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

Sub: Earnings Call Transcripts pertaining to the Financial Results of Q4 & FY25

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 Earning Conference Call organized on 30th May 2025 post declaration of Standalone & Consolidated Financial Results for the fourth quarter and year ended 31st March 2025.

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

This is for your information and records.

Yours sincerely,

For Senco Gold Limited

Mukund Chandak

Company Secretary and Compliance Officer
Membership No. A20051

Encl: As above



Senco Gold Limited

CIN NO. : L36911WB1994PLC064637

Registered & Corporate Office : “Diamond Prestige”,
41A, A.J.C. Bose Road, 10th Floor, Kolkata - 700 017

Phone : 033 4021 5000 / 5004, Fax No. : 033-4021 5025

Email : contactus@sencogold.co.in

Website : www.sencogoldanddiamonds.com/

www.sencogold.com



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Trusted Jewellery
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by TRA report.





**“Senco Gold Limited
Q4 & FY25 Earnings Conference Call”
May 30, 2025**



**MANAGEMENT: MR. SUVANKAR SEN – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – SENCO GOLD LIMITED
MR. SANJAY BANKA – CHIEF FINANCIAL OFFICER –
SENCO GOLD LIMITED**

**MODERATOR: MR. MADHAV AGARWAL – ANTIQUE STOCK BROKING
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Senco Gold Limited Q4 and FY25 Earnings Conference Call hosted by Antique Stock Broking 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 touchtone phone.

I now hand the conference over to Mr. Madhav Agarwal from Antique Stock Broking. Thank you, and over to you, Mr. Madhav.

Madhav Agarwal: Yes. Hi. Good morning, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Suvankar Sen, who is the MD and CEO of the company; and we also have Mr. Sanjay Banka, who is the CFO of the company. I shall now hand over the call to the management team for the opening remarks. Over to you, sir.

Suvankar Sen: Thank you very much, Mr. Madhav, for introducing us. So good morning, ladies and gentlemen. We would like to welcome all of you for the update call for the performance of Senco Gold Limited for the Q4 & FY25. We are happy to inform you that the Q4 FY25 has seen a strong growth in total sales of approximately 21%, where we have seen that in the gold jewellery segment, we have grown by 20% in terms of value. However, due to the rise in gold prices, there was a 6% decline in volume, specifically in terms of gold jewellery units sold. But the good part that has been extremely encouraging is the growth that we have seen in diamond jewellery, where we have seen a 38% growth in terms of value for diamond jewellery and 21% volume growth in diamonds, which has led to an increase in the stud ratio.

As we ended the 9 months, we were declaring a stud ratio of 10.5%. But thanks to the effort by the team and the continuous new designs and collections that kept getting launched in the months of January and February, we have taken our stud ratio to 10.9% as we ended the year. And if we look at the overall FY25, we have seen value growth in diamond jewellery of 15% with a marginal growth of 2% in terms of volume for diamonds.

And for the whole year, the gold jewellery has seen a value growth of approximately 20% with an impact of volume degrowth of 4%. So that has been the broad major category-wise sales for the whole year. We all know that the prices of gold have been on an upward trend for the whole financial year, but while there have been challenges in terms of the volumes getting impacted, we have seen that the consumers were looking for jewellery within their budget, within their weight range.

The weight ranges have been under pressure because prices went up upwards of 30%, but there has also been a shift, along with 22-carat gold jewellery and a tendency of the consumers to buy more 14-carat diamond jewellery or 18-carat diamond or plain gold jewellery. So, there is this gradual shift of purity getting lower to fit it within the budget of the consumers, happening.

And it is especially with the modern Western designs that we are seeing such a shift happening. Now, coming to the profitability. The adjusted PAT for the standalone numbers has been INR

207 crore. Adjusting for the impact of customs duty amounting to INR 57.4 crore, which was incurred in July 2024, the adjusted PAT stands at INR 207 crore.

And if we look at the unadjusted numbers, it is INR 165 crore, but something that we are grateful to the team for their efforts and the results that has seen a strong jump of INR 62 crore for Q4 FY25 from the INR 103 crore of PAT that we had seen for the 9M FY25.

In terms of the opening of new stores, net-net, we have seen 16 stores open for the full financial year. We have opened 6 franchise stores, 9 Senco company-owned, company-operated stores and 1 Sennes store, which is the lab-grown diamond, perfumes, and leather bags. So basically focusing on lab-grown diamond, 1 Sennes store. So that's been the 16 stores that we have opened in the full financial year.

Another encouraging number for us to see is that the non-East business has grown by 23% to approximately INR 1,230 crore. So that's the increase in the non-East business. In terms of a number of footfalls, while we have seen that the gold prices have been on an upward trend, people are looking for lighter-weight jewellery. The weight ranges are going down. The wedding has been a segment that has driven the business for a major part of the year as well.

But in terms of measuring the customer footfalls, we have seen that with the LTL and the new stores that have happened, we have got a 17% increase in a number of footfalls overall and a 5% increase in the new invoices. And the new customers that got added have been around 2,53,000 new customers.

The ATV that we have seen, which was INR 63,700 in the previous financial year, has gone up to around INR 73,000. So there has been around a 15% increase in ATV, but here, you can see that the increase of ATV has been 15%, but the gold price has moved up above, and that is where we are seeing the lighter weight jewellery happening. And in terms of the gold rate, we have seen that when we began the year, the gold rate was about INR 6,300, and as we ended the year, it was around INR 9,000.

So that's the overall growth in the gold rate that we have seen from the beginning to the end of the year. In terms of new designs that got added in gold jewellery, we've always been continuously trying to launch new designs. So, we've added more than 25,000 designs in gold jewellery and more than 4,000 to 5,000 designs in diamond jewellery.

Another very interesting aspect, the numbers that we need to look at is the old gold exchange. So because the prices were on an upward trend, people were feeling the pinch of having a little lower, I would say, budget, and they would exchange their old gold, and we have seen that the old gold exchanges went up to close to 39% to 40%. So that has been a substantial jump. If I recall, maybe 2 to 3 years back, the old gold exchange was only 25% of the overall sales and that has become around close to 40% of the overall sales.

And so that also has helped, I would say, the business to continue to grow and keep getting the customers coming back to the stores. And if we look at the more initiatives that we have taken in Q4 and what has been the reason for the growth and the numbers in Q4, I will say that the wedding sales, particularly during the months of January, February until mid of March. And

even the early weddings of April, May, I think, consumers were utilising these months to buy their wedding jewellery for the season.

And also, we had the Valentine's Day and the birthdays and anniversaries of many people. And I think the love season, as we call it, has led to an increase in the sales of diamonds. Even in the month of March, it was Women's Day, and it allowed us to connect to our women customers, and we launched multiple collections throughout the quarter.

To name a few, we introduced the Berry Collection, which features designer jewellery with coloured stones and diamonds, as well as fancy-shaped solitaires, the Ice Cube Collection, lightweight jewellery under the Facets of Love line, Ombre, Rose, and various new designs in the solitaire segment.

I must also highlight the contribution of solitaire diamonds. While 90% of our diamond sales in the last financial year comprised small diamonds, the solitaire segment—accounting for the remaining 10%—saw a notable sales growth of approximately 26% for solitaires above 0.20 carats. This growth can be attributed to a decline in solitaire prices, which consumers perceived as a good buying opportunity. And we are also seeing an upward trend in the price of diamonds now that the war is about to be over. And I think consumers are feeling a keen interest in buying solitaires. So, as we are towards the end of May and we look at the numbers and what has happened in the last 2 months of this particular new financial year, we are seeing around an 18% to 19% growth in terms of value.

So I think even though the gold prices are close to their all-time high, the faith and the trust of consumers towards the commodity gold and silver have been strong, and consumers are looking for an opportunity whenever they can buy or the prices are something of within their range. They want to and are planning to buy the jewellery.

Along with that, the encouraging aspect is the interest in diamonds. So, the diamond prices are gradually starting to rise. And even our sales for the diamond jewellery segment, like the way we have seen in the Q4 have continued to perform in that manner. Our aim for the whole financial year, again, to reiterate as we are having the call and we've crossed 2 months of the year, we'll continue to be having a top line growth of 18% to 20%, and we will try to endeavour to increase our bottom line as well, with the focus on improving the diamond sales.

In the last financial year, we have seen that during the first half of the year, the interest on buying diamonds was lesser. But as the year was ending, the interest went up, so our focus and endeavour to improve the diamond sales will continue to remain. And with the high gold price, we will try to bring in more efficiency in the business in terms of analysing the data, what kind of products are selling in which stores, and what price range. And in this high gold scenario, we try to optimise our stock and make -- ensure that the top-performing designs and categories are continuously supplied for higher sales.

And in terms of the endeavour towards profitability, I think we will be working towards having and achieving an EBITDA of anywhere between 6.8% to 7.2% and our endeavour to achieve a PAT of 3.5% to 3.7% shall continue to remain. And I think in this dynamic market scenario, a

very important thing is to focus on lightweight jewellery and to ensure that our new generation customers continue to engage with us and connect with us.

And as far as the wedding segment is concerned, which will remain about 35% to 40% of the overall business, the handcrafted jewellery, which is the need of the consumers for the wedding segment within their budgets, will be a focus area for us as well. And as far as the franchisees are concerned, we intend to add a minimum of 18 to 20 stores with a higher focus on having more and more franchisees.

So minimum 10 franchisees we will be adding and about 8 to 10 company-owned company-operated stores with a strong focus, as always, we've been mentioning on East India and North India. So, with this, I would like to end my update for Q4 & FY25.

And at the end of it, I would like to thank all of you for your continuous support, encouragement, faith and guidance in terms of how we ensure that in this volatile market scenario and the geopolitical uncertainties that we see in the world, we will continue to connect with our consumers and acquire more new and new customers. Thank you very much.

And I will request Mr. Banka, our CFO to kindly say a few words.

Sanjay Banka:

So, thank you very much, sir. I would like to add one more context. So, we have reported the standalone and consol both numbers. Our consolidated financials include the results of Senco Gold Limited, Senco Gold Artisanhip Private Limited, Senco Global Jewellery Trading LLC (the Dubai entity) and Sennes Fashion Limited. So, we are commencing the new Sennes business in Sennes Fashion Limited, where the results are just building up.

So, while the standalone top line is INR 6,258 crore and the standalone adjusted PAT is INR 207 crore. In the consol financials, the revenue has increased to INR 6,328 crore, and the adjusted PAT is INR 201 crore. The INR 201 crore is the impact of the 3 subsidiaries. So, this is message number one.

Now, if we look at the adjusted EBITDA, at the standalone number, the adjusted EBITDA has improved from INR 381 crore to INR 427 crore. So, a 19.7% top-line growth, a 12.2% growth in adjusted EBITDA. Similarly, the EBIT has remained range-bound from INR 365 crore to INR 359 crore. Finance cost has marginally increased as the borrowings have increased, and we'll discuss in detail.

And the adjusted EBITDA had improved significantly from INR 188 crore to INR 207 crore. So, 10.1% growth in adjusted EBITDA, which is 3.3% adjusted PAT margin, and we have given the outlook for the future EBITDA margin, which our MD has said is between 6.8% to 7.5%, which is in line with our early projections and an adjusted PAT of 3.5%.

So, during the year, we have given you updates of 16 stores. Our non-East revenue is INR 1,150 crore, which is around 18% of the total revenue. Stud ratio has given a range bound, and it has grown very significantly in Q4, and we are hopeful and confident that with the growing interest, the stud ratio, which we have been looking for a 15% range in 3 to 4 years, we'll achieve that.

The rate of interest is a very important factor. So, you are aware that the Gold Metal Loan, there was some scarcity in February and March. So, the Gold Metal Loan rate had increased from around 3.6% to 6.6%, and the blended rate has increased from 5.9% to around 7% in Jan, Feb and March. However, we are confident that the way it is shaping up, there will not be any significant impact on the Gold Metal Loan price.

If we look at the balance sheet, the balance sheet size has increased from INR 3,715 crore to INR 4,733 crore, an INR 1,000 crore increase in the balance sheet level, which is primarily on account of increased inventory. So, inventory has increased by INR 819 crore primarily, it is an increase in inventory and increase in bank FD and margin.

So, the bank FD and margin increases due to the higher borrowing and higher hedging ratio, etc., which has been funded by net worth. So, the QIP funds, which we raised, the QIP funds have been used for working capital purposes, and a part of the QIP funds are still in FD, which we use in course of time.

And Gold Metal Loan has increased by INR 272 crore. A very important point we want to raise is that our Gold Metal Loan, which was earlier appearing in the financing activity in line with the industry patterns and discussion with the statutory auditor, we have reclassified it as a part of operating cash flow, which is visible in the face of the balance sheet. And the operating cash flow has also improved.

So, during the year, there is an increase in inventory. So still, the operating cash flow is good. The inventory quantity has also increased overall, which we'll discuss in detail. The financial ratios, which you see in the presentation, particularly the return on equity and ROCE, optically, will look to have a downward trend. But what we want to explain is that these are the costs of investment.

Whenever you grow, the ROE, the equity will not yield you the 20% or 21% return in the same year. So, we look at our return ratios in a long-term fashion. We are a growing company, while my existing portfolio will give me 20% blended return, but the new portfolio will give me high return.

So, with that, I close my discussion. And if MD sir has to add something, kindly add or we can proceed for any Q&A session now.

Suvankar Sen:

No, just to add to what Mr. Banka said, that our same-store sales growth has continued to be in the range of 15% to 16%. So that has been a very strong number. And even though the stores have been existing for a long period of time, whether it is our old customers who are coming and buying their products or new customers that are getting aligned to the brand and getting engaged with the brand, we continue to grow with our same-store sales growth of 15%.

And also, as I mentioned to you that the old gold exchanges that had gone up to 40% of the overall sales, out of the old gold that comes into our system, and I've been saying it before as well, more than 60% of the old gold is the non-Senco old gold that is coming to us, which is, again, I would say, reinstating and reimposing the fact that the shift from the unorganized

segment to the organized brands continue to remain in this scenario as well, and consumers are preferring to buy from brands and organized jewellers.

So, with this, I think we are opening up the discussions for the Q&A. So, feel free to ask questions. Thank you very much.

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

Videesha Sheth: So, my first question was, I mean, I do understand that margins need to be looked at from an annual basis, and we have to ignore the quarterly vagaries. But just to understand the cost a little bit better, what led to the 25% or 27% increase in the employee spend? And on the other hand, you've seen a 13% decline in the other operating expenses for the quarter?

Sanjay Banka: So, Videesha, as you said that our turnover, which was around INR 1,362 crore, is one of the highest in the last 3 years. So last year, it was INR 1,130 crore and the previous year it was INR 813 crore Q4 turnover. So, you are comparing this number against Q3 or Q4? That is the first question.

Videesha Sheth: Sorry, I meant on a Y-o-Y basis?

Sanjay Banka: Y-o-Y. Correct, correct. So Y-o-Y itself, the top line has grown by almost 20%, right? So now what we see is that it is never exactly symmetrical because a lot of stores come up at different points of time. So maybe when you are looking at the Q4 number last year and then the cost base has increased.

So when the cost base increases to, let's say, by 16 stores and which also occurred during quarters 1, 2 and 3 the cost base is not the same. In the previous year, if the store is opened even in Q4 in February or March. So, this year, the impact will be for the full 3 months, then there is an increment because we are investing substantially in our people, in our training.

And also, as the market is competitive, we have to keep our employees motivated with incentives and rewards. So, this is the impact of the overall scheme, which you will see in the financials.

Videesha Sheth: Got it. So just to clarify, would there be any hedging-related expenses on the opex side that's been accounted for?

Sanjay Banka: No. See, hedging-related expenses, we have explained in detail, kindly refer to my document. Hedging expenses, depending upon whether it's a fair value hedge or a cash flow hedge, it will either be adjusted to cost of goods sold or will be separately disclosed in the financials as other income or other expenses. So, if there is no other income or other expenses, they will never be clubbed under the general opex. Kindly refer to my detailed document on hedging.

Videesha Sheth: Sure. Moving to the second question. What led to the increase in inventory days from, I think, around 170 FY24 to 190 in FY25? And how should one look at it going forward?

Sanjay Banka: So, inventory days, we have said earlier that we are a growing company. The number of stores is increasing. Particularly, if you look at the competitor, I understand the inventory days are in

the range of 170 to 180. This is still 166, right? It has increased from 151. So as we are looking forward to increasing the diamond sales, the diamond inventory days increase.

And as you go hyperlocal, right, with a higher spread outside East, which is 20%, there are experiments which you have to do with a hyperlocal continuously shuffle. So these are the regular processes. But these are, to my understanding, within the industry norms and slightly better than the top players in the industry.

Suvankar Sen:

And also, Videesha, because of the increase in gold price, we have seen that the sales have also been seasonal. And like, for example, if I consider the whole year, just to summarise, if we see what has happened throughout the year. In April and May, it was the election season. And we had seen that the overall sales, even though we had grown, it was against the various challenges in the external market.

Then, when we looked at June, July, prices had gone up. In August, the duty got cut, and there was a bumper sale in August, and we were running short of inventory because there was over, I would say, unexpected sales. Then in September, before the festive season, prices shot up and there was a little bit of slowdown. Then in October, for Diwali and Dhanteras, we had seen very good sales happening, then November, December was the wedding.

Then again, January, February, March, the wedding sales continue to happen, and the diamond sales picked up from the month of October, November up to, say, March. So, the whole year has seen a lot of ups and downs in terms of the growth in sales or the slowdown. And with the increase of 30% to 40% in gold price, we can only reduce the inventory at the stores to a certain extent to optimise, but we also need to be ready to cater to the consumer demand whenever the sales are in demand.

So that has been another reason I would say that the gold price rise and the perfect planning that we are continuously trying to do is making this number of days what it is.

Sanjay Banka:

Sir, if I can add, like as you rightly said, gold prices, which were in the range of INR 7,639 to INR 7,675 in Q3, they improved substantially to INR 7,689 to INR 9,012. That means INR 7,675 ending increased to INR 9,012. That is one factor. And Videesha, once again, we have to continuously grow.

So the March number is always higher because this is a readiness for Akshaya Tritiya. And we have already talked about our Akshaya Tritiya sales. So the March number and September number will always be higher because September is ahead of Dhanteras. So this is an investment in future. We don't look at it as idle inventory. These are clearly an investment in future. And when we are looking at our long-term goal, we are very confident that we are managing our inventory very efficiently.

Suvankar Sen:

And this time, Akshaya Tritiya was also in April rather than in May. So we have to be ready for inventory in the month of March itself.

Videesha Sheth:

Understood. So, just as a small follow-up to this. By when do you think the ROCEs could inch back to 18% to 20%? Is it a 3-year, 4-year, 5-year timeline that you have in mind?

- Sanjay Banka:** See, we are looking at 16% to 17% in the next 3 to 4 years, right? And even during QIP and IPO, we were cognizant that as we raised funds, we raised the IPO funds and QIP funds and PE funds (so these have got diluted). But yes, our existing portfolio is giving us this return. In 3 to 4 years, it will inch back to 17% to 18%.
- Videesha Sheth:** Just last one question from my side. Can you just elaborate on what initiatives can be undertaken to improve the organic growth profile in the non-East region of the country?
- Suvankar Sen:** So rather than getting too much into the strategy, we will tell you that in terms of brand building, marketing expenditure, connecting with the consumers, creating designs as per the local taste and preferences. I think these are the ways in which we are continuously gathering and attracting consumers in the non-East segment.
- And if you look at the numbers overall, we have grown by 23% in the non-East segment also. And as the brand is getting stronger and the awareness level of the brand is increasing, then the inquiries and the leads for franchisees in the Tier 2, 3, 4 towns and cities of the non-East segment of India is also increasing, and we would like to grow into the smaller towns using our franchisee model as well.
- So I think that at one end, we have the brand building, we have the product strategy. And if I may say that in terms of the diamonds, in terms of design for diamonds and in terms of trying to be as competitive in the diamond segment, we are trying our level best to remain attractive to the consumer. So I think that product strategy, branding and distribution. These are the three broad methods by which we are penetrating and growing in the non-East segment.
- Videesha Sheth:** Thank you. That's all from my side.
- Moderator:** Thank you. We'll take the next question from the line of Vishal Gutka from ASK Investment Managers. Please go ahead.
- Vishal Gutka:** A couple of questions from my side. So first was the interest in Gold Metal Loan after seeing a spike up around 6% to 6.5%. Can you give a flavour of what is happening as of now? What are the rates as of now, ongoing rates?
- Sanjay Banka:** So, Vishal, the ongoing rate was higher because there was a very short supply of gold in the market. It increased from 3.2% in Jan to 5.3% in February and 6.6% in March. In April, it came down by 100 basis points. May we are still talking.
- So, there is a good availability and considering all the cold war, which was there, the uncertainty has come down. So the blended interest cost is higher even today at 7% as against 5.9% earlier.
- So, we are given to understand from the banks that this will further come down. So max, if I hazard to take a risk for the entire, that will amount to around, let's say, 1% on INR 1,000 crore is INR10 crore on a base of INR 10 crore on a top line of around INR 7,400 crore, INR 7,500 crore. So, not a major issue now at all.

- Vishal Gutka:** Do we expect it to settle down to the original level or it will remain elevated above the original levels?
- Sanjay Banka:** As I said, it is very difficult to hazard the guess. I think that it will still be 100 basis points higher than the earlier rate. But it may come down. Let's wait and watch. We will give you an update once the quarter ends.
- Vishal Gutka:** Got it. And second question is on the diamond pricing that Suvankar was highlighting. I think national diamond prices have started moving up. So broadly, Suvankar, if you can highlight what kind of price increase that you have in last 1 year? And what is the exit rate as of now because none of the jewellers have highlighted this point that with regards to, they are seeing a big traction in terms of what you call diamond jewellery sales coming back in fashion?
- Suvankar Sen:** But I think that in terms of sales of diamond jewellery, what we had seen in the H1 of the year, H2 of the year has been that much stronger. And the volume growth that you have seen happening in Q3 or Q4 and May, there is this traction. Maybe the others will soon update as and when they think it is fit.
- But that shift and that sale that we are seeing is for 2 reasons. One is that the high gold prices making the consumers look at 18-carat and 14-carat jewellery with diamond as an option to buy. And the second is that the sentiment, which I again may be repeating that diamond prices are not a good investment, and the prices have come down. Those were the sentiments in the first half of the year for 2024.
- But I think even at the international level, we are seeing a marginal increase in the diamond prices of solitaire. And the smaller size diamonds were not that much impacted in terms of price fall anyways. So, I think that there, again, we are looking at the demand happening and coming back.
- So, solitaires have grown in terms of prices, I think, around 4% to 5% from what it was maybe a month or 2 months back. And that is the good sign. Just the public news about diamonds, we had one of the Peer shutting down their lab-grown diamond company, which are small, small signal that they are also want to focus on growing their natural diamond business.
- So, this is how I think the market is playing out. Lab-grown diamonds will remain a segment to look at for the fashion segment and natural diamonds will be a segment to look at for your special occasions. And the small-sized diamonds are something that is selling even more in natural diamonds.
- And that in terms of design and how people bring out the concept, it will continue to be something to look at. And at such high level of gold price, let me tell you that purity in terms of 14 and 18 carat will only grow and diamond jewellery should be growing at these high gold prices. So that is my take on it.
- Vishal Gutka:** Got it. Got it. And last question from my side. Suvankar, the growth rate of 18% to 20% looks relatively on conservative side given that we are seeing 30% increase in gold price on a Y-o-Y

basis. Plus 10% store addition you're planning to do for the entire year. So, your thoughts on this?

Suvankar Sen:

See, last year, if I say that we were INR 5,300 crore to INR 5,400 crore, and we had aimed for 18% to 20% growth. And today, we ended the year close to INR 6,300 crore. So that is where we are saying that we will continue to commit in terms of what we feel is possible, and we will try to work hard towards achieving the numbers higher to that.

But as far as the expectations are concerned, the gold prices have moved up. But we are also seeing that the volumes are not moving up yet unless the gold prices correct. And the consumers are looking at jewellery, which is of lighter weight and lower purity. So that is something that we need to also keep in mind. And the new stores will continue to get added. So, it will be wonderful if the growth rate is more than what we say. But for all of your analysis and numbers, I think 18% to 20% is a good number to begin with.

Vishal Gutka:

Got it. Thank you Suvankar and team. Wishing you all the best for FY26.

Moderator:

Thank you. The next question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal:

Congratulations on a good execution and an encouraging margin outlook for FY26 as well. Sir, my question is on the growth capital, right. So, balance sheet is a bit stretched due to, obviously, there is a strong spike in gold prices and we are planning to add about 8 to 10 company-owned stores as well, right? So interestingly, with the QIP raise, the debt-to-equity ratio has now come down to 0.9x versus 1.1x last year.

So I just wanted to check as in from a growth capital perspective, would debt be a more attractive option as of now because our balance sheet sort of allows us the leverage option? Or what is your thought process on the growth capital side?

Suvankar Sen:

So Devanshu, from a strategic point of view, obviously, we are aware that opening more and more franchisees is a much wiser thing to do and the correct thing to do in this kind of a scenario. And to give you a kind of perspective that there are a lot of inquiries that are getting generated in terms of franchisees also. We are analysing, checking locations, all kinds of analysis to get the right partners and franchisees.

So, from a strategic point of view, it will always be better to open more franchisees than your company-owned, company-operated stores in this scenario. And that will be our plan. But if we need to open 18 to 20 stores, we will make sure that, keeping our policies in place, we will open minimum 10 franchisees. If that becomes 12, then obviously, we will have lesser number of company-owned company-operated stores of, say, 5 to 6.

But we need to get the right partners to get that as well. So if I may say 8 to 10 company-owned company-operated stores and 8 to 10 franchisees, that number can become 6 and 13 or 14 as well. But the balance sheet stress in terms of taking more and more funds. One thing we feel is that in today's day and time, the gold prices have moved up by 30% to 40%.

So the assets that we are holding in terms of the inventory at the stores, the value of those assets have gone up. But if you look at in terms of quantity of gold that is there at the stores and the stocks that are needed to be there to sell to the consumers, we are not building up higher quantities, but we are rather optimizing in ensuring that, that kind of product is kept at the store, which is most sellable.

So that efficiency and optimization is continuously happening. And so that worry of the balance sheet building up is not really there. And yes, the sales team are focusing on building up more and more franchisees. But we will only inform to all of you on that as and when we are doing it. But as we begin the year, we will try to have a conservative approach of 8 to 10 own stores and 8 to 10 franchisees.

Devanshu Bansal:

Sir, fair point. I just wanted to have some basic strategic thought process behind the debt-to-equity comfort levels, right? So currently, obviously, we are at a suboptimal level versus the industry levels also. So as of now, since the cash is limited on the balance sheet, what is the comfortable level of debt-to-equity that the company would be targeting for?

Sanjay Banka:

Devanshu, if you look at the peak debt-to-equity, March '23, it was 1.7x, March '22 was 1.3x. And last year, it fell to 1.4x then 1.2x. So it is about what is right at a particular point of time. And this industry being highly cyclical, the decision has to be taken at a moment of time, but the decision has to be taken from the right perspective.

I think if I give you a straight answer, we won't raise any funds by way of equity to meet any demand and pressure for growth. It will be managed from internal accruals and debt-equity ratio and continuous inventory efficiency improvement is the core mantra. So the CRM, hyperlocal inventory efficiency movement, improving inventory turn they will continue to be our strategic pillar to manage the growth aspirations.

Devanshu Bansal:

That is pretty clear, Mr. Banka. Secondly, I wanted to touch upon another aspect is around customer growth, right? So we have been expanding stores by almost 9% to 10%. But even if we look for the complete year, I guess, our customer growth or invoice growth has been about 5% to 6%, right?

So, Suvankar, how do you read this? I mean is this just because of inflated gold price? Because the general fear is also that this industry may lose its shield because customers are not coming, maybe they may need to lead for purchasing the jewellery and all those things. So what are the steps that the company is sort of taking to improve the customer level growth or the invoice level growth?

Obviously, gold price increases, volume decreases; that is understandable. But what are the steps that, as a company we are taking to improve the invoice growth?

Suvankar Sen:

So Devanshu, it is how you're looking at it. So one is that the number of invoices has grown by 5% to 6%. But if we look at the footfalls of the consumer with the new stores getting added or even in the same-store sales growth that we are seeing around 14% to 15% in terms of value, the footfalls have gone up by almost 16% to 17%.

So therefore, the perspective is that the consumers are becoming diverse. There is one set of consumers who are adding to any of the jewellery companies is the wedding customers. They have weddings in their family. So that consumer is coming, they're buying for their wedding or the family is buying jewellery, they're exchanging their old gold and taking a new design. So that is the one segment of customers.

And the other segment of customers is where they are buying gold or diamond for their everyday wear basis or their special occasions. So that has been the diversity of the customer in terms of what they are coming and buying. Volumes have taken a hit because the gold prices have gone up about 30% to 35%.

So people are looking at lighter-weight jewellery. But if I may say, it doesn't really change the broad perspective and fundamentals that, oh my God, prices have gone up, and we will lose customers. Jewellery is something that will continue to remain a very, very strong, I would say, segment for weddings, for gifting.

And Devanshu, one more aspect that you are looking at for us, at least, we are also having a lot of other low ticket size options in terms of silver and fashion jewellery. So that has also been a great opportunity for us to keep on connecting with the customers. If I look at silver as a category, while we have spoken of gold and diamonds, we have seen that the silver utensils and silver items and jewellery has grown by almost 20% and above in terms of volume as well.

So there has been that as a segment also, where consumers are coming and buying in small ticket sizes. We are exploring opportunities of having shop-in-shops in various departmental stores, keeping our silver jewellery segment there. So I don't see it as a worry. We just need to solve the problem of the customer, of creating jewellery, which is within their ticket size and budget.

So, footfalls have been mostly growing. And again, I'm telling you that 21% growth in terms of footfalls, even in this challenging time. Therefore, what is happening is that when the prices suddenly shoot up, we see less footfall at the stores. But when the prices correct or there is a special occasion happening, then we see that everyone wants to buy during that period of time.

So I think that we need not worry on the way that you are looking at. We just need to wait for the right time, be ready for the right moment. And I think coming this Q2, in this scenario, we need to expect a very positive monsoon. And once the festive season started, so this time, the Navratri start in the end of September, Diwali is in the middle of October.

So once we are over with, say, July, from August onwards, the festive will start, and we are very positive and optimistic about the festive season.

Devanshu Bansal:

Understood. Sir, just last small follow-up here. As in gold prices have sort of moderated a bit. So can you shed some light as in, is Q1 so far trending in line with the 18% to 20% expectation for FY26? Just small comments?

Suvankar Sen:

Yes, yes. Devanshu, I had said it in my speech as well. So we are growing at around 18% to 19% as we are towards the end of May. This time in April, we had a very good Akshaya Tritiya and New Year. Therefore, it has been a very strong number, and that is how it is.

- Devanshu Bansal:** Very clear, sir. All the best for the coming years ahead. Thank you so much for taking my question.
- Moderator:** Thank you. The next question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking. Please go ahead.
- Bhavya Gandhi:** Sir, my first question is regarding the advertisement and marketing spend for the quarter. Because our revenue grew 21% on a Y-o-Y basis for this quarter, but our other expenses have fallen 13%. So what has driven lower other expenses? If you can provide some clarity on that front?
- Suvankar Sen:** Advertisement expenses have fallen, right? Is that what you're saying?
- Bhavya Gandhi:** Yes. I just want to understand because advertisement is a major component, right?
- Sanjay Banka:** Yes. So Bhavya, if you look at our total advertisement expenditure, which was INR 103 crore last year, it has increased to INR 106 crore, right? So see, this is one expenditure of the investment where the management had its discretion, and it is calibrated based upon market demand, right? So if we see there is a good demand, then there is no need to spend money. So our expenditure is less than 2%. It has increased. Your question is on the quarter versus last quarter versus this quarter?
- Bhavya Gandhi:** Yes.
- Sanjay Banka:** I'm giving response. I'm on Slide number 42, serial number 4, and you are comparing the fourth line. So INR 31 crore last year versus INR 17 crore last year, right -- this year. So, actually, it is not exactly comparable. There are timings of expenditure. And sometimes if I have already done the brand building in Q3, so there is no need to spend exactly in Q4.
- It is a very dynamic expenditure. If I have incurred a good BTL outside Bengal ahead of the entire year, I will not spend in current year. So we prefer to look this expenditure for the whole year. Every expenditure is not same on a quarter basis. So you can look at HR expenditure in the quarter, revenue for the quarter, but not the marketing expenditure.
- Suvankar Sen:** And also in Q3, we had the Navratri, the festivals, the wedding, everything was there in Q3. And we wanted to ensure that in Q4, we bring in more efficiency. And we could see that there was an automatic traction from the consumer side in January and February. So we were very conscious of bringing efficiency, and we controlled the budget accordingly. So that's how we looked at it.
- Bhavya Gandhi:** Got it. And sir, just wanted to understand the unhedged portion, which is there in our books basically. And if you can just provide a scenario in which if the gold price remains stagnated or if they are falling, do we see any inventory loss on our books? I understand majority is hedged, but on the unhedged portion, how much is it at the moment? And if you can throw some light on the gold price movement?

Sanjay Banka:

Bhavya, we have discussed a lot about our hedging policy strategy. I would like to request that you kindly look at our detailed document. But to give you an answer, we've always said we are 60% to 80% hedged, right? Sometimes it can cross 80% also. And that is at the inventory level.

So there are two aspects of hedging. One is on the inventory level hedging. So when we talk about the losses on the inventory, there will be no loss. It will be an unrealised loss, unrealised gain if the position is squared up in the next quarter. The question is whether, whatever gold you have sold in the current quarter, assuming a 6-ton of gold sales, assuming a 1,500 kg of gold sold in a quarter, whether you have purchased the same quantity or not.

If I sell gold at a higher price and purchase at a lower price, then there will be an unusual realisation gain, which will go into the gross margin, right? So there is no unusual inventory gains or losses or realisation gains or losses. So let us look at the hedging as a part of our gross margin as an integral to our business and not as a separate activity.

Bhavya Gandhi:

No. So I mean, logically asking, say, for example, if next 1 or 2 years, if gold prices remain stagnated. I understand that you replenish the quantity of gold in terms of kg. That is the right understanding. Is it right? But if the gold prices remain, if you can just throw some light on the demand, how does the demand move in a gold price downward scenario? And overall, maybe for 2 years, how do we see the gross margins or EBITDA margins for that intermittent period?

Sanjay Banka:

So if the gold price falls, there will be immediate demand because customers will come in droves, right? Those who have purchased will remain in shock. But if the gold price remains stagnant, stable prices, then the demand will increase. And in stagnant prices, the hedging impact will be lesser. It will give you a more stable gross margin. So in case of stable gold prices, the gross margin will be stable.

In case of volatile gold prices, there may be a timing gap in the gross margin despite best of the effort, and they can move from one quarter to another. But over a period of 3 to 4 quarters, you will see a smooth margin. So to answer your question, we look at a stable EBITDA margin of whatever our MD has said, 6.8% to 7.2%.

If I can make it slightly better, 7% to 7.5%. So we look at a 7% to 7.5% every quarter, but it may not happen. But if you look at 3 to 4 quarters, it will surely happen. And that is the past trend. So the only anomaly which we saw in the Q2 and Q3 this year was due to the customs duty impact. So that's why you saw a slightly lesser EBITDA margin, which has become stable in the current quarter.

There may be a very one-off impact, let's say, the diamond sale is lower or if there is one season where you have to offer a bigger discount. So that's all. But 7% to 7.5% EBITDA margin, one can very comfortably build in the model. That's our understanding.

Bhavya Gandhi:

Fair enough. Thank you so much. I will get back in the queue. Thank you so much.

Moderator:

Thank you. We'll take the next question from the line of Satyajit Sen from Value Research. Please go ahead.

- Satyajit Sen:** I just had a couple of questions. First of all, what percentage of the inventory do we get from third-party manufacturing?
- Sanjay Banka:** Third party, if you look at our presentation, third party is around 20% to 21%. If you look at our quarterly presentation, you will find that number. Around 20% to 21% we buy traded jewellery, the balance around 70% to 75% is from the karigars. So, in-house manufacturing is 4% to 5%.
- Satyajit Sen:** All right. So another simple question is that some of the third-party manufacturers, one of them is listed, is earning around net margins of around 2% to 3%, similar to our company. So my simple question is that why don't we do our own manufacturing, I mean, to add to our own margins?
- Suvankar Sen:** So we are doing our own manufacturing to a certain extent. But in order to get the variety of designs and every manufacturer has their own strong USPs in terms of designing and style, and category of jewellery. So like, for example, sitting with our head office in Kolkata, I have always said that we have a big strength in terms of getting access to our karigars.
- And for the industry, I think in the long run, that will give us an edge because most of the karigars working across the country come from the villages and small towns in and around Kolkata. So that is a strength in which we are strong in handcrafted jewellery and the access to karigars.
- But again, in terms of designing, machinery, and certain new technology, there are other players who have invested in those. So we need to get that variety and design from them. But parallelly also as a company, we have our own units and factory, which is trying its level best to utilise its full capacity and make machine-made and modern jewellery along with the handcrafted jewellery that we are making from the job workers.
- So it's there very much in our plan, but it cannot happen overnight. It is going to be a gradual process.
- Satyajit Sen:** All right. today, it's 5%. Are we planning to increase it to about 10% to 20% maybe in future?
- Sanjay Banka:** No, no, I don't think so. As the volume increases, it will be a matter of time, but we have said it will be 5%, maximum 5%. I'm looking at one of the other players. So your question was why not manufacturing? So a B2B business is at risk of trade receivable, okay? So if you look at the one other such player, 80% of their net worth is stuck in trade receivable, 80% of net worth, okay? So that is one.
- So it is a matter of cash flow also, then there are other issues. I think everyone has a business strategy, we feel that we are very comfortable. We have run this business. We have competence and expertise in our business. We don't look here and there. And we have a huge opportunity in the current business itself.
- We are looking at INR 90 billion market. A B2C market is always better. It is valued more because you have a direct reach to the customer, vis-a-vis a B2B business where you are dependent on a retailer. So I think that is where the market places more value on any business which has direct reach and connection to the customer.

- Suvankar Sen:** And from a supply chain perspective, we are only going to grow in the future. We will need stocks in a timely manner. We will need the hyperlocal design as we grow across the country. So there are pluses and minuses, we need to balance it, but we will need the support of all our fellow vendors whom we consider as vendor partners and we will need to grow together. That is how we are looking at it.
- Satyajit Sen:** All right. Thank you.
- Moderator:** Thank you. We take the next question from the line of Pallavi Deshpande from Sameeksha Capital. Please go ahead.
- Pallavi Deshpande:** Sir, I just wanted to understand the diamond portion of the inventory. Would it be roughly 10%?
- Sanjay Banka:** The diamond component accounts for approximately 13% to 14% of the total inventory.
- Pallavi Deshpande:** Right. And sir, this big fall in the diamond prices in the third quarter, which we saw, would we have written down the inventory in the third quarter or was that included in our hedging loss of INR 90 crore that you stated in third quarter?
- Sanjay Banka:** No. See, first of all, hedging is done only on gold and not on diamonds. Secondly, the big fall, which you are talking about, has not happened in the Star and Melle category, which we sell. So, almost 85% to 90% of our diamonds are below 0.10 cent to 0.12 cent. There, the price fall has not happened. Price fall has happened in a higher-end, let's say, solitaire. And even if I call 0.30 cent, 0.40 solitaire in that category, it has happened.
- So we have not taken any hit on the diamond inventory. Rather, last year, we increased our diamond prices. We've already grown almost 39% plus in Q4. This quarter, we are also growing. So there is no question of us taking any hit on the diamond price. We have rather built up our diamond inventory during this crisis time. Our strategy is entirely different. When the market goes a different way, we take a controlling view to take the leadership position.
- Pallavi Deshpande:** Right, sir. Sir, my second question was just again related to this hit in the third quarter that we had of exceptional hit. So that was a hedging loss on the gold jewellery, is what you have?
- Sanjay Banka:** See, in Q2 and Q3, we have taken a hit of customs duty, and most of the other players have taken a custom duty hit.
- Pallavi Deshpande:** Apart from that?
- Sanjay Banka:** Apart from that, I will once again restate the same thing that we do hedging as a part of our business, and we will continue to do hedging. Hedging will always have an impact. We don't call hedging impact a loss. So when the gold price rises, due to the price rise, we will have a realization gain. And since we are doing hedging, there will be an adverse impact due to the hedging.
- We don't want to call it a loss. It's a part of the price rise gain and the hedging impact. And hence, you have to look at the gross margin and EBITDA from that perspective. Yes, our EBITDA margin has fluctuated earlier, which we've explained in detail, but it was

disproportionate due to custom duty, it has stabilized, and we are hopeful and confident and we'll try to give a very stable EBITDA margin to the market, but it will all depend upon the extent and momentum of volatility.

Pallavi Deshpande: Right. And sir, I wanted to know what is the promoter stakes? I'm having calculating that?

Sanjay Banka: Promoter stake has been disclosed in our quarterly presentation. It is 64.33%, Kindly go to our quarterly presentation. It is 64.33% on Slide number 45.

Pallavi Deshpande: Right. And sir, lastly, the franchisee stores, the stud ratio is lower there. So I wanted to understand what the outlook is on the stud ratio. Also in Tier 3 and 4, you're seeing more growth. So will that not impact the stud ratio negatively?

Sanjay Banka: See, the stud ratio, what we informed you is that 10.9% is a blend of own-store and franchisee store and a blend of various zones. So in one of the calls earlier, we said that our own-store stud ratio is around 14%, if I remember correctly, 13.5% to 14% and obviously, franchisee is working in Tier 3 and Tier 4. So there, the diamond demand will be less, right? So 12.2% and 8.6% will be blended.

Incidentally, we have opened a store in the Central region, where the franchisee's stud ratio stands at 17%. That is only a single store, okay? Otherwise, in West Bengal, East and Northeast is around 8.5%. But our own-store, Delhi NCR, is 15.3%. While my national average is 12.2%, Delhi NCR is 15.3%, and my Chandigarh store is very high.

Even in Kolkata, the store is very high. So we clearly look at a very good stud ratio. It can go up to 18% also, while very conservatively, we are saying 15% in the next 3 to 4 years.

Pallavi Deshpande: And the new store openings will be primarily in North or other regions?

Suvankar Sen: Primarily, The new stores opening will be a combination of North and East. So we say that 70% to 80% of the stores will be in North and East of India and the remaining 20% of the stores will be in the West and South of India. So that is how we will be focusing on the growth part because as one of the strongest players in the Eastern part of the country, we will want to penetrate deeper and deeper into the Tier 2, 3, 4 towns and cities of the East.

And North being our next core focus area, through owned stores and franchisees, we will penetrate into the Northern part of the country. So that is how we select.

Pallavi Deshpande: In FY25...

Moderator: Pallavi I am so sorry to interrupt may we request you to rejoin the queue for further questions.

Pallavi Deshpande: Okay.

Moderator: Thank you. We take the last question from the line of Deepak Lalwani from Unifi Capital. Please go ahead.

- Deepak Lalwani:** So first question was on Melorra. We entered this master franchisee agreement. So if you can explain how the business model will work, how many offline stores, and how is it online? Secondly, any investment that we need to do on the store inventory, etcetera? And is there a plan to take up shareholding in this company? This is the first question.
- Suvankar Sen:** So I just talked about the agreement. It's a short-term agreement that we have done. And here, as a master franchisee, we are managing the stores. You have to understand the strategic initiative that we are taking in an effort to connect and target the new generation Genz/millennial customers. So that is the strategic focus. And also through that focus area, we want to increase our diamond jewellery sales and the stud ratio.
- So as a company, with that broad thought process, of acquiring new customers, new generation customers, increasing the diamond jewellery sales, we are taking various efforts and initiatives, and this is one such effort and initiative. Through the master franchise agreement, this is like one of those types of stores and it is only lightweight, fast-moving, everyday wear jewellery with a higher share of diamond-studded jewellery.
- Yes, we will continue to invest in and expand the creation and production of diamond-studded jewellery. And with this high gold price, as I said, we are looking at 14-carat jewellery that is selling more, 18-carat jewellery selling more for office wear, everyday wear. And I think that is where we want to explore the opportunities through this strategic tie-up with Melorra.
- And as far as your question on the future is concerned, I think that all I can tell you is that we are doing due diligence, and this is just a short understanding that we have done with them. But on further due diligence and analysis, we will take a future decision. So that is how we would like to look at it.
- Deepak Lalwani:** Okay. Understood. And if any further decision is taken on this, what kind of capital investment would it be? Do you think that we will be requiring to invest in reviving the brand because this brand has not been in the market for the last 2 to 3 years? So what kind of investment that is one?
- And any impact on financials that we should expect because this is loss-making currently? Any impact on Senco consolidated financials that we should expect because of the losses in Melorra in FY26?
- Sanjay Banka:** See, this is a UPSI information. At this juncture, these are strategic numbers. We will not be able to share the numbers. Let the bridge come, then we'll cross it.
- Suvankar Sen:** As and when things and decisions are taken, we will keep updating the market. So I think this is too early to expect or forecast how anything will happen. So let us wait and then rest assured, as and when things happen, we will have a discussion and update you on the same.
- Deepak Lalwani:** Understood. Sir, on the balance sheet part, the debt and inventory, I understand that it's seasonal, but how much more debt and inventory should we expect and budget for the new stores for the full year?

- Sanjay Banka:** We are currently looking at an additional working capital requirement of approximately INR 300 to INR 400 crore. Based on our projected PAT, a debt-to-equity ratio in the range of 1:1 to 1.2 is considered comfortable. However, this remains subject to fluctuations in market prices.
- So when you compare the debt working inventory value, optically, it has increased by INR 821 crore. But a major part of it, almost INR 500 crore out of this is due to rate variance. So out of INR 821 crore, INR 500 crore is only due to rate variance. INR 321 crore is on account of new stores and diamonds.
- So very clearly, now this impact has come on the balance sheet, which last year was funded by our QIP funds and borrowing. So if the gold prices remain stable, which we expect them to remain in the range of INR 3,300 to INR 3,500 for FY26, I think maximum INR 350 crore incremental borrowing is what you can look for.
- Deepak Lalwani:** Understood. Sir, last question on the volume growth in diamond that we saw in this quarter, is it like a onetime phenomenon? Or are we seeing growth continuing in Q1 as well? Why I'm asking this is because has lab-grown given a setback or has volatility in the price given a setback? So just wanted to understand the growth outlook in the diamond sales?
- Sanjay Banka:** See, the diamond price definitely in Q4 was disproportionate because there was no growth in the earlier quarters. And despite this growth, the stud ratio has remained in the range of 10.8% to 10.9%, which is similar to the last year. So while the value growth has happened, but the volume growth is only, I think, some 3% to 4% overall.
- Similarly, lab-grown diamond, I think one more large player has talked about entering into lab-grown diamond. But long term, we feel that lab-grown diamonds will create a new set of aspirants who will ultimately convert into a real diamond. So overall, as we said, total 18% to 20% growth, obviously, 14% to 15% SSG. So this growth has to be contributed by gold and diamonds both.
- So on a safe level, a maximum 15% to 20% diamond growth we can look at, which will purely be driven by the volume. Price increase will not happen. So we can look at 15% to 20% diamond volume growth.
- Deepak Lalwani:** Understood. Sir, on that number, if you disclose what is our Q4 and FY25 gold and diamond volume growth separately for Q4 and FY25?
- Suvankar Sen:** So the Q4 FY25, volume growth in gold was minus 6%, but the volume growth in diamond was 21%. So that is the Q4 numbers.
- Sanjay Banka:** And sir, full year number I have, full year number gold volume is around minus 3% overall, which means around 38% price rise, 21% value rise, around 3% volume degrowth in the full year and 2% diamond volume growth. So this 2% diamond volume growth is not fully to our expectations. We look at around, as I said, 15% to 20% volume growth. Otherwise, the growth has to come by increasing the prices, for which the opportunity is not much.
- Moderator:** We take the next question from the line of Pallavi Deshpande from Sameeksha Capital.

- Pallavi Deshpande:** Just wanted to continue on that. Where will the new store openings be -- sorry, where were the new store openings happened in FY25? Which Tier 3 or was it more on metro...
- Suvankar Sen:** The new store is happening, ma'am, out of the 16 stores that we opened, 6 were franchisees that happened in the smaller towns because that's where most of our franchisees are opening. And 1 Sennes store was in the metro city. And the remaining 8 to 9 stores that we opened have been in the East India, Kolkata, Delhi NCR, and Pune.
- Sanjay Banka:** Gwalior also we opened, Varanasi Bhelupur, we've opened.
- Suvankar Sen:** Varanasi Bhelupur is a Tier 2 city. So, but focusing on East and North India.
- Pallavi Deshpande:** Would it be fair to say that it was more metro and Tier 1, the own stores?
- Suvankar Sen:** No, not more metro and Tier 1. I think that 6 stores were in Tier 2, 3, 4. 6 to 8 stores in Tier 1, Delhi NCR, Kolkata, in and around Kolkata suburbs. That is how you have to look at it. As a franchisee model that we want to grow, again, the strategy is to focus on the smaller towns. So that is the way that we want to penetrate the market.
- Pallavi Deshpande:** And this Everlite store will be totally different, right, from the guidance that you've given?
- Suvankar Sen:** Yes, we recently opened an Everlite store in Ranchi, and in April, we also launched one at the Andheri Metro Station. The Everlite store format is designed either as a franchisee or company-owned model, with a focus on everyday wear and lightweight jewellery. These stores primarily cater to the INR 20,000 to INR 50,000 price range, with a ticket size generally below INR 1 lakh, and a product mix comprising 50% to 60% diamond-studded jewellery. This reflects our strategic approach for the Everlite store format.
- Pallavi Deshpande:** So that's not included in the 16 number, right? The store number?
- Suvankar Sen:** It is in the 16 numbers. Ma'am in the 16 number, the Everlite store is there.
- Pallavi Deshpande:** Okay. So how many Everlite stores are there in FY25?
- Suvankar Sen:** How many Everlite store was total there in FY25, Banka ji?
- Suvankar Sen:** 4 to 5 Everlite stores. We will let him confirm the number.
- Pallavi Deshpande:** And this number will be constant in FY26 also?
- Sanjay Banka:** So Everlite store is 5, which we have disclosed on Slide number 16. No, Everlite stores will increase. See, it makes sense as we look for lower ticket items, as you want to reach to the youngsters and Gen Z and millennials, we have to find where they are staying. Are they living in the big housing society or are they on the field?
- So that way focus will also be Everlite. You can look at 3 to 4 more Everlite stores out of 20. So 20 is a conservative number. Everlite, our inventory exposure is lower. So if you like, we have opened in Andheri Station, we can open more.

- Pallavi Deshpande:** And inventory would be about INR 5 crore to INR 6 crores?
- Sanjay Banka:** Yes. I request you and other esteemed guests on this call to kindly grace and visit our Andheri Metro, the Everlite stores, where you will get a fairly good idea. We have got other stores as well in Andheri, Lokhandwala. That will help you get a better understanding of our business model.
- Pallavi Deshpande:** Right. I saw it on the website, nice collection there. Just wanted to understand what any revenue targets for this for the next few years for Everlite?
- Suvankar Sen:** Ma'am, we are not having any separate revenue target for Everlite. We are right now putting it in within the target, but these are the strategies with which we want to increase our diamond stud ratio. So we haven't specified any particular number yet. But then those stores have their own targets. So as and when the scaling up of the stores will happen and we get set with the business model further strengthened, we will start sharing these separate revenue targets for Everlite.
- Pallavi Deshpande:** And the pricing, I mean, CaratLane, BlueStone, that would be the peer set, right?
- Suvankar Sen:** That would be the pricing in terms of the overall kind of designs and products that are there. But in terms of the further breakups, if we get into it, we will stay more competitive than our competition.
- Pallavi Deshpande:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as that was the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you and over to you, sir.
- Sanjay Banka:** We thank you all, and we are very happy and pleased to report our results. As we said, the EBITDA margin is stable. We continue to look at growth. We continue to look at all the KPIs, particularly return on equity and return on capital employed and are cognizant of our responsibility to give a superior return, which we will continue to work on by calibrating the various business levers, financial, operational, and customer as well. So with that, a lot of thanks from our side and a concluding comment from our MD.
- Suvankar Sen:** So thank you all for joining the call. Once again, to summarise that our Q4 numbers compared to the previous year's Q4 have remained very strong, with the revenue up by 21%. The EBITDA went up by more than 44% on the previous year's quarter to this year's quarter. And we have seen that with the increased diamond stud ratio, our margin for Q4 has also improved from 7.7% to 9.2%.
- Therefore, I think that the importance in today's time is to stay and remain focused. We are aware of the various levers that will drive the business growth and the business profitability. And we are well conscious of the fact that in the increasing gold price, we need to create designs as per the need and the budget of the consumers, which we are very much doing and our sales team is engaging with the consumers.



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And as we enter this new financial year, we have shared with you our ideas, expectations, plans, and we are confident that we will achieve the numbers in top line and the bottom line with the effort that we are making. So thank you very much and all the best.

Moderator: Thank you, members of the management. On behalf of Antique Stock Broking, we conclude this conference. We thank you for joining us and you may now disconnect your lines. Thank you.

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