related issues that the banks were facing related to the gold import.

From that April, May onwards, there was some amount of uncertainty and availability questions on the gold metal loan. But we have seen that over the period of Q2, things have stabilised. What you see in Q2 in terms of the ratio of gold metal loan to working capital loans, next three, four months, you will be able to see that the gold metal loan ratio shall be going up and the working capital loans shall be coming down.

This is what the reason why it triggered, and now with the festive season going out of our way, it will be the focus to increase the gold metal loan.

Rajas Shah: Understood. Thanks for that explanation. I was also curious about this additional competitive pressure, or what is making you prioritize market share and growth. I wanted to understand what kind of players are driving this increased competition.

Suvankar Sen: What kind of what?

Sanjay Banka: Additional competition.

Rajas Shah: Players. What kind of competitors are driving this increased intensity is what I wanted to understand.

Suvankar Sen: I will say it in two lines. It is the unorganized segment that is driving this competitive pressure. Among the organized players, we are keeping our focus on the long-term brand building and driving the growth through new store openings. Because of the high duty, the unorganized players are trying to enjoy the benefit and pass on the high duties to the consumer and building the competitive pressure.

This is our input to you in the current scenario. Again, as Banka ji said, every quarter the scenario keeps changing. This was the situation for this quarter. Maybe the situation for the next quarter would differ based on the market condition.

Rajas Shah: Understood. Thanks, and all the best.

Suvankar Sen: Thank you.

Sanjay Banka: Thank you.

Moderator: Thank you. The next question is from the line of Maitri Shah from Sapphire Capital. Please go ahead.

Maitri Shah: Yes, hello. Just a few questions. Firstly, you mentioned that our first-half margins were at 7.6%, but I think the calculation is not matching. On Page 17 of the presentation, the financial numbers seem incorrect.

Sanjay Banka: Pardon? So, yes, just one minute. If you look at Slide 10, it gives your standalone and consol. If you look at PAT has increased. Sorry, let me give you the consol number. PAT has increased by INR 188 crores, which is 22% growth, and PAT margin is 3.7% for H1, as against our guided range of 4% to 4.5% for H1.

Maitri Shah: Yeah, but just on page 16, if you could turn to…

Sanjay Banka: Yes, please.

Maitri Shah: Yeah.

Sanjay Banka: Page 16?

Maitri Shah: Yes. If you see the other income for first half, it is lower than the other income for the second quarter.

Sanjay Banka: Yeah, so see Page 16, in the other income.

Maitri Shah: Yeah. The first half other income is lower than the other income for the second quarter, and that is the reason why our EBITDA margin seems higher in the first half, because if you calculate, it is close to 5.9%?

Sanjay Banka: So, see, this is what has been explained by the Statutory Auditor. So here, you may not get the exact understanding. For this, you have to see the notes to accounts, which has been added by the statutory auditor in point number six. What is happening in quarter one, so you have to see other expenses and other income as the net product. We could not change the presentation in the PPT, and that is why the PPT will not give you the full picture.

In statutory accounts, there were other expenses in quarter one, which was once again due to the hedge position. A part of that changed in quarter two, and there was other income. So, other expense and other income, you have to see from the accounts. So, there is net impact of around INR18 crores due to this hedging position in quarter one and quarter two. It shows that we have protected our margin despite competitive pressure.

Maitri Shah: Okay, got it. We have mentioned our vision for 2030, with a INR20,000 crores top line and 8% margin. Also, a stud ratio of 15%. How do you see this growth coming on for the next three years? Is it going to be stable across the three years?

Are we expecting a growth coming in from just East India? Where is the expansion going to happen? Also, how is the expansion going to happen on the showroom level? Which regions are we targeting for this growth to kind of make this growth to kind of come in? Just some clarity on this vision.

Suvankar Sen: With the expansion of our brand awareness, expansion of our physical network, we can already see that our stores are opening in East India, Tier 2, 3, 4 towns and cities, and also, it is growing in the central, northern part of our country as well.

The focus of our growth will be the East, North, West, Central part of our country, and in a limited manner in the southern part of the country. This is the broad strategy with which we are working in terms of expansion of network, number one. Number two is that we are very clear that the EBITDA margins will come as and when the stud ratio increases.

On a conscious effort basis, if you look at our new collections, the strategies that we are coming up with, we have got Wamiqa Gabbi as the face of our young lightweight everyday wear jewellery brand Everlite. We are also looking at working on new age designs with our collaboration with Melorra.

With all of that, the whole focus is that our stud ratio shall be on the rise, which will add on to the overall EBITDA scenario. This is how I would like to see that in the future, with the strength of manufacturing that we have, because let us not forget that Calcutta and Bengal are the hub for skilled karigars and manufacturing ability.

With the combination of technology and skilled manpower, it will only give us more strength over a period of time to keep on producing new designs and innovation in our jewellery making. That is how we want to see ourselves in the future: increase the stud ratio, increase all these new innovative products, cater to the new generation, and grow in the northern part of the country. That's the thought process.

Sanjay Banka: Sir, if I build on it, see, as we have grown in the last three, four years outside Bengal, we have, let's say, 118 plus 35. The rest of the stores are outside our east. While we are growing, the performance of the store has huge potential to grow, and a major part of the revenue will also come from those stores outside Bengal.

This will be part of the SSG growth. The current average sales per store have the potential to nearly double over the next three to four years. The further growth from INR 10,000 crores to INR20,000 crores, a part of it will come from new stores.

Let's say, 25 stores in two or three years, let's say, 70. A major part of the growth will come from existing stores with a huge potential. As we have increased our base, particularly in Delhi NCR, we consider Delhi NCR the crown of our pan-India strategy. The rest of north, the northeast, the

west, we have gone up to Borivali, we have gone to Vashi. Those will bring us the additional revenue.

Maitri Shah: Got it. How do you see the OCF percentage from the EBITDA once you reach this target of INR20,000 crores with 18% margin? Do you have the target for that, the percentage of conversion from EBITDA to OCF?

Sanjay Banka: See, OCF is an accounting measurement. The business is usually not run on the accounting measurement. Accounting is a post-tax tool. We have said earlier that the business has liquidity. We are growing, and most importantly, a major part of this liquidity is invested in inventory, which is the best liquidity in the world. We do not have a liquidity pressure. What you are seeing in OCF is an accounting measure.

It is primarily due to shift of the borrowing from GML to CC and vice versa. Sir has already explained that our incremental borrowing was through cash credit and not GML. We had earlier said that we will increase the GML to almost 70% around two years back. As the GML borrowing increases, the OCF will improve. Thank you.

Maitri Shah: Got it. Yeah, thank you so much for answering the question.

Moderator: Thank you. The next question is from the line of Aniket Kamble from ICICI Securities. Please go ahead.

Aniket Kamble: Yeah. Hi, sir. Congrats on a good set of performance. I had a couple of questions, sir. First is on the gold price. After a good run-up of the gold price, if the gold price is staying flat for next two, three years, if we assume a scenario like that, sir, what is your sense on how the consumer behaviour might change?

If you can just bifurcate the demand that comes in into wedding, investment demand, and the life-centred purchases that happen. Any sense or any colors, sir, of what will be the future based on your historical experiences that you would have gone through multiple cycles, right? Any sense on future, sir?

Suvankar Sen: No, see, we have in our business model with a flat gold price have always considered about 10%-12% same-store sales growth and about 4%-5% new stores that keep getting added. So, around 15%-16% is the sustainable growth rate that we have always been modelling in our thoughts and in our business, if there is full stability. That is number one.

At a macro level, we need to understand that the existing stores that are doing well with our brand getting stronger, the new customer acquisition has to continue to happen. Again, I want to again just give a broad data that usually what we have seen is that around 40%-45% of the customers coming to the store are new customers, and 55%-60% are the customers that are your repeat buyers.

That's another aspect of it, that be it the existing stores or you enter a new market, that the new customers will keep getting added and the stores will keep growing. The third aspect, I think,

for all of us in the branded jewellery segment is that last five years, we've all been talking about the shift from the unorganized to the organized segment.

That shift, consumer taste and preferences, innovation of designs, setting up with the current trends- I think those are the things that will help us along with building of the brand, where this growth will continue to happen. So, yes, this gold price remaining stable, silver prices remaining stable, this is the macro factor that will enable us to keep growing.

Aniket Kamble: Sure, sir. And one more follow-up on this, sir. When the gold price remains largely stable, is it an opportunity for organized players to gain some market share from the unorganized? Because unorganized won't get the benefits from inventory gains that they usually get. Any sense on this, sir?

Suvankar Sen: Yes, sir. I think you are perfectly correct that when the gold prices remain largely stable, then it is the operational efficiency, it is the strength of the brand, the new designs that getting created, that is what really drives the business and the growth rather than just playing on the price. So, it will help the organized players more in such a situation.

Aniket Kamble: Sure, sir. Very helpful. One more follow-up, sir. Since the LGDs are rising, sir, do you think they can become a material segment going forward in next two, three, maybe in the medium term? Also considering the gold price might stay where they are or largely stable in a similar range, sir. Any sense on this studded part?

Suvankar Sen: This is just a share of thought that when we say that we want to take the stud ratio towards 15% and above, one thing that is happening, and we must think about it as a part of the business and all of you as analysts, that with the gold price at these current levels, what we have seen, and I want to reiterate, and I keep mentioning it in various platforms, is the demand for nine-carat, 14-carat jewellery, whether it be in plain gold or it is studded with any kind of diamonds, lab-grown diamonds, gemstones, that has been on the rise.

So, you are correct. Just like when we have multiple segments of jewellery, whether it be gold, diamond, silver, platinum, fashion and costume jewellery, similarly, lab-grown diamonds, either studded in gold, nine-carat, 14-carat, or in silver, will be another segment to offer to the customers by the jewellery industry.

Aniket Kamble: Sure, sir. Very helpful, sir. Thank you.

Moderator: Thank you. The next question is from the line of Malay Sameer from Breakthroughs. Please go ahead.

Malay Sameer: Thank you so much for taking my question, sir. I just wanted to know, since you plan to increase your hedging to 60% to 75%, and I am assuming that you are hedging your gold inventory, what happens if the gold prices surprise upwards? Would that cause a loss, and would your current other income turn to the loss of other income?

Sanjay Banka: Hi, sir. Good morning and thank you for your query. See, at this larger forum, we do not want to discuss the hedging strategy. It is very confidential, very private. We invite you to connect

with Valorem, and at any time, we can have a detailed discussion on hedging, because the times are so good and the numbers are so high, we do not want to clutter it with discussion on hedging only. Hedging is just a very small part of our overall business. The business is growing and profitable. So, we can have a separate call on hedging with you. Thank you.

Malay Sameer: Sure, I appreciate. My second question is about the competition you are facing from the unorganized sector, right? What gives you the confidence that, going forward, that competition will decrease? What gives you that confidence?

If in the absence of this confidence, should we assume that the margins, because of this increased unorganized competition, be pressured on the lower side? And if yes, what are the mitigating factors that you are, mitigating steps that you are taking, sir?

Suvankar Sen: What we see currently is that the unorganized sector trying to focus on price war and trying to allure the customer. We have been in the business over the last four generations, more than 87 years. What we have seen is that whatever business we do, it needs to be long-term and sustainable.

As you and us, we all know that these kind of, where there is no buffer in the margins and there are sometimes certain things look extremely attractive, but is it sustainable in the long run? That is where I think from our wisdom, we feel that these kinds of initiatives by the unorganized sector might not survive over a long period of time.

What will truly survive over a long period of time is the focus on the new designing, the brand building, the trust building with the consumers, and how we can give good service to the customer. That is how the relationship that we have seen us having with the customers is what will help us to go through the whole future journey.

I also must mention, sir, using this opportunity, that during this festive season, we have seen there has been a 30% increase in terms of new customer acquisition by us as well across the markets. Consumers are of different kinds, various kinds, and I think finally the jewellery industry will get extremely segmented based on the taste and preference of the consumer, and we just need to find our focus, our customer base, and keep working on the relationship with those customers.

Malay Sameer: Sir, I hear you say that for the short term, while I completely agree with you that in the long term your strategy will work, but I am worried that in the short term, these people, unorganized sector, could extend their competition, say a year, two year, until they have the means to survive, and that could continue to hit our margins.

Suvankar Sen: Sir, we will have further discussion on this, but you can see that the organized players, together- I am speaking on behalf of all the organized players, we all need to keep on focusing on our design innovation, on being more transparent with our practices, and giving the best of services.

I think, yes, it could be one quarter, two quarter, but over a period of time, it is our belief and faith that what is right for the long term will work out. We will take further discussion on this

offline, sir. We will be happy to discuss on this more, and there are strategic initiatives to be taken by all, so we will do that.

Malay Sameer: Thank you so much.

Moderator: Thank you. The next question is from the line of Pawan Roy, an Individual Investor. Please go ahead.

Pawan Roy: Good morning, sir, what are your plans with Melorra?

Suvankar Sen: There are two parts to it. One is that in terms of the design innovation and the focus on lightweight jewellery and studded jewellery. And the second is to have certain steps to acquire the new generation customers for the future. This is strategically that we want to utilize the collaboration with Melorra and also focusing on omnichannel while we are all taking our own digital and e-commerce initiatives at Senco.

But Senco stands for heritage, craftsmanship, trust, and a legacy. So, I think Melorra will be like another flanker brand to cater to the new generation. As and when we kind of keep building up on the brand and innovating with the products, it will be another just like subsidiary and a way to keep growing and penetrating into the market. This is how we would like to utilize the platform.

Pawan Roy: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Arvind Dureja, an Individual Investor. Please go ahead.

Arvind Dureja: Hi, good morning, sir. I was looking at the results. Is it true that without the other income, you would have posted losses at the PAT level?

Sanjay Banka: The other income is a part and parcel of the strategy. It is not an isolated strategy. So, when we had, as we said that we invested in customer acquisition, we made offers to the customer, and we were cognizant of that, and that's why we take suitable hedging. So, if I am giving an offer to customers that you can buy Flexi Gold at current price, I'm taking a risk. If that risk materializes, I have to take a reverse position by way of hedging.

So, there will be loss on account of gross margin and EBITDA and we will gain. You have to see both of them together for any jewellery company. Kindly look at both of them together, and the best way for this quarter, I'm saying, is to look at the PAT percentage. But hedging strategy is not independent of the business.

Arvind Dureja: Okay, thank you. Can you talk a bit more about the EBITDA? Because there is a significant volatility. Now, you talked about why there is a volatility because of competitive pressure from the unorganized sector. But if we look at the listed peers, all of them have posted stellar numbers.

Sanjay Banka: We've already explained about the EBITDA margin and the volatility. Once you see the printed earning call, you will be able to see a detailed explanation has been given. Look at the EBITDA margin for H1, and we said that while the results are published on quarter to quarter, but the

company has to be seen on a long-term basis. The variance is primarily for customer acquisition, market investment, managing market volatility, various competition offers, and we did our best and we achieved a 4% PAT for H1. Let's look at the H1 number for this quarter.

Arvind Dureja: Okay, thank you.

Moderator: Thank you. The next question is from the line of Shubham, an individual investor. Please go ahead.

Shubham: Yeah. My question is, sir, you are continuously saying that you are growing; your company is growing in terms of revenue, but in terms of profit, year-on-year, it is disastrous. If you remove the other income, there are losses, okay? Also forget about this, why your share is not performing well?

I mean, if you are growing, your share should perform well. But we see today, it is in negative of 8%. Where is Kalyan, the other competitive player in your organization? It is working very well, its profit is raising in terms of 30%, 25% year-on-year basis.

Sanjay Banka: Mr. Shubham. See, a company's main focus is to grow the sales, grow the business, expand the business on a pan-India, and look at the PAT, right? If you look at the financial parameters, all those parameters link to that stage that the sales are growing. For H1, you've seen a growth of almost 50%, right? That's a very huge commendable job. Q2 was 34%, which was industry-based revenue growth.

The PAT has grown by 22%, right? The EBITDA margin has only come under pressure, which we've explained in the dissent, right? We are second most trusted brand in the industry. We are a great place to work. The use of those objectives should be made very carefully. See, we may have our own views, but in a public forum, we humbly request you to kindly avoid such phrases. They are not encouraging for us.

The management team is working with full vigour and pressure to serve the customer. We are 87-year-old company. We launch 100 designs per day. We give taxes to the government more than INR150 crores, INR180 crores. Your question is about share prices, right? That's a genuine concern. As a company focused on high corporate governance, we don't interfere in the share market prices.

We can't comment on share market prices. Kindly have faith in the company. The company is growing. We are working with a $2 billion vision which has been published. We are looking at doubling the PAT. We are sure and confident that the discerning investor and the public at large will see the value. The value has to be seen by the investor community. We will leave no stone unturned to improve the financials and provide you industry-based results. Thank you.

Moderator: Mr. Shubham?

Shubham: Yeah, My second question is like, what is your expected revenue for Q3 this financial year?

Sanjay Banka: We have already said, we have achieved a turnover of around ~INR 7200 crore.

Shubham: But I am not talking about what you have achieved. I am talking about what is the expectation in Q3. Like, around the number, can you tell?

Sanjay Banka: We have already achieved the target, and the Dhanteras sales update we are sharing today reflects this achievement. After H1, we have already achieved around INR 2,000 crores plus sales. Dhanteras was very good for us, right! We are likely to achieve, which we say at least 25% growth over last year, while we have already achieved INR 2,000+ sales in 45 days so far. We will cross your expectation. Kindly rest assured. We have always been giving industry-based performance in terms of top-line growth.

Shubham: What is the expected year-on-year growth for this quarter?

Sanjay Banka: At least 25% plus for Q3 and at least 20% plus for Q4. Because in Q3 we have already seen a great spectacular result in Dhanteras. We are all motivated and charged to do the best. Now we are preparing for Q1 of next year. While you are looking at only Q3, we are looking at started preparing for Q1 of next year and Q3 of next year, sir.

Shubham: Yeah, I hope so that the raising quarter-on-quarter for the revenue is same for profit also.

Sanjay Banka: So, yeah, absolutely. I think we highly respect your expectation. To put it simply, in any company, the promoter has the highest stake in the company. While the public holds 15%- 20% or excluding institutional investors, there was only 4%- 5%. But the promoter who has given his life and blood to the company, he has the highest commitment to grow the business, and he has the highest expectation to generate profit. So, we agree with you, sir.

Shubham: I have been seeing, following with the shareholding pattern, I have been seeing that in September, you have decreased your stake.

Sanjay Banka: No, not at all.

Shubham: No, I have been seeing like 8,000 shares have been sold from either from the promoter or by a higher designated person. Someone has sold. Someone must have been expecting that Q2 would be bad or negative.

Sanjay Banka: That is not the correct way to look at it. In India, there are 6,000 companies. Many employees get the stock. If an employee sells the share, that cannot indicate that he is expecting a bad result. Employees have cash to expect. I am not speaking for others. But employees also have their cash flow planning, and they also have to manage their liquidity. So, just for 8,000 shares, one cannot conclude that employee here understanding.

So, these are UPSI matters. We consider the result very seriously. We have a 100% control on numbers. No one else understands the numbers and outcome. A positive result, everybody is aware. So, we talk about positive sales result. So, kindly have a check that employee cannot sell based upon insider trading. There is zero insider trading in the company. If at all some employee has sold, it is part of his own cash flow planning.

Shubham: Okay, sir. Yeah, thank you for your explanation. I hope Senco has a better future because I am also a shareholder. I hope for the better future of Senco.

Sanjay Banka: We respect you as shareholder, sir. We are highly appreciative of all the shareholders, be it small or big, and our commitment remains same to everybody, irrespective of the size or the sector through which you invest. Thank you.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for closing remarks. Sir, please go ahead. Sir?

Sanjay Banka: Yes, please. Closing remarks.

Moderator: Yes, sir.

Suvankar Sen: Thank you very much, all our shareholders and all our well-wishers. We want to continue to grow and ensure that the growth happens in a sustainable manner. We are very conscious of the return on capital, the return on equity. We are very strategically focused on ensuring that the franchisee business continues to grow so that our scalability of the model that we have increases and we penetrate into the Tier 2, 3, 4 towns and cities.

In terms of product innovation, once again, I want to reiterate that there are continuous innovation in terms of design and new launches that we are doing. I would like to take this opportunity to mention that we are the first company in India to have launched titanium jewellery with gold and diamonds integrated to it, which is an international trend.

In terms of pioneering in new concepts, nine-carat jewellery, when government had allowed it for hallmarking, we were one of the first jewellery companies to have launched the collection. I must again say that nine-carat, 14-carat, lower caratages are something that is really attracting the customers, young generation or middle-aged, and allowing them to make the jewellery buying affordable.

We have seen that the weight ranges that are being selling in the season has come down slightly, while the ticket sizes have gone up, but the weight ranges are coming down, and we are consciously working on it. We are fully aware of the data of what kind of designs and products are selling and continuously optimizing our stocks to bring in more efficiency. And with the brand building that we continue to do, wedding season coming ahead, and then in January, February, we have Valentine's Day and the diamond selling season. We will keep on focusing on diamond jewellery promotions and trying to increase the stud ratio. With this, we wish you all a very happy New Year once again, and God bless, and let's look forward to a great Q3 and a great Q4.

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

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

Key Takeaways & Summary of Q2 FY27 & H1 FY27 Earnings Call

Headline performance

- Consolidated revenue +34% YoY in Q2 and +52% YoY in H1
- Retail revenue growth ~29% in Q2; same-store sales growth (SSSG) 19% in value
- H1 sales crossed INR 5,000 crores; TTM sales exceeded INR 10,000 crores
- EBITDA margin 4.4% in Q2; H1 EBITDA margin 7.6%, within the guided 7.5%–7.8% range
- PAT margin 4.1% in Q2; H1 PAT margin 3.7% (H1 guidance 4%–4.5%); H1 PAT INR 188 crores, ~22% growth

Quarter profile and demand

- Q2 is a seasonally soft quarter after Poila Baisakh and Akshaya Tritiya; heavy investment in marketing, schemes and footfall to sustain momentum
- Old gold exchange crossed ~51% of total business, with a 20–40 bps margin impact
- H1 stud ratio ~11.6%; Dhanteras-period stud ratio ~9.5%–10% with bars and coins ~7%; stud ratio expected to return to ~12% in December–February
- Average weight range 10%–12% lower than last year as customers prefer lightweight jewellery; 9-carat and 14-carat demand rising
- Festive-period new customer acquisition +30%; typical mix 40%–45% new and 55%–60% repeat customers
- Unorganised players, aided by high duty, are driving discounting and competitive pressure; East India ~80% of revenue

Dhanteras update (1 October to 11 November, 41 days)

- Revenue growth ~25%–26%; turnover crossed ~INR 2,400 crores
- SSSG ~17%; diamond jewellery sales growth ~26%

Network and product

- 14 new stores opened in H1 and 10 more since 1 October; 24 so far against the FY27 target of 18–20 stores; 3–4 more planned over the next 3–4 months
- Inventory up ~INR 200 crores versus March 2026, pertaining to 7 COCO stores
- Launched titanium jewellery with gold and diamonds; Everlite (face: Wamiqa Gabbi) and the Melorra collaboration target the new-generation customer

Margins and hedging

- Q2 EBITDA pressure from old gold exchange, festive inventory build for franchisees, discounts and schemes (incl. Flexi Gold), and ~40%–50% hedging in a falling gold-price phase
- Customs-duty gain ~INR 16 crores in Q1 and ~INR 30 crores in Q2: INR 46 crores in H1, ~90 bps of H1 EBITDA
- Other income mainly reflects net hedging gains (INR 99.9 crores net), described as one-off; regular FD and securities income is ~INR 35–40 crores a year
- Net hedging impact across Q1 and Q2 ~INR 18 crores (Q1 in other expenses, Q2 in other income)
- Hedging at ~50% under Board policy, with intent to move toward 65%–70% once gold prices stabilise
- Management expects Q2 EBITDA divergence to correct in Q3; 7.5%–7.8% guidance retained

Funding and working capital

- Gold metal loans (GML) at 17% of working-capital borrowings (analyst figure); GML share expected to rise over the next 3–4 months as availability has stabilised
- Incremental borrowing was through cash credit and commercial paper; operating cash flow looks negative due to the shift away from GML
- Customer advances (Flexi Gold, MariGold) ~INR 700–800 crores

Outlook

- Q3 growth of at least 25% YoY and Q4 of at least 20% YoY; wedding season (November–February) and Valentine's Day diamond season ahead
- Sustainable growth of ~15%–16% in a stable gold-price scenario (SSSG 10%–12% plus 4%–5% from new stores)
- Long-term vision of INR 20,000 crores revenue, 8% EBITDA margin and ~15% stud ratio; average sales per store could nearly double in 3–4 years

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