



Date: November 18, 2025

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

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

**Subject: Transcript of Conference Call**

Dear Sir/ Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of audio call of the Conference Call held on Thursday, November 13, 2025, at 03:00 P.M.

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

Kindly take the above information on your records.

Thanking You.

Yours Sincerely,

For **P N Gadgil Jewellers Limited**

**PRAKHAR  
GUPTA**

Digitally signed by PRAKHAR  
GUPTA  
Date: 2025.11.18 21:47:05 +05'30'

Prakhar Gupta

Company Secretary & Compliance Officer

**P N Gadgil Jewellers Limited**

(Formerly known as P N Gadgil Jewellers Pvt. Ltd.)

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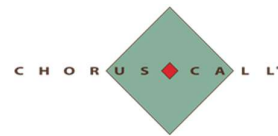
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INDIA | USA





**“P N Gadgil Jewellers Limited”**  
**Q2 and H1 FY26 Earnings Conference Call**  
**November 13<sup>th</sup>, 2025**



**MANAGEMENT:** **MR. SAURABH GADGIL – CHAIRMAN AND MANAGING DIRECTOR – P N GADGIL JEWELLERS LIMITED**  
**MR. KIRAN FIRODIYA – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – P N GADGIL JEWELLERS LIMITED**

**MODERATOR:** **MR. NAVEEN TRIVEDI – MOTILAL OSWAL FINANCIAL SERVICES**



**Moderator:**

Ladies and gentlemen, good day and welcome to the P N Gadgil Q2 and H1 FY26 Earnings Conference Call, hosted by Motilal Oswal Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Naveen Trivedi from Motilal Oswal Financial Services. Thank you and over to you, sir.

**Naveen:**

Yes, hi. Good afternoon, everyone. On behalf of Motilal Oswal, I'm Naveen Trivedi, I would like to welcome you all to the P N Gadgil Jewellers Q2 FY26 earnings conference call. For the management, today we have represented by Mr. Saurabh Gadgil, Chairman and Managing Director; Mr. Kiran Firodiya, Whole-Time Director and CFO.

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

**Saurabh Gadgil:**

Thank you, Naveen. Good afternoon, everyone. And thank you for joining us today for the P N Gadgil Jewellers Q2 FY26 earnings call. I hope all of you had the opportunity to go through our financial results, press releases and investor presentations, which are also available on the stock exchange, as well as on the company website.

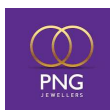
This quarter, gold prices continued their upward trajectory, rising over 50% year-over-year and in high teens on a quarter-over-quarter basis. Despite this sharp increase, consumer sentiments remained highly encouraging. The initial momentum was steady and gained strong traction as the early festive season began, with Navratri providing the perfect finishing touch to end the quarter on a high note.

We launched eight exclusive stores during the quarter, five company-owned COCO stores and three franchisee-owned FOCO outlets, taking our total store count to 63 at the end of Q2. This quarter also marked a significant milestone in our expansion journey, as in line with our communication last quarter, we successfully entered new markets beyond the western region, opening stores in Indore, Madhya Pradesh and Lucknow and Kanpur in Uttar Pradesh.

Our teams carry out extensive research in selecting these locations, and we strongly believe that these new outer Maharashtra markets will play a pivotal role in the growth playbook going forward.

For H1 of FY 2026, our consolidated revenue from operations stood at INR 3,892 crores. Gross profit came in at INR 484 crores, up almost 77% year-over-year, reflecting an improved product mix.

EBITDA was INR 266 crores, registering a growth of 101.3% year-over-year, while net profit rose to INR 148.7 crores, higher by 111.6% year-over-year. Net profit margin expanded to 3.8%, compared to 1.9% in H1 of FY25.



The company delivered an exceptional performance in this quarter, driven by healthy growth across all categories; retail, e-commerce and franchisee segments. Early festive demand, particularly during Navratri, resulted in record-breaking sales of INR 428 crores, an exceptional 66% rise year-over-year.

Our Q3 has already started on a very high note, with the Dussehra and Diwali sales setting new records and extending the overall sales for the month of October to over INR 1,800 crores. We expect this strong trajectory to continue and remain confident for the year ahead.

Our PAN-India expansion program is progressing well, with around 13 to 15 new stores planned in the second half of the year. Having already entered Uttar Pradesh and Madhya Pradesh, we are now exploring additional opportunities in Bihar as a part of our broader vision to become a PAN-India leading brand. We remain on track to achieve our target of 76 to 78 stores by March 2026.

With that, I'll hand over now to our CFO, Kiran Firodiya, who will take us through the financial results in detail. Thank you and over to you, Kiran.

**Kiran Firodiya:**

Thank you, Saurabh, and good afternoon, everyone. I'll now walk you through the performance highlights for Q2 financial year 2026.

For the quarter, consolidated revenue from operations stood at INR 2,177.6 crores, gross profit rose by almost 91% year-over-year to INR 258.1 crores, with the gross margin expanding by 510 basis points to 11.9%. EBITDA grew by almost 117% to INR 142.9 crores, reflecting an EBITDA margin improvement of 327 basis points to 6.6%.

Net profit also surged by 127% year-over-year to INR 79.3 crores, with the net profit margin rising by 190 basis points to 3.6%. Our retail segment, which accounts for around 72.2% of total sales continues to be our largest growth engine with a revenue growth of 29% year-over-year, with EBITDA margin of 9.1% and PAT margin of 5.1%. We have retail, both e-commerce and franchisee segments delivering strong performance. E-commerce revenue stood at INR 143.5 crores [Technical Difficulty]

**Moderator:**

Sir, sorry to interrupt. Your voice is breaking.

**Kiran Firodiya:**

Am I audible now?

**Moderator:**

Sir, you are audible. Can you come again, please?

**Kiran Firodiya:**

[Technical Difficulty]

**Moderator:**

Sir, please hold on. Let me reconnect you to the line. Ladies and gentlemen, please continue to hold. We are reconnecting the management line. The line for management has been reconnected. Please go ahead, sir.

**Kiran Firodiya:**

Apologies for technical error, but now I'm hopeful that you people are able to hear us clearly.



E-commerce revenue stood at INR 143.5 crores, registering 113% year-over-year growth, while franchisee revenue rose to INR 340.8 crores, reflecting 105% increase year-over. On the customer front, engagement continues to strengthen. Our transaction volume were up by 18% with an average transaction value of almost INR1 lakh.

Footfall grew by 20%, supported by a conversion rate of 93%, demonstrating a sustained consumer interest even with the rise in the gold prices. Festive sales played a major role in driving growth, highlighted by record sales of INR 428.1 crores on Navratri, marking a 66% increase over last year, underscoring strong festive momentum.

We also saw a significant increase in the studded jewellery mix, taking the stud ratio to 9%, reflecting a clear shift in the consumer preference towards more design-led aspirational products. At store level for H126, our per store revenue stood at INR 61.8 crores and net profit at INR 2.4 crores per store.

During the quarter, we further strengthened our retail presence in Maharashtra with the launch of our flagship store in Dadar, Mumbai, a key milestone that strengthened our brand visibility in our -- one of the India's most prominent jewellery market. Our flagship event, Mangalsutra Mahotsav and Painjan Mahotsav received record customer participation and contributed meaningfully to the top line growth.

Looking ahead, we are optimistic about sustaining this growth momentum while the upcoming wedding season expected to drive strong consumer demand. CRISIL has reaffirmed our long-term rating as CRISIL A positive and our short-term rating as CRISIL A1, underscoring our strong financial discipline and prudent capital management.

In summary, quarter two financial year 26 marked another quarter of robust and broad-based performance with strong early festive momentum, healthy margins and expanding geographic reach, reaffirming our position as one of the India's most trusted jewellery brand.

That concludes the financial highlights for the quarter. We can now open the floor for questions. Thank you.

**Moderator:**

Thank you, sir. We will now begin the question-and-answer session. The first question is from the line of Mr. Raj from Finvestors. Please go ahead.

**Raj:**

Congratulation on very good set of numbers, sir. My question is, sir, now how is the adoption of gold jewellery as we have seen such a spike in gold prices in last 1 year. So, when do you expect to come to those kind of volume growth in the business?

**Saurabh Gadgil:**

Raj, thank you for your question. And this has been spoken for quite some time now, the impact on higher prices on consumer demand. We have seen that in spite of these high prices, demand remains [inaudible]



Diwali, the entire festive season has been a record-breaking season. Value growth has been enormous as we have seen from the numbers. But we have also seen positive volume growth at the company level.

Consumer interest in jewellery remains strong and now with the upcoming wedding season in the month of December-Jan, the road looks pretty positive. All-in-all, the rising prices have had no impact on consumer demand. Both investment demand and jewellery demand have been strong as we speak.

**Raj:** And just want to clarification, on your side that when we compare this result with the last year results, there is a revenue from the refinery. So, till when will it come in the results? And I think in the ...

**Saurabh Gadgil:** If you read the financial clearly, the revenue from the refinery was up to 30th September 2024. So, after that, there has been no refinery -- no operation revenue accounted for. So, for this, when you compare the H1 versus last H1, there has been no refinery business. But just to put you out a thing, on quarter-over-quarter basis, as quarter ended September 30, 2024, the refinery business was around INR 350 crores, which now is zero in this quarter.

**Raj:** What could be the PAT or EBITDA effect after excluding this business?

**Saurabh Gadgil:** Sorry.

**Raj:** What could be the PAT or EBITDA effect after excluding this business from our right now main business?

**Kiran Firodiya:** So, I think PAT, what we have posted currently for the financial year 2026 quarter two is 3.6%. And that is without considering the refinery sale. So, that you will see in the coming few quarters as well that we will definitely try to maintain our PAT levels with the same margin.

**Raj:** Okay. So, from next quarter onwards, this refinery business will not be accounted for?

**Kiran Firodiya:** Correct. So, this is the last quarter wherein you are able to see the comparison of refinery sale as compared to last year H1. Now onwards, there is completely apple-to-apple comparison. There is no refinery sale you will see from Q3 onwards from last year as well as this year.

**Raj:** Okay. So, fine clarification, sir. And so, on EBITDA margin percentage, so our larger tier, I see they have substantial EBITDA margin. So, we have doing EBITDA margin of I think 6.5% or slightly above.

**Kiran Firodiya:** Correct.

**Raj:** So, what is your take on EBITDA margin and what lesser we are doing or how better they are doing, how far we are from them?

**Kiran Firodiya:** Yes. So, EBITDA margin also consists of retail and non-retail. In case of retail, our EBITDA margin is almost 9% plus. And at company level, our EBITDA margin, we are improving on quarter-on-quarter basis. So, this improvement you will see in coming quarters in the same pace.



We are hopeful that we will continue the same margin level for next balanced portion of the financial year as well.

**Raj:** So, thank you very much, sir. And after all, even having the spike in the gold prices, these numbers are very good excluding your [inaudible] number. And I hope, the same momentum will continue for the rest of the year. Thank you, sir.

**Saurabh Gadgil:** Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Rounit from FinAvenue. Please go ahead.

**Rounit:** Good evening, sir. Very congratulations on your great result. My question is, can you share the number of active customers you have in your scheme such as Future Plan, Dajikaka Promise Plan, Golden Gain, and Suvarna Laxmi Labh Plan?

**Saurabh Gadgil:** So, we will share the entire detailed list with you. I don't think we have the list right now. But in value terms, we can share you the total amount collected in value under these various scheme we just spoken about. Because these finally all lead to purchase -- they all convert into jewellery purchases at the end of the expiry. In terms of the value in these schemes.

**Kiran Firodiya:** I will explain. So, as on September current financial year, we have a Golden Gain Plan of almost 53 kgs and Suvarna Lakshmi Labh Plan is almost for 63 kgs. So, totaling 115 kgs, which is completely hedged on the MCX. So, there is no risk in terms of whatever plan we are currently running in our company.

**Rounit:** Okay. And what percentage of sales that would contribute to?

**Kiran Firodiya:** Yes. So, definitely, you know, these things are... Since both the schemes we have launched this financial year, so definitely...

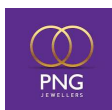
**Saurabh Gadgil:** So, total contribution would be around 10% from this scheme because we have schemes in quantity and schemes in value. So, the total sale from this would be in tune of around INR 700 crores, which would be on the range of around 7% to 8% of the annualized sales.

**Rounit:** Okay. And so, one more question. What would be your guideline for the coming two to three years?

**Saurabh Gadgil:** So, the guidelines which you have mentioned in terms of store expansion, we have already said this in the last call also that we are looking at targeting around 78 to 80 stores by March 2026. And then we will be adding another 30-33-35 stores in the next two years. So, by end of March 2028, the company aims to reach 150 stores, which will be a mix of franchisee, company-owned stores, and both the PNG traditional stores and the lightweight Jewellery PNG Lifestyle stores. So, that is what we have been... the guidance has been, and we are on track for that. As we mentioned, update, we should be reaching around 78 to 80 stores by end of March 2026.

**Rounit:** Okay. Thank you so much, sir.

**Saurabh Gadgil:** Thank you.



- Moderator:** Thank you. The next question is from the line of Mr. Nitin from Fairvalue. Please go ahead.
- Nitin:** Yes. Thank you. Thank you for the opportunity and congratulations on a great quarter. My only question is the stores that we have opened outside of Maharashtra. So, post their festive season, what kind of fraction are we seeing in the stores? Thank you.
- Saurabh Gadgil:** So, we have launched three stores outside Maharashtra and Goa. One has been in Indore and two have been in Uttar Pradesh, Kanpur and Lucknow. All the three stores started on a very positive note with the festive season around the corner and post that they are doing a performance in tune with the overall market. So, as per the target which we had set for the stores, the stores are on track. And both in terms of footfall and, you know, conversion, the stores are on track to, you know, be able to achieve numbers which we have projected.
- Nitin:** Right. And also, in terms of breakeven, they are following the trajectory of the Maharashtra stores?
- Saurabh Gadgil:** So, we had said that we will be needing another three months more for state stores to outside Maharashtra. So, we had said 15 to 18 months for stores in Maharashtra and 18 to 24 months for stores outside Maharashtra. So, you know, we don't see any deviation there. The stores are on track. The response has been positive because for us the main criteria is the footfall in these new stores in the geography outside Maharashtra and the footfall have been strong. So, that's a strong indication that, you know, we should be able to guide and achieve what we have been, you know, saying in our past calls also.
- Nitin:** Sure. That's very helpful. Thank you.
- Moderator:** Thank you. The next question is from the line of Mr. Dinesh Kulkarni from FinSight. Please go ahead.
- Dinesh Kulkarni:** Okay. Thank you very much, you know, and really great set of numbers. Sir, my question is, okay, we, I know we are adding quite a few stores in Maharashtra and around nearby states, but do you think, have we captured the whole of Maharashtra yet? Or like, what is the plan for the next three, four years? Okay, like, are we fully penetrated in Maharashtra and then it's good to, you know, go for states outside, you know, this region? Like, I mean, how good we are in Maharashtra itself, sir if you could, you know, explain something on that?
- Saurabh Gadgil:** Yes, thank you. So, see, we have always mentioned that, you know, Maharashtra is a fast-growing state and newer pockets are always coming up. So, in spite of our expansion outside Maharashtra, we always have an eye on Maharashtra.
- That being said, even in our existing -- for next two years growth, we have always targeted 10%, 15% of the stores to be in Maharashtra. So that means around three stores to four stores could be in the state of Maharashtra and the rest could be outside Maharashtra. Because like you rightly said, Maharashtra is a vast state and newer pockets are always coming up.
- So, there will be always an eye on that. But right now, we are well-covered in Maharashtra. As far as PNG is concerned, as far as LiteStyle by PNG is concerned, we -- there is a lot of





opportunity led because there are a lot of new markets where we have not launched LiteStyle. So, on LiteStyle, we could see further, you know, store launches in Maharashtra.

For PNG, we see primarily we will be looking at the neighboring states, the Central India region, as we have spoken. But the objective will always be that, you know, starting stores where we feel the market is there and where the market is currently under service and there is potential for us to enter that market. So, our market research and our sales teams are always on the lookout for such new areas.

**Dinesh Kulkarni:**

Okay. Sir, like as you discussed previously, like say if the gold prices remain so high, which we know, say above a lakh rupees, do you think the kind of volumes we, I know, the festive season definitely boosts and helps the wedding season and festive season. But say like over a period of time, if the prices remain so high, do we -- have we done some kind of a sensitivity analysis? Like, okay, say, assume the prices remain so high for the next three, four years, assuming the uncertainty around the global financial markets, do you think the volumes will still hold or do you think there will be a decline in the volumes?

**Saurabh Gadgil:**

See the entire profitability of the industry is based on value because your making charges are a percentage of the value of the entire gold cost. So as long as, you know, you are able to grow in terms of absolute value, your income is going to keep on growing. And that is what we have seen also happening in this space.

But just to add to your thing of, you know, gold prices going higher. In India, gold is not just, you know, jewellery or fashion, it's also emotion, it's a religion, it's a part of a tradition. So, people are using old gold as a currency to buy new gold. So today, almost 55%-60% of entire jewellery purchases, wedding shopping is happening through old gold.

So that is ensuring that the volumes are also intact and the margins from the making charges are on the positive side. So, I think, we don't see any pressure in terms of, you know, these prices, people always look at gold as an appreciating asset, and it's not just an investment, it's an emotion. So, I think from that perspective, the numbers should not see a concern even if prices go up.

**Dinesh Kulkarni:**

Okay, sir. Thanks for those answers. Just two quick suggestions, which I have, because I'm a customer as well, of the, you know, stores, I recently visited quite a few stores in here, Pune, in Chinchwad area. One thing is, sir, when I'm searching P N Gadgil Jewellers, right, by default, even Google still returns PNG Sons, I know, and it's a kind of a competitor today with

**Saurabh Gadgil:**

Working on that.

**Dinesh Kulkarni:**

Yes.

**Saurabh Gadgil:**

Google works on certain algorithms, and that's what Google also works on the longevity. So we -- that's the thing which we're already working on. This also has been said by some other customers. So duly noted, we're working on this.



- Dinesh Kulkarni:** Yes, and one more thing, sir like -- I'm also using the app as well, P N Gadgil app, and it's really not user-friendly yet because even though I'm having a user account, it's not allowing me to, you know, enter my details and log me in. Seems there is some work needs to be done on that front as well. It's just a suggestion, you know, from an investor cum customer, so please take...
- Saurabh Gadgil:** But the app today has been used by a lot of customers for making their payments and for browsing, but definitely, we'll see if there's a bug and we'll work on that.
- Dinesh Kulkarni:** Yes, needs to be. Thank you very much. All the best.
- Moderator:** Thank you. The next question is from the line of Mr. Naveen from Motilal Oswal Financial Services Limited. Please go ahead.
- Naveen:** Yes, hi, Saurabh. Saurabh, just give us some more things about how has been the festive kind of trends of October, if you can share about how has been the triple SSG was there. And also, since we are kind of in the middle of November have you seen any kind of a deacceleration in November?
- Saurabh Gadgil:** So, I mean, October had been a bumper month and like we are also given a release to the exchange that, you know, we had the highest Diwali sale ever. Also, the entire month has seen record-breaking sales. We have crossed INR 1,800 crores plus in a single month.
- Another highlight has been the strong support from the studded category, which has shown a very high increase. And the reinforcement of people's faith in gold as investment and as jewellery both have been reinforced again during this time. In terms of post-Diwali, there's always a little slowdown in the month of November, which you have seen. But markets, as prices are going up, markets have picked up.
- And even this month, the guidance for a quarter, I think we should be able to achieve that is what we feel right now. Looking at the overall market sentiment, silver has been doing exceptionally well. It has seen very, very good traction. So, all the cylinders are firing and I think that there shouldn't be any deviation from what we are projecting for the upcoming quarter and for the upcoming H2.
- Naveen:** So, fair point. And with respect to our store opening guidance, are we revising any guidance and how are we placing second half with respect to store expansion in Maharashtra and New State?
- Saurabh Gadgil:** We stick to the same guidance. We had mentioned that we will be touching around 78 to 80 stores as of March end 2026. We will include a combination of PNG and Lifestyle and COCO and FOCO. So, we stick to the same guidance. I think both in terms of the expansion, in terms of the numbers, I don't think there is any deviation from what we have been speaking. So, I think, as we speak, the guidance remains the same.
- Naveen:** So, our entry in MP and UP has been kind of targeted at the top cities in those states. One, we should look for similar cities, more store expansion or you think that the top five cities of these



states will be kind of a lookout for store expansion for this year and the next year, sort of a time frame?

**Saurabh Gadgil:**

So, both these states, the three states, primarily MP, UP and now adding Bihar to it, we are looking at adding more cities. So, as we speak at MP, we are looking at Bhopal, we are looking at Jabalpur, we are looking at Gwalior, Banaras, we are looking at Prayagraj and a couple of more cities.

So, there is expansion in different cities and also looking at more markets in the existing cities. So dedicatedly, we are doing market research, we are doing exhibitions in those places, getting a lot of inputs, market intelligence. But the plan would be to focus on states and like we have spoken before, it will be a regional focus, look at a particular region and be a player of dominance in that region.

So, we continue to stick to the same model and the region where we have mentioned the Central India Belt, starting from MP, UP, Bihar, Chhattisgarh, Jharkhand up to Orissa and Delhi NCR is what will be in the focus for the next two, 2-2.5 years.

**Naveen:**

Sure, Saurabh. Sure. And when I look at the other expenses side, certainly there is a kind of a big jump versus y-o-y and even sequentially there is a big jump versus for quarter one. Is it to do with new stores expansion where we had kind of a – the new states, both Indore and Lucknow side? And how should we look at the run rate in the coming quarters?

**Kiran Firodiya:**

Yes. So, hi, Naveen, Kiran, this side. So other expenses, you are right. They are because of basically the advertisement cost that the media and all these things that we have already anticipated in the beginning that when we are going ahead with the expansion, then this cost is definitely going to be on a higher side. So, I think predominantly these are the costs.

**Naveen:**

So how should we, Kiran, we should look at this number either as an absolute number for the second half or any percentage of sales? How should we look at this number?

**Kiran Firodiya:**

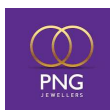
So, what we are thinking is that it should not cross 1.25 to 1.50 of the 1.5% of the total revenue, the entire marketing spend.

**Naveen:**

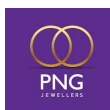
Okay. So that's your thing only for the marketing. I'm talking about the total other expenses, which this quarter is close to 5.1% of revenue. And if I look at the first half also, it's close to 4.95% sort of a number. So should we assume that this number will run as a percentage will maintain for the year? Or you think that a lot of expenses were on front end and maybe the second half, we may not see such kind of high expenses, right?

**Kiran Firodiya:**

No, Navin, the thing is whatever expenses we have booked for particular September up to September, there may be slightly incremental expenses because this H1, we have opened almost 11 stores, and we have a plan to open remaining 14 stores or probably additional 16 stores by H2. So, you will see slightly incremental in the marketing spend.



- Saurabh Gadgil:** But Navin, overall, like Kiran mentioned, the 1%, 1.2% of the total top line is what the marketing will be kept at. So, there will not be any huge incremental hike in marketing also for the entire year.
- Naveen:** Sure, sure. And my next question is on the gross margin side. So, quarter one, we were close to 13% margin and we were guiding that maybe this is a number which is kind of sustainable for coming quarters also. From that lens point of view, it is like 12% margin this quarter. Even on a Y-o-Y basis, it is on a higher side. But when I look at the quarter one, it is slightly on the lower side. So, how should we look at one second half number? And maybe in the medium term, how to look at this gross margin trend?
- Kiran Firodiya:** See, as compared to quarter one versus quarter two, Naveen, this quarter two is, there is no major festival as such. So, we have opened the new stores. So, more or less, our intention is to do the replenishment. We have to ensure that our stock level should be maintained at the same level. Now, the real improvement you will see in quarter three.
- In quarter one also, you will see there is only one festival, Akshaya Tritiya. So, Gudi Padwa also shifted to last year. So, we are expecting that quarter three you will see, as compared to quarter two, high margin improvement in the gross margin.
- Naveen:** Sure, sure. So, broadly, at EBITDA level, close to 5.5% to 6% can be expected as a EBITDA margin for the year?
- Kiran Firodiya:** Yes, of course, at a company level, definitely.
- Naveen:** Sure, sure. And anything on the other income side, like with this quarter, we have seen a big jump in the other income side?
- Kiran Firodiya:** Yes. So, other income, as I told you, it is basically our fixed deposit, which we have done for the GML purpose. So, that FD interest that has been captured. At the same time, there are gain on the derivative instrument that is also, we have to book because that discount we have captured at the other expense, but the gain we have to account for in the other income. So, that is the reason that has been shifted up.
- Naveen:** So, part of the other income will be sustainable?
- Kiran Firodiya:** Yes, yes, of course, of course.
- Naveen:** And then, how much, like, we should have, kind of a thing?
- Kiran Firodiya:** Naveen, the thing is, my total fixed deposit with the bank is roughly INR750 crores. So, on that, I am having my fixed deposit at 7%, 7.5%. So, that you will see on a continuous basis. Only thing is, we have to account for as and when on a quarter-on-quarter basis.
- Naveen:** Okay. So, so broadly, I think around INR50 crores other income will be there from fixed deposit side....
- Kiran Firodiya:** Correct, correct, correct. For the whole year.



- Naveen:** Yes, for the whole year. Yes, for the whole year. There can be lumpy on a quarterly basis, but at an annual level can be INR55 crores sort of a number.
- Kiran Firodiya:** That is right.
- Naveen:** Sure, that is from my line. I will be in the queue again.
- Moderator:** Thank you. The next question is from the line of Mr. Aaditya Agrawal from FinAvenue. Please go ahead.
- Aaditya Agrawal:** Sir, I just wanted to know our guidance towards stud ratio. Like, as of now, we are having a stud ratio near to 9 or 10 percentage, whereas leading players such as Titan and Kalyan are having a stud margin ratio of near around 20 to 25 percentage. So, do we have any plans to increase stud ratio from here on in next two to three years? And if yes, can you please guide on the same?
- Saurabh Gadgil:** Yes, definitely. Stud ratio has been increased as we have spoken before also that we started with five years ago with almost a zero-stud ratio, which today is around 10% on a grown volume. The company aims to reach 12%-13% in the next two years. And that has always been the focus. We have recently also launched Polki and Kundan Jewellery, which is another addition to the stud category. Colourstone Jewellery is also doing well.
- So, we are confident that the stud ratio will keep on growing. And if you have seen even the financial, the margin increase has primarily come from the higher sales of Diamond and Studded Jewellery. So, that's the area which we continue to focus on.
- Aaditya Agrawal:** Yes, sir. And sir, like our inventory, can we guide on the hedging policy of our company on the inventory side?
- Kiran Firodiya:** Yes, so we are doing 100% effective hedging on a month-on-month basis. So, that's the same thing we are keeping continued for the last almost nine months after the IPO.
- Aaditya Agrawal:** And sir, so whenever gold is sold from our stores, so hedging losses, we book in that current quarter only in the P&L statement?
- Kiran Firodiya:** Yes, yes.
- Aaditya Agrawal:** Okay. Okay, sir. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Mr. Rajiv from Nuvama. Please go ahead. Mr. Rajiv, are you on the line?
- Rajiv:** Yes, good afternoon, sir. Thanks for the opportunity. So, on the hedging part, are we completely hedged on silver side as well?
- Kiran Firodiya:** Yes, so silver side, during the festive season only, we are keeping our position hedged. Otherwise, we are using the replenishment model for silver.



- Rajiv:** Okay. And I mean, you made a comment that in other income, there is a gain on FX. I think there should be a loss because of the hedging part, right?
- Kiran Firodiya:** No, no, no, no, no. The thing is, you know, we have launched the scheme in the month of September that you can book the metal by paying 50%. And at the time of festive day, you can buy the product at the lower price or the market price, whichever is lower. So, exclusively for that purpose, we have taken the forward cover.
- Rajiv:** Okay, got it.
- Kiran Firodiya:** So, only for that purpose, we are having the gain because ultimately, whenever you are launching any scheme, you have received the advance and that is fixed order. So, I have to hedge it.
- Rajiv:** . And if you can call us, what is the SSSG on a Y-o-Y basis? And sir, request if you can publish that number also in the presentation.
- Kiran Firodiya:** Yes, so year over year, if you see there, then the SSSG in terms of volume is more or less same, but quarter over quarter, there is 29% growth in the SSSG. Why I am saying year over year, there is no improvement in the volume, but yes, value wise, there is slightly growth. The main reason for that is the number of stores. For H1, we have 39 stores. Last year and this year H1, we have almost 63 stores.
- So, 24 new stores have been added to the kitty. So, now, as we mentioned in the IPO, we required minimum 15 to 18 months if the store is in Maharashtra to reach to breakeven. And then slowly, slowly, the store will definitely improve adding to the bottom line. So, you will see eventually coming in the coming quarter, the improvement in the SSSG for the store which we open after IPO.
- Rajiv:** So, the question was, the stores which you had at the end of Q2 FY '25, which is, it's a 28 COCO stores. How did they do on a Y-o-Y basis and removing the addition which you had over the last 12 months?
- Kiran Firodiya:** So, as I told you that as we publish the data, quarter over quarter, there is a growth of 29% in terms of value.
- Rajiv:** Okay. Yes, got that. And also on the working capital side, the payable number, which in every quarter basically swells up. How do we think about that in the subsequent months?
- Kiran Firodiya:** Hello, you are not audible, Rajiv.
- Saurabh Gadgil:** Can you repeat the question please?
- Rajiv:** Yes. So, I'm talking on the working capital side. So, the payable number, I think it's close to, it's again elevated in this quarter, right, which usually in the March and again drops. So, how should we think about that? Because your working capital requirement from the payables would have been higher if not for the payable gains which you had during the first half.



- Kiran Firodiya:** Yes. So, your question is very valid, Rajiv. The thing is, since we are closing on 30th September and we have to gear up for, since that's right on 2nd of October and plus the festival season also in the month of October. So, yes, there is slightly improvement in the payables on 30th September, but because after the festival, whatever the credit days we have, we have already cleared entire payment cycle.
- Rajiv:** Okay. Just one clarification. So, I remember at the time of the IPO, typical store required, I think 50 crores, 52 crores in terms of investment. Considering that the gold price has seen the rise, what is the capital employed per store you are looking for now for incremental, let's say, 3000 square feet store?
- Kiran Firodiya:** Yes. So, now last year when we have done the presentation, that time we have anticipated that 33 crores to 34 crores of the investment with the store size of 3500 to 4000 square feet. Now, that because of the incremental in the gold prices, that minimum investment is around 45 crores and the capex is roughly 2 crores. So, around in between 47 crores to 50 crores is the amount that required need to be infused for opening of new store.
- Rajiv:** Got it. That's all from my side. Thanks a lot.
- Moderator:** Thank you. The next question is from the line of Mr. Utkarsh from BOB Capital Markets Limited. Please go ahead.
- Utkarsh:** Yes. Hi. Sir, I just need a clarification on two points. First, on the store opening guidance and so you have mentioned that we are looking forward to open 78 to 80 stores by March '26. So, just wanted to know how many PNG traditional stores we are looking to open in the second half of FY26, and how many it would be COCO and franchisee store in the second half?
- Saurabh Gadgil:** See, as we opened one store on 1st October. So, as you speak, we are at 64. We plan to add another 14 to 16 stores in the coming six months before March end. Out of that, we have targeted that we should be looking at around six to seven PNG stores and same around seven to eight LiteStyle stores. We can say 50/50. And again, out of this, 50% store will be company and 50% should be franchisee.
- Utkarsh:** Okay. So, if my understanding is correct, we were having 59 PNG traditional stores at the end of September. We have opened one store in October. So, our total store count has gone up to 60. And we are looking forward to open another seven stores, say, in the remaining five months of FY26?
- Saurabh Gadgil:** Yes, seven to -- I mean, see, franchising will be around seven to eight stores, let's say, for PNG.
- Utkarsh:** Okay. Fine, sir. And, sir, second clarification I just wanted, what is our revenue growth and margin guidance for the second half of FY26, and how much revenue growth we have clocked for October month?
- Kiran Firodiya:** Yes. So, Utkarsh, this is a good question, because the H1, which is we haven't seen any major festival, only Akshaya Tritiya, that is also super-duper. But now this quarter, which is quarter



three, we have completed the month of October, which is Diwali, as well as Dussehra. And this entire month, October itself, we have completed the turnover of the entire quarter one.

So, now we are very much positive that after the remaining two months complete, we can definitely reach around in between INR 3,000 crores to INR 4,000 crores for the quarter. And with respect to the margin, definitely, you will see a great amount of improvement in the margin as compared to quarter two.

**Utkarsh:** Okay. And, sir, how much revenue growth we have seen in October month, sir, if you can specify?

**Saurabh Gadgil:** So, see, October figures are not audited, but October, the revenue would have been in the upwards of INR1,800 crores.

**Utkarsh:** Okay. Thanks a lot sir.

**Moderator:** Thank you. The next question is from the line of Mr. Nitin from Fairvalue. Please go ahead.

**Nitin:** Yes. Thank you for the follow-up opportunity. So, my question is on the LiteStyle format. If you can provide some more color on the breakeven period required in this format and what kind of margins do we get here?

**Saurabh Gadgil:** So, see, LiteStyle, by name itself, is a lightweight jewellery-focused format. So, the store size would be ranging around 1,500 to max 2,000 square feet. This could be on a high street or in a mall, catering to the working women, fashion-conscious, lightweight-oriented customers.

The inventory in these stores would be in the range of around INR 8 crores to INR 10 crores. And we expect that these stores should contribute once they mature to around 2.5 to 3 stock turns. So, around INR25 crores is what we expect these stores to reach at.

The margins would range -- in the range of around 20% to 25%. So, while the gross margin of PNG traditional stores would be around 13%, the lifestyle would be in the range of around 20% to 25%. Kiran, would you add anything more on this?

**Kiran Firodiya:** Yes. I think what Saurabh has mentioned is correct. So, roughly a typical investment of INR 10 crores to INR 12 crores with the gross margin of around 20%. And with this, typically, we say that one year or 1-1.5 year that 15 or 16 month, that particular store will come to a breakeven. And that is we are feeling that it's very healthy margins we observe because last entire 12 months, we opened three LiteStyle stores. So, they are doing predominantly good, and they are already reached to their breakeven. And one store already crossed the breakeven. So, we are seeing good traction in the LiteStyle as well.

**Nitin:** That is very helpful. Thank you. And my last question is on international expansion. So, a lot of your peers are reporting good growth in Middle East, as well as North America, specifically US. So, do we also have any international expansion plans on the cards?

**Saurabh Gadgil:** Yes. So, we have mentioned during our plan for the year that we will be looking at adding a store in North America. So, somewhere on the West Coast, what we are targeting right now,





California, Seattle, where we already have a presence. So, that is all on the cards right now because we see a lot of more opportunity right now in the Indian market.

So, the company is focusing aggressively on the Indian growth. But yes, we will be adding, we will look at adding one store a year on the international front, right now, looking at North America as the region.

**Nitin:** Right. Thank you, and all the best.

**Saurabh Gadgil:** Thank you.

**Moderator:** The next question is from the line of Mr. Lakshminarayanan from Tunga Investments. Please go ahead.

**Lakshminarayanan** Yes, thank you. I just want to understand, you have been phenomenally successful in Maharashtra as you actually expand into other geographies, which could be continuous or even outside Maharashtra like UP, etc.

What are the activations, what are the things you do to actually attract footfalls? You mentioned that the footfalls have been good. So, I want to understand what are you doing, which makes you a trusted name in those states also?

**Saurabh Gadgil:** So, it's a very important question and that's something which is always on the mind of the company when we expand. So, it's a series of things we do before we enter into market. We do market survey there. Then we do exhibitions there. We do a lot of groundwork there in terms of creating relations, creating friends of brands.

Once we are confident about launching a store, we do a lot of activities around there to spread awareness. We do branding campaigns. We do a lot of physical campaigns in terms of newspaper hoarding. Do a lot of online activities.

Even when we are on a drive to recruit staff, we also try to get people from the relevant background, which also helps us to get a better understanding of customers. And having the right product at the store, the right merchandise, really helps us to be relevant to the people's requirements there.

I think the legacy we carry, the brand positioning we carry, that really is a very important pull factor when we go into those markets. So, as you saw both in MP and UP, people come to us because they see we are a legacy brand, having deep understanding of the jewellery market, known for its values and trust. So, this combination of all these things leads us to being able to generate a kind of footfall. And it's a very planned approach.

We also try to estimate the footfalls per day, footfalls per month, and then we try to compare that with, what is actual. On that basis, we have said that we are on track to achieve what we had forecasted for these two regions.



- Lakshminarayanan** Sir typically, when I look at some of the other geographies, one of the pulling reasons could be some kind of a discount or some kind of reduced making charges, etc. Now, is that something which you actually look at it in those markets where you are?
- Of course, there are other large, maybe national chains, also regional chains around. Do you actually reduce your making charges in those regions? Is that a way you actually look at it?
- Saurabh Gadgil:** See, making charges are never a factor which converts purchases. A customer may get five rupees off, but he has to still pay 95 rupees. So, the brand, the design and the service are the key elements and that is what we believe in.
- Discount can just be for a festive season or for an inaugural offer, just to more of a respect for the customer as an entry in the market. By the company, we always focus on the value more than the discount.
- Lakshminarayanan** Got it. And any thoughts on this lab-grown diamond that is also in one side, we hear a lot of noise around that. Does that in any way impact your sales of studded jewellery?
- Saurabh Gadgil:** See, studded jewellery sale has seen a very, very steady rise. There has been no pressure from lab-grown. So, as a company, we have not seen any pressure from the consumer side demanding lab-grown. So, as of now, we have, there is no interest from the company to enter into that category.
- Lakshminarayanan** So, one last thing, organizationally, we have been focused on Maharashtra, now that we are actually expanding others. What changes at an organizational level you have done in terms of management bandwidth so that the right steps are taken? And then, in terms of if there is something going wrong, you actually can actually pullback. How are you risk mitigating these expansions?
- Saurabh Gadgil:** We are doing a lot of things on that front, setting up a store operation audit team, looking at increasing the merchandising team, looking at increasing the further development, visit development and exhibitions team, to be able to have a better control over your CRM and to get feedback from that, visit by experienced senior professionals in those regions. A lot of these things are done, and I think that is very important to be able to not just grow, but to be able to grow profitably and manage that growth.
- Lakshminarayanan:** And sir, one last question from my side. In your total tonnage of sales in gold, how much is actually traded in, essentially, people are coming to recycle? And then, how much is coming from those campaigns? You talked about some schemes, which is around like some X number of kilos of gold.
- Saurabh Gadgil:** On the jewellery side, around 50% would be old gold, which is exchanged against new jewellery. The scheme, as you mentioned, around 8% to 10% of the entire volume comes from the scheme sales.
- Lakshminarayanan:** And this 50 kgs of gold thing, is it -- I mean, all of them coming from your own sales or how much is coming from other places purchased gold?



- Saurabh Gadgil:** As a company, we are very compliant on buying old gold. So without invoice, we do not purchase old gold. So, most of this is our own gold. But yes, definitely, if it's Hallmark gold from the market, with a proper invoice, we also get it accepted. But we have seen that 80% of it is still our own gold.
- Lakshminarayanan:** And the customers who are actually doing this trade-in as well as these, though it is 60%, they may be also adding -- I mean, they may be the same people who are actually buying more gold, right? So if you look at it, purely for fresh gold purchases would be how much?
- Saurabh Gadgil:** That is what we always said before that, that old gold is 50%, the balance is fresh purchases. And because being a legacy brand, almost 70% of our customers are already people who are a part of PNG family. So the cost of acquiring new customers for us is very low, because we are able to have a huge database of our existing customers.
- Lakshminarayanan:** Yes. Thank you. Thank you so much, sir. This is very helpful.
- Moderator:** Thank you. The next question is from the line of Mr. Rounit from FinAvenue. Please go ahead.
- Rounit:** Sir, how much revenue is from gold, silver and sale of diamond? Could you bifurcate on that, please?
- Kiran Firodiya:** Sure. So roughly...
- Rounit:** Like you did INR2,178 crores of revenue this quarter?
- Kiran Firodiya:** Yes. So you want a quarter-wise, quarter-on-quarter or how you want?
- Rounit:** For this quarter, what is the bifurcation? How much is from gold? How much is from silver, sale of silver? How much is from sale of diamond?
- Kiran Firodiya:** Yes. So, when I see my total 100% revenue, almost 85% is coming from gold, and 10% is coming from silver, and remaining 5% is coming from diamonds.
- Saurabh Gadgil:** By diamond, we only mean the stone cost. The metal cost is included in the gold ratio. That's why when we say that we are on 10% studded. The 5% also is the gold component in that.
- Rounit:** Okay, okay. Got it, got it.
- Saurabh Gadgil:** So you can -- yes, so that is what the breakup is.
- Rounit:** Okay. And one more question, sir, I have. What's your update on the previous two stores, the LiteStyle store you have opened?
- Saurabh Gadgil:** So, both are -- like Kiran mentioned before, we have total launched three lifestyle stores. Of that, one is already broken even. Two are on the path for it. And the sale, what we're expecting in terms of being able to do two stock turns, we are on track for that. So the response has been encouraging.



We also had to do a little work on the merchandising mix. So that is what we have right now worked on. And I'm looking at the way the brand is being accepted by people, we are confident that the expansion ahead would definitely be fruitful and we'll be able to add to the PNG existing store.

**Rounit:** Okay, okay. Thank you, sir.

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

**Saurabh Gadgil:** Thank you, everyone. We truly appreciate all the participants for taking out time to join the conference and for insightful questions. We hope that we able to address all of them to a satisfaction. If you have any further queries or would like to know more about the company, please feel free to reach out to our secretarial team and Investor Relations partner at X-B4 Advisory. Wishing all of you a great day ahead. Thank you very much.

**Moderator:** Thank you, sir. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.