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

Sub: Earnings Call Transcript pertaining to the Unaudited Financial Results of Q3 & 9M FY26

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Analysts/Investors Earnings Conference Call organized on Friday, 13th February 2026 post declaration of Unaudited Financial Results (both Standalone & Consolidated) for the quarter and nine months ended 31st December 2025.

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

We request you to take the above on record.

Yours sincerely,

For SENCO GOLD LIMITED

Mukund Chandak

Company Secretary & Compliance Officer
Membership No. A20051

Encl.: As above



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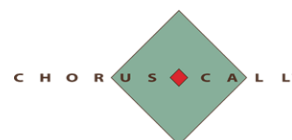


India's 2nd Most
Trusted Jewellery
Brand 2024
by TRA report.





“Senco Gold Limited
 Q3 & 9M FY26 Earnings Conference Call”
 February 13, 2026



Management:	<ul style="list-style-type: none"> • Mr. Suvankar Sen – Managing Director And Chief Executive Officer - Senco Gold Limited • Mr. Sanjay Banka – Group Chief Financial Officer & Head IR - Senco Gold Limited
Moderator:	<ul style="list-style-type: none"> • Mr. Vikrant Kashyap – Asian Markets Securities
Questioners:	<ul style="list-style-type: none"> • Mihir Shah from Nomura • Bharat from MC Pro Research • Vijay Chauhan from Right Horizons PMS • Devanshu Bansal from Emkay Global • Rupesh from Long Equity Partners • Raj Sarraf from Finvestors • Pallavi from Sameeksha • Jinesh, an individual investor • Sonal from Prescient Capital • Abhijeet from Antique Stock Broking • Venkat from MIT

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '26 Earnings Conference Call of Senco Gold Limited, hosted by Asian Market Securities. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Vikrant Kashyap from Asian Market Securities. Thank you, and over to you, sir.

Vikrant Kashyap: Good morning, everyone. On behalf of Asian Market Securities, I welcome you to the Q3 FY '26 Earnings Conference Call of Senco Gold Limited. Today, we have on the call with us Mr. Suvankar Sen, MD and CEO; and Mr. Sanjay Banka, Group CFO and IR Head. Without much ado, I now hand over the call to Mr. Suvankar Sen for his opening remarks. Thank you, and over to you, sir.

Suvankar Sen: Thank you very much, Vikrant. Happy morning to everyone. We would like to start the call by being grateful to all our investors for having their faith in our team and on our performance. And we must say that this particular quarter has been a historic quarter for Senco Gold Limited. We've crossed INR3,000 crores of revenue, an EBITDA of INR404.6 crores and a PAT of INR264 crores in this particular quarter.

So this is something which becomes much more special because we have seen that this particular financial year has been one that has been extremely volatile. The gold prices have reached INR1,40,000 for that particular quarter. Post that, it has gone up further. And currently, it is in the range of INR1,50,000 plus. There has been a growth of almost 65% in the gold rate and about 23% in the quarter itself.

But in spite of the high gold price, what is most encouraging is that the consumers have continued to keep their faith and confidence in gold and jewellery as a category. We had Dhanteras in that particular quarter. The wedding season was in full swing. And keeping all those 2 aspects in mind, we have seen that itself on the Dhanteras month, we have had sales of INR1,716 crores for the month of October.

But very important that we, as a team, have kept in mind is that at these high gold prices, how is the consumer behaving? It is not that the high gold prices are discouraging the consumer. It is rather that their faith and trust in the commodity of gold or silver as a category is increasing. It is only up to us as jewellers to fit into the budget of the consumer, create products, whether it be in 22-carat, 18-carat, 14-carat or even 9-carat, which became allowed by the BIS agency, by the government of 9-carat hallmarking.

And I think we can proudly say that Senco Gold & Diamonds has been one of the first few jewellery brands to have introduced 9-carat jewellery in gold and in diamond jewellery as well. And it is this mindset of trying to understand the pulse of the consumer and fitting to the budget of the consumer, that is allowing and enabling us to continue to sell and continue to grow.

Our hyperlocal strategy that we have been pursuing for the last 1 year, 1.5 years, studying very closely on the local consumer needs, the use of technology in analyzing the data as to what is the exact product that is being sold at the store level in terms of design, in terms of budget, I think that all have played on and it has become that much more important in today's day and time in analyzing the data and exactly placing the right kind of product that is going to fit into the budget of the consumer.

Our franchisee revenue out of the total share has been 33%. The company's own stores revenue has been around 65%, and 2% has been on the other channel sales. And I must tell you that this particular quarter, because the share of our own store channels has been higher than that of franchisee, that has been one of the major factors that has led to a higher profitability.

The fact that our diamond jewellery studded ratio sales have also gone up by 38% in terms of value and 10% in terms of volume has also played a pivotal role in adding to the profitability for that particular quarter.

Now in terms of designs, we have launched more than 6,000 designs in gold and more than 3,000 designs in diamond for the quarter, new collections, new ranges, whether it be for weddings, whether it be for everyday wear, or gifting. I believe we have always segmented the various needs of our consumers and designed our offerings accordingly.

Our philosophy and our vision is that Senco Gold & Diamonds should be known as a house of design, whether it be in jewellery or in other accessories. After all, being from a place that is of art and culture, design should be our forte, and that is what should make us continue to grow in the future.

We have also seen that the growth in the Tier 2 and Tier 3 markets has been robust as well. Currently, we have 196 stores in the whole network. And hopefully, by the end of this quarter, we should be reaching 200 plus stores as we end this particular quarter. Looking forward to this particular quarter, we are seeing Valentine's Day, which is tomorrow. Therefore, we are seeing decent traction from the consumers relating to diamond jewellery, everyday wear jewellery and couples coming and buying. The **"Elements of Love"** campaign is the initiative we have launched.

The wedding season also continues to remain strong, and we are seeing that many consumers are not only having weddings in the close proximity, but also in maybe 6 months, 8 months down the line. But in these volatile gold prices, they are thinking that these could be the good levels to buy, and they are preponing their purchases and buying.

So we continue to see a strong robust growth. This particular quarter, we hope that we will be 25% plus growth that will continue to happen. And going forward, for the coming year, we shall remain focused and strong. We shall want to drive our franchisee model in a much stronger way, work on the diamond jewellery segment so that we increase our stud ratio, continue to work on the operational efficiencies, economies of scale, build the brand, and have a growth of 20% plus for the coming financial year as well.

So thank you very much for all your ideas, all your encouragements, and inputs. We shall be thankful to our team for the great performance. Please, Bankaji, if you would like to say something.

Sanjay Banka:

Yes, sir. Sir, thank you very much. And once again, gratitude to our investors. So as we have said, for the quarter, the revenue has grown by 50% Y-o-Y to INR3,000 crores. The EBITDA increased by 406%, rising from INR 80 crores to INR 404 crores.

. But if we look at the custom duty impact in quarter 2 and quarter 3 last year, then the adjusted EBITDA for last year's quarter 3 was INR107 crores, and this year it's INR404 crores.

So the adjusted EBITDA margin is around 13.2%. And PAT has grown from INR 33 crores to INR 264 crores, a 689% increase. But adjusted PAT, taking the impact of custom duty, it has grown from INR54 crores to INR264 crores. That is 390% for this quarter.

And for the 9-month period, the revenue has grown by 30% consol. Adjusted EBITDA has grown by 133%, from INR 298 crores to INR 694 crores. And the adjusted PAT has grown from INR139 crores to INR417 crores. That is 200%. So it's very important to understand that while we have been talking about a sustainable business margin of around 7.2% to 7.5%, and recently in this quarter, we have given guidance of around 7.5% to 7.8% for FY '27. So that is the full year margin. But quarter 3 margins are usually higher.

So last year, we had given a detail that our quarter 3 margin in FY '23 was around 12.1% and quarter 3 margin in FY '24 was 11.1%. So if you look at 13.1%, it should be seen in that context because the sales are quite high, whereas the fixed opex remains the same. If you look at it, we have attributed this to two or three reasons. One is the improvement in our product mix.

Secondly, the lightweight jewellery where the customer does not get the same jewellery weight at other jewellers and then he is willing to pay extra prices to us, extra making charges to us. Similarly, the diamond prices, which we are offering, are quite attractive. Moreover, some impact of the gold price rise has also come.

Overall, this is on the financial side. The working capital requirement has also increased. So, what you have seen is that the inventory value has increased from INR2,963 crores to INR4,602 crores. This has been funded by the borrowing as well as the trade payable.

Importantly, we have focused very highly on the working capital efficiency and inventory management. We have implemented an AI-based software which helps us to monitor the inventory in real time. And our inventory days have remained range bound at 166 to 188 days. And going forward, we look at a similar trend. In fact, if we look at other players, it is also in the range of 180 days. So as the stud ratio improves, the inventory days is likely to remain in the range up to 180 days.

Moreover, as far as the labour code is concerned, we have analysed the impact of the labour code, and we have taken a one-time extraordinary impact of around INR6.2 crores. That's on the financial side. So we should see the results for quarter 3 and YTD in the context of custom duty impact of last year.

Similarly, from the banking side, we have maintained a very good relationship with our working capital bankers. Our working capital limit, which is INR2,400 crores. And our blended ROI during the last year due to this elevated gold price, we had to reduce the percentage of GML, however, it increased. At the same time, the proportion of CC and WCDL also increased, which led to a slightly higher blended ROI. We are pleased to inform that we have received a credit rating from CareEdge for the first time. While our existing credit rating is conducted by ICRA, CareEdge has assigned us a rating of A1. . So they are doing the rating for the balance entire amount. And we are very confident that with the enhanced rating from CARE, we can look at reducing the blended ROI by 30, 40 basis points in next year.

So with that, we pause our discussion and opening remarks. Thank you very much. We now invite your questions.

Moderator: Thank you very much. The first question is from the line of Devanshu Bansal from Emkay Global. Please go ahead.

Devanshu Bansal: Hi Suvankar and team. Congratulations on the good performance and improving franchise interest for the brand.

Moderator: Mr. Bansal, are you there? As there is no response, I'm taking the next question from the line of Mihir Shah from Nomura. Please go ahead.

Mihir Shah: Okay.. So congrats on a great set of numbers. So firstly, just wanted to check on the guidance of 25% sales growth that you highlighted for 4Q. Given the gold prices where they are and the increase that we have seen during the last quarter and this quarter, it seems the 25% guidance seems quite low given the current momentum. Do you expect a material drop in ASPs in 4Q or a material drop in volumes, which is leading to this lower guidance? So that is question number one.

Suvankar Sen: No, I do not see any material drop in ASPs. If you look at the Q2 performance, you will see that there has been a drop in volumes, even though the ASPs have remained the same. So we are about 45 days into the quarter. In the month of March, there is Holi, the exam seasons go on. And then we also start looking at consumers behaving in a manner that on 19th of April, we have Akshay Tritiya.

So then consumers start waiting for Akshay Tritiya and the auspicious day to buy. So yes, our guidance of 25% is little on the conservative side. Maybe as we are closer to the end of the quarter, this 25% might become 30%-35%. But we are still giving a conservative guidance of 25% to 30%.

Mihir Shah: Understood. So this is not a function of what you have seen thus far in 45 days of the quarter. Fair to assume that the growth momentum that we saw in third quarter continues in the first 45 days of the fourth quarter, and it is just the conservative way that you are thinking about it?

Suvankar Sen: Yes, we believe in taking a conservative approach. See, the growth momentum of third quarter had because of the Dhanteras. But Dhanteras doesn't happen every quarter. Therefore, yes, it's that way to look at it.

Mihir Shah: Understood. Fair point. Second question again is on the margin front. Margin improvement of 7.5%, it was indicated it was a function of the product mix improvement and lightweight having higher margins. So as far as the product mix is concerned, we probably thought if the studded ratio increases, but given that the gold in the stud prices -- gold prices are significantly higher in the studded, the margin profile for studded also goes down. Is that understanding incorrect? And if not, then what is driving the improvement in margin from 7.1% to 7.5%?

Sanjay Banka: See, when we talk about product mix, it is not merely the stud ratio. Obviously, on the diamond jewellery, the margins are higher. But there are different types of jewellery, like you would see in case of other players with high bullion sales. In our case, we do not sell bullion. As mentioned earlier, our coin sales account for around 4%–5% of total sales and, at times, go as high as 7%.

And it is about the jewellery as well. There are different types of jewellery at different price points. If I sell more antique jewellery or more polki jewellery and as I mentioned in my opening remarks if I sell more lightweight jewellery, the effective making charge on lightweight jewellery is much higher.

Moreover, if the gold price rise since we charge the making charge on the value, while I would have paid a lower making charge to the karigar or vendor for getting the jewellery manufactured, let's say, around INR1,10,000 or INR1,20,000 I would have paid in some 4%- 5% but instead of charging 15%, 16% of INR1,20,000, I'm charging 15%-16% on INR1,50,000 or INR1,60,000. So, due to the gold price rise, the making charge also increases. I'm not just talking about the inventory gain.

So that has led to an improvement in the margin profile from from, say, around 7.8% to approximately 8%, as we have indicated. That is one. Secondly, in quarter 3, the mere sales volume itself is quite high, while the opex remains the same. That means rental, manpower, marketing and other opex remains the same. The sales volume has increased. And that's why we said that if you look at the margins in quarter 3 of FY '23 and '24, it was in the range of 12% and 11%. So we said that you can still look 9.5% to 10% as the sustainable business margin for quarter 3. For the whole year, 7.5% to 7.8%.

So if you look at the press release, when the EBITDA margin for 9 months is 10.8%, you can take 7.8% to 8% as far as business margin is concerned, and balance 2% to 2.5%, you can take it to price rise.

Moderator: The next question is from the line of Bharat from MC Pro Research.

Bharat: Congratulations for a great set of numbers. So just one confirmation. You indicated that FY '27 sustainable EBITDA margin for the next fiscal should be in the range of 7.5% to 7.8%. Is that correct?

Sanjay Banka: Yes, this is absolutely correct, provided the price range remains elevated. See, we are talking about the current price ranges. Otherwise, between 7.3% to 7.5%, at an elevated price level 7.5% to 7.8%. So there is a gap of only 20, 30 basis points whichever way price moves.

Bharat: Okay. And sir, next question is what would be the level of inventory hedging that we do currently? And what is the plan? So for 9 months FY '26, what was the hedging proportion? What is the intention for the hedging proportion in inventory hedging proportion in FY '26 and the same for FY '27? If you can provide guidance on the same.

Suvankar Sen: We've been mentioning that our hedging percentage is in the range of 55% to 60% for the last 6 months, 9 months. In the last 2, 3 years, it has been in the range of 80%. There were times when we were up at 90%. But in the last 6 months in this high price gold volatility, there have been pressure on liquidity, there have been pressure on maintaining the margins. And in this kind of a dynamic volatile scenario, based on our prudent hedging policy and guidance, we said that let us keep it at 55% to 60%.

That would ensure that we continue to focus on our business, we continue to manage our inventory well. And also very important here to note is that the old gold exchange of the consumers have also gone up. So the old gold exchange, maybe 2 years, 3 years back was about 25% to 30%. But that old gold exchange today is in the range of 45% to 50%. So when the old gold exchange comes in, then automatically those price risks that we always talk about is partially reduced.

And keeping all those aspects in mind, we've also started to focus on the customer advances with gold rate getting fixed. That itself also starts working as a hedging tool. So keeping all of that in mind, we've kept our hedging ratios in the range of 55% to 60%.

Sanjay Banka: And sir, I just want to complement here. When we are saying about the hedging ratio, it is only considering GML and MCX hedge position. But this customer offer, which we give, where we give a fixed offer to the customer, it is as good as a future sell position. Or when we give a flexible offer to the customer, where the customer can go either way, those are the additional impacts, which we don't get into too much detail. These are the business strategies.

Bharat: Okay. . But sir, roughly, if we -- like if you -- as you said, like fixed offer to customer is also given in the way of customer advances or kind of a gold financing scheme. So what would be that proportion so we can get a sense of how the overall hedging works?

Sanjay Banka: We don't want to discuss those details. See, finally, these are strategic points, and they are calibrated from time to time. We just want to give you the comfort that we are very cognizant of the risk management. The hedging policy takes into account both the risk factors and the balance sheet position. It may vary from company to company.

Let's say, in the recent time when the gold price fell by almost 10% from INR5,500 to INR5,000, even INR4,800, the balance sheet and how much margin call would have come, around INR400 crores to INR500 crores. So it depends upon the jeweller to jeweller. So we have maintained a very fine balance between the risk management, business efficiency and the balance sheet as well. I think I can leave it there, that we are very much cognizant. This policy is approved by the Board, and our large investors are fully aligned with our risk management policies.

Moderator: The next question is from the line of Vijay Chauhan from Right Horizons PMS.

- Vijay Chauhan:** Congratulations for a good set of numbers. Sir, my question is -- I have basically a question on the inventory hedging level side. So that has been answered. But is there any component of inventory gain like we highlighted, some -- less than 0.5% in quarter 2. So is there any component that you can provide as a percentage?
- Sanjay Banka:** I'll explain to you. See, if you refer to our hedging slide in the presentation, accounting is done based upon cost or market price, whichever is lower. That is first point. So there is no inventory gain, inventory gain for future. That means whatever inventory is lying in my balance sheet, it is at a cost price. So there is no hidden inventory gain line. Point one.
- Secondly, during a rise in gold prices, when we take positions under GML and on MCX as part of our hedging strategy, the hedge may result in a notional loss. In a rising gold price environment, any company that claims to be 90%–100% hedged will typically record a hedging loss on its inventory rather than a hedging gain. This is because the mark-to-market impact of the hedge offsets the benefit arising from the appreciation in the value of physical inventory, thereby reflecting the true economic position in the balance sheet.
- Whatever gain has come, the gain has come to the P&L account. But in a rising price, there will always be a loss. That loss is sitting in the inventory. So in quarter 4, when the price rises, they will have a realization gain and adjusted by the inventory losses that are sitting in the inventory. You can kindly refer to my slide, and it is more of an accounting issue.
- Vijay Chauhan:** Yes. So going ahead, it is safe to assume that like typically the gross margin that we have, around 19.9% for this quarter 3, so it doesn't have any inventory gain for now, right?
- Sanjay Banka:** No, sir, 9% is EBITDA margin. Gross margin is more than 15%, 16%. And we are happy to inform you that.
- Vijay Chauhan:** Yes, I'm talking 19.9% for quarter 3 only. So it is 19.9% for gross profit?
- Sanjay Banka:** Yes.
- Vijay Chauhan:** Yes. So it doesn't have any component for inventory gain, right?
- Sanjay Banka:** It has the impact of realisation gain. So I am using 2 words. One is inventory gain and realisation gain. Realisation gain means whatever inventory has been sold at a higher price in the quarter 3, that we call realisation gain. Yes, it has impact on realisation gain. And I clarified it in the opening remarks itself that 2% to 2.5% for the full year on a INR6,400 crores you can compute the number back of envelop that is on account of price rise. Balance out of I'm again repeating, sir. 10.8% is my EBITDA margin for 9 months.
- And out of that, you can take 2.5% as a realisation gain or inventory gain, whatever you are referring to. Similarly, in quarter 3, the EBITDA margin is 13.2%. You can take around 9.5% to 10% as the business margin. Balance you can take as the realisation gain or inventory gain, which you are referring to.

- Vijay Chauhan:** Yes, . That answers my question perfectly. The second question is on the -- because we are seeing a lot of shift towards the low carat products and also the studded item side. So, can you provide some breakup of the range? Maybe, let's say, the plain gold jewellery has maybe 20% making charges or some margin and maybe 30% for the stud ratio. So, is there any breakup or range that you can provide so that we understand how the product category movement puts, let's say, positive pressure on the gross margin?
- Sanjay Banka:** So see, the gross margin is a function of own store sales and franchisee sales. And we have said it earlier and I'm giving you a ballpark number. Let's say, from our own store, we make 20% gross margin. When we make a sale to a franchisee, we make around 7% to 8% margin. So you can take 60%, 35% and 5% on exports and e-commerce. These are the broad 3 areas. I'm repeating, sir, 60% own store sales; 30%, 35% franchisee sales; balance 4%, 5%, the e-commerce and exports.
- From our own store, we make around 18% to 20%; from franchisee, we make 7% to 8%; from e-commerce and others, we make around 5%. Now, within this 20% of our own store I don't want to give you the breakup. So you can visit the store and understand. The jewellery making charges can vary from 6% to 25%. So if you want to go for antique jewellery or polki jewellery, we can charge around 24%, 25% along with a discount in the respective period.
- Vijay Chauhan:** Okay. So these are net of discounting this range you are referring to, right, 6% to 25%?
- Sanjay Banka:** These are the gross amounts. It will vary from time to time, sir. These are based upon market dynamics. These are based on the competitive situation in the market and the competitive advantage. And as you are aware, we are the second most trusted brand. The customers are willing to give us an extra fee for the trust and faith, the comfort and the designs which they get from us.
- Vijay Chauhan:** Yes. . Correct. And the last part on the any guidance on the next year store addition?
- Suvankar Sen:** Next year, sir, we continue to focus on 18 to 20 stores. Our focus will be on opening more franchisee stores, broadly 8 to 10 own stores, 8 to 10 franchisees. If possible, we will open more franchises and fewer of our own stores. But 18 to 20 stores is our next year's guidance.
- Moderator:** The next question is from the line of Devanshu Bansal from Emkay Global.
- Devanshu Bansal:** Congratulations, Suvankar and team, on good performance as well as improving franchisee result. Sir, I wanted to understand the traction in schemes for monthly grammage that are there, right? So typically, such schemes gain good traction in times of high gold price and provide some comfort on future growth as well. However, when we see our December '25 balance sheet, the growth in customer advances is somewhat softer, right? So what initiatives are we taking to improve onboarding of consumers under such schemes?
- Suvankar Sen:** So see, December quarter 3, it being a Dhanteras quarter, most of the consumers who have been doing their advances and savings, they kind of redeem it during the festive season. So that is how it looks low. But going forward, with the targets in place, with the teams in place and with the communications in place, we are putting our best efforts that we continue to raise these

advances back, which will also help us with the cash flows and also help in the future sales that we can book.

And I think that the traction of the consumer at these is that -see, what had happened previously, 2, 3 years back, was that our advance scheme were more flexible in terms of pricing. And in the last 1.5 years, 2 years, the gold prices kept on going up. So the consumers felt that the savings scheme was not as useful. But now with the fixed rate option coming in, I think consumers know that they can continue to look it as an EMI and fix it at various rates.

We have certain Marigold for big wedding customers, where if they can do some 6 months, 11 months kind of booking, they will get some extra benefit on the discounts of making charges and discounts. So all of that is there. I think we have a certain limit set by the Companies Act, ROCE, and we will try to maximize and utilize as much limits that have been given from the government to raise the advances.

Devanshu Bansal: So Suvankar, just a small follow-up here. So currently, we must be at around INR200 crores of such deposits, right, first customer deposit. But from your equity perspective, I guess, INR500 crores can be raised through such schemes, right? INR25 crores to INR10 crores...

Sanjay Banka: Correct. t. And Devanshu, you are right. First, we need to obtain the credit rating. We are applying for a higher amount, say ₹500 crores. Once we file the return for this purpose, including the ROCE details—which we plan to submit by August—the limit will be enhanced to ₹500 crores.s. And we are taking all steps to raise these funds. And we are aware that this Fund Yojana, Fund Sobhagya, Marigold, they give us a good handle because the customer footfall increases.

That how we are promoting, we are sweetening the offer without compromising on the margin. So, depending upon the offer, we are sweetening the offer without compromising the margin to increase these limits. You would see a good traction. So in March '26 balance sheet, you will see a higher number because customers will like to redeem during Akshay Tritiya and Pohela Boishakh.

Devanshu Bansal: Fair enough. Sir, last question is on the balance sheet side, which appears to be a bit stretched. I understand that high gold price and festive preparation would have led to increase in inventory. But the phase of strategic focus, right, in terms of inventory optimization -- so what is your thought process around inventory optimization going into the next fiscal? Any targets if you would like to share here?

Suvankar Sen: So Devanshu, see, we are, as I mentioned before, using technology, AI tools, software, data analysis. Our merchandising team is very closely monitoring what is the exact kind of products that are selling, and the reasons for non-conversion. And based on that, we will be making sure that we are keeping the right kind of products, and our supply chain continues to remain strong.

With the gold price going up, one has to understand that it is not just about the quantity of gold that you're keeping at the store, but it is also the exact quality of the design and the kind of products that you're keeping it. So we do not want to increase unnecessary stocks. We are analysing those stocks that are not selling beyond a certain number of days. And we are focusing on recycling it and fulfilling those stocks that are selling.

So we are doing a very scientific approach across the country. And we will ensure that all the number of days of inventory that we have, it does not unnecessarily increase because of the gold price going up, but it remains under control.

Devanshu Bansal:

Just a small feedback here, Suvankar. So I take your point that you are taking strategic actions. One, if you could provide some guidance around the number of days of reduction that we are targeting going ahead into the coming fiscal, would be very helpful to sort of better track your performance on inventory optimisation?

Sanjay Banka:

Devanshu, we are not targeting any reduction as such. So we have clarified it earlier also. Targeting reduction is an outcome. What we are targeting is improving the efficiency of inventory sales across all stores across our portfolio in East, North and West, right? And you are aware that there are always regional disparities between the various zones and the pricing.

So if you ask me the same question, we are certainly looking at improving inventory efficiency. We are looking at supplying out slow-moving inventory. We have also seen that, as the trend is changing, the high weight inventory, which has been prepared and which is not selling, we will take a call. So you will certainly see an outcome which will be in terms of the number of days. What we are constantly working on is inventory optimisation.

So the answer is that we are looking at this thing, and it will depend upon market dynamics. What you are seeing inventory days is the value. The quantity of inventory remains the same. What inventory quantity per store was there 2 years back, it remains the same now. Due to the elevated price, it is...

Devanshu Bansal:

Yes. So Mr. Banka, a limited point that I was sort of indicating is that if the focus is on lightweight jewellery, lower carat jewellery, then in kg terms also at a per store level, that should see some reduction, right? So that was the limited point. But I can take this offline maybe for other participants to take the questions here?

Moderator:

The next question is from the line of Rupesh from Long Equity Partners.

Rupesh:

Congratulation on a very good set of numbers. First question, sir, is this 200-odd stores we have, can you give rough split in terms of mature stores, new stores, maybe in between stores? What kind of annual revenue are they doing? What kind of margins they are doing? What kind of same store sales growth they are doing? Some split would be very helpful?

Sanjay Banka:

So basically, Rupeshji, if you look at the definition, when we say same stores, for the current year that means stores set up prior to April '24. So in the last 2 years, you can take around 40 stores which are the new store, right, owned and franchisees taken together. Out of 196, 156 are old stores, ~2 number here and there, 40 are new stores.

Now obviously, as you have said that when you look at the return on equity, the blended return on equity, which has come down due to the IPO fund infusion and subsequently to the QIP,, for our existing stores SSSG refers to the growth of old stores, which number around 155–156, the growth we have reported is 21%, correct? Out of the total 30% growth, about 70% has come

from these existing stores. So - if the total growth is 20%, SSG is 14%. If the total growth is 30%, SSG is around 21%.

Suvankar Sen: 39%.

Sanjay Banka: 39% in Q3. But this is this number, because in quarter 3, the growth itself is 50%. So from the 50%, we can look at that -- I'm mostly referring to the YTD number. Now, out of that, you would be happy to know that we have got around 8 to 9 stores which have crossed INR100 crores mark. So we are constantly looking at increasing the store turnover. So we are not looking at this 21% SSSG.

Our target is clearly to take all stores to INR100 crores to INR150 crores level. The new store which we set up in the first year, they give a revenue of INR18 crores to INR20 crores. But I think these are too many details. So obviously, a new store takes time to mature. The momentum is higher in the East and slightly slower in other markets.

Rupesh: Okay. , sir. The second question, sir, is non-East was roughly INR1,100 crores. So that is 9-month number, I assume. And then where do you see this non-East in FY '27?

Suvankar Sen: So see, the growth rate that we are seeing in the non-East market is as much as -- maybe a little higher than that of the East market because the base is lower. So we are continuously looking at 25%, 30% growth in the non-East market, while an 18% to 20% growth in the East market. So this is how one has to look at the overall numbers.

Rupesh: But this number can go to, let's say, INR2,000 crores in FY '27?

Sanjay Banka: At least around INR1,500 crores to INR1,600 crores, off the top. But maybe -- so we have to recheck the number for FY '27. But INR1,700 crores clearly. So let's say, if it is around INR1,300 crores, INR1,300 crores into 30.

Rupesh: Okay. . And sir, you talked about this realisation gain of 3%, 3.5% in Q3, 2.5% in 9 months of this year. If, I mean, for whatever reason, let's say, gold prices go down from, let's say, \$5,000 to \$4,000, what kind of realisation loss can we see? And then with this 7% to 8% margin guidance number you gave, if there is a realisation loss, can the margin be something like 5%? Or I mean, can you just explain that? What if gold price goes down, what happens to the realisation gain or loss?

Suvankar Sen: So the EBITDA shall continue to remain between 7.2% to 7.8%. This kind of price fall, if it happens, I think based on our prudent hedging policy -- today, our hedging is at 55% to 60%. And then the hedging percentage will go up to 75% to 80%. So in this kind of sudden price fall as you are expecting to happen, then accordingly our treasury team will take the call and will manage the situation. So I think our EBITDA historically over the last 4, 5 years have continued to remain between 7% to 8%, and we will continue to make sure it remains between 7% to 8%.

Rupesh: Okay. . That is good to know, sir. And final question, sir, you said that studded ratio is not the only high-value business. There are some other parts of the business which are also high value like antique jewellery. So on 9-month basis, whatever INR8,000 crores, INR8,500 crores

revenue we have, can you split it between, let's say, regular business and a high-value addition business?

Suvankar Sen:

No. See, I'll tell you. As Bankaji said, that the higher margins comes from one is diamond studded jewellery, gemstone jewellery, antique jewellery and also very lightweight jewellery, where if we are creating very nice beautiful lightweight designs within the budget of the consumers, whether it be in 18-carat, 14-carat or 9-carat international designs, there also the consumer is willing to pay a 1% to 2% higher making charges because of the design.

So when it comes to lower making charge items, which are mostly standard machine-made items, those are the ones that bring down the overall making charge scenario. But the moment it is exclusive, handcrafted, very modern, then the premium list goes up by 1%, 2%. So it's very - I don't think we will be comfortable sharing the ratio of what is premium, what is not premium. Those are strategic in nature.

Our forte is to create lightweight jewellery and cater to the needs of the consumer. And for that, if it is jewellery within INR50,000, a consumer is willing to pay INR50,000. But if that makes that 1% higher making charge and it's a great design, they'll be happy to do so. So that's how it is.

I must mention to you that our ATV this year has gone up to about INR93,000. So gold prices are going up. Now, INR93,000 in today's day and time is what? 5 grams-6 grams. So we've been the masters of creating lightweight, affordable jewellery of various ranges. So that is our USP, and that is what is helping us to grow in these challenging, uncertain markets.

Rupesh:

So I get all of that, sir, but my -- I mean, that is the right metric to track. I mean, the studded ratio is an incomplete metric to understand how the business is moving toward higher value addition. So I would request you if you can find some way to figure out to share this number, because that is a right metric to track the business.

Suvankar Sen:

We'll keep the point in mind and see what can be done.

Moderator:

The next question is from the line of Raj Sarraf from Finvestors.

Raj Sarraf:

Yes. So very congratulations for this stellar set of numbers. So though you replied, but I want some more color on that. The rapid gold price fluctuation which occurred in Q4, all the way from almost \$4,500 to \$5,500, and then again sudden drop to \$4,400, and now settling around \$5,000. So, realisation losses, how much that can be and how that is managed?

Suvankar Sen:

So I'll just tell you that this sudden volatile price movement happened for a matter of 7 days to 10 days only, right? Therefore, it has not had a great impact in terms of overall purchase, average rate of procurement and rate of sales. It has just created a lot of turbulence in our hedging action, I would say.

Because there was a time -- and we all are a part of the market, have faced it, that everyday based on your hedging percentage -- because you are on the sell side and the prices are going up, you are being called -- having hedge calls on mark-to-market. And that -- based on every day, your

sales are happening to a certain extent and the mark-to-market calls are of a different -- so it created a lot of -- those 7 days to 10 days were very much volatile and not a very comfortable situation.

But to assure you that with this sudden movement up and sudden movement down is not something that has created that much of an impact. It is the continuous movement up that has been the one which is creating impact and creating those extra 2.5% to 3% profit for gold price rise. And this current movement has not been of a -- that much of a great impact.

Raj Sarraf: Okay, sir. Sir, while I'm going through the last 3 years, 4 years results, quarterly results, so what I found that we are having a substantially higher operating or EBITDA margin in Q3, and that is north of always more than 10%, to be precise, more than 11%. So just on steady gold price -- just let assume a scenario, when the gold price next year settle at the same price which is right now, so in that case, what is actually our margins in Q3?

Sanjay Banka: See, margin in Q3, having said that my sustainable business margin is 7.5% to 7.8%, in Q3, the sales are usually substantially higher. And hence, in Q3, since the sale is higher, gross margin absolute amount is higher, and hence, margin percentage looks higher, at around 9% to 9.5%, it can go up to 10% also. If, let's say, next year, gold price remains the same and if the sales grow by 60%, then my opex remains the same.

Opex will be, let's say, INR200 crores in one quarter, and let's say -- I'm just giving you a ballpark number, INR4,000 crores. INR4,000 crores, 20%, INR800 crores. INR800 crores minus INR200 crores, INR600 crores. Then INR600 crores upon INR4,000 crores, 15% will be the EBITDA margin, without doing anything. So if the sales are higher, absolute EBITDA margin becomes extremely high.

Raj Sarraf: Okay. So it is just the, you see, operating leverage. When we sell...

Sanjay Banka: Yes. . That's what we clarified, sir.

Raj Sarraf: Yes.

Sanjay Banka: Exactly. That is exactly the operating leverage which comes into full play in Q3 and Q1.

Raj Sarraf: Okay. And while Q1...

Sanjay Banka: Sorry. I was again adding, sir. So while these are the figures of Q3 and Q1, we still look at conservative EBITDA margin of 7.5% to 7.8% for the whole year. Which means that if I'm looking at 10% or 11% in Q3, it can be lesser in Q4, so that full year blended EBITDA margin of 7.5% to 7.8%. And that is not a quarter-on-quarter variation. I hope that clarifies, sir.

Raj Sarraf: Yes, that clarifies, sir. Just wanted to confirm, sir, on steady gold prices, what is our gross margins? EBITDA margin you already talked about. What is our gross margin at steady gold prices?

Sanjay Banka: 15% to 16%, sir. You can take 15.5% to 16% or you can take 15% to 15.5%. And our intent is to improve it with a higher stud ratio and operating leverage. We have not compromised on our

making charge so far. And if you look at comparative numbers for the industry, it remains to be superior and superlative.

Raj Sarraf: Okay. North of 15%, you said, sir?

Sanjay Banka: Yes.

Raj Sarraf: Yes. And sir, with rising gold prices, now gold price has been like USD 5,000. So what is the traction in the business right now you are seeing, the footfalls? And any effect -- negative effect due to this rise?

Suvankar Sen: So you are talking about the gold price rise and its impact on the consumer. So the negative effect, if you may say, is that people are looking for jewellery which is of lower weight, so that it is as per the budget of the consumer. So see, what's happening is gold price has gone up by 65%, 70%, but the consumer's budget has not gone up by 65%, 70%. It has gone up by, say, 20%, 25%. So that is where we need to make sure that how we can reduce the gold weight or make the purity of the product lower. That is number one.

Number two is that old gold exchange has gone up because consumers do not have so much of liquidity to buy it with their liquid money. So they are utilizing the old gold. And that is also a very strong part of our strategy, and I think it's a strategy for the industry also that how you can utilize and recycle the old gold lying in the households. So that is also another thing that will keep the industry moving forward and make sure that we continue to sell our new products and new designs and serve the customer.

Third is, yes, some consumers are sitting on the sidelines, on the fence. At these high gold prices, people are thinking, what is the point of going to the jewellery store? What can I buy? And it is for them that we have to come up with 9-carat or like 14-carat lightweight gold and diamond jewellery that is within their budget, or even look at other options and make those customers buy.

So footfalls in the -- like I said, the volumes have gone down 10% for the whole year, 3% for this quarter. Footfalls also, if I look and analyse, it has compared to the previous year come down by 10%, 15%. So it is fewer footfalls, but those customers who are buying are buying a little more jewellery, or the prices are making them buy more jewellery, and that's how the business is going on.

Raj Sarraf: Okay, sir. That helps, sir. And the final question is, sir, you are still looking at 25% year-on-year growth in the Q4?

Suvankar Sen: Yes. Q4, yes, correct, very much, sir.

Moderator: The next question is from the line of Pallavi, an individual investor.

Pallavi: Yes, sir, Pallavi from Sameeksha. I just wanted to understand what would be our gross margin guidance for Q4 given that we have, I think, inventory -- you have disclosed in the presentation cost is INR13,500 approx and gold is at above 150?

- Sanjay Banka:** Sorry, I missed your question. Can you kindly repeat?
- Pallavi:** Yes. Thank you for sharing in your presentation first average cost for gold, like you given it INR11,500 in Q2, INR13,500 in Q3. So based on that data point, Q4 also we should see some 100, 150 basis point of realisation gain. Would that be a fair assumption in the gross margin?
- Sanjay Banka:** No, we don't want to comment on realisation gain for Q4. See, it's all a function of how much price is volatile in quarter 4. We have seen only 45 days where the prices were very high. Obviously, there will be or would have been a realisation gain in 40 -- in the first 20 days, right? After that, the prices have come down.
- So let entire quarter span out, and then only we can -- I don't want to make any conjecture on rest of 45 days. As you said, this is a function of the market prices, market factors, and also accounting classification of the prices, gains and losses adjusted to create an account, inventory in OCI. But once again, we reiterate, a sustainable EBITDA margin of 7.5% to 7.8%, 20 basis points here and there.
- Pallavi:** Right, sir. My second question would be, so assuming if we take a call probably by the end of Q4 that gold prices are likely to stay at similar level for the whole of next year, no decline, no increase, so in that situation, we will increase our hedging ratio back to 80%, 90%. Is my understanding correct, sir?
- Suvankar Sen:** Yes,, madam. If the gold price are in a downward trend and all, there is amount of stability and our balance sheet and liquidity is allowing us, we will go back to 80%, 90%. But till that time, it will range between 55%, 60%, 65%, till that stability is achieved.
- Pallavi:** So it is just -- so our hedging ratio, just to confirm this, is just dependent on the, once we get stability, we take it up so that the margin requirement doesn't fluctuate. It's not even about the decline. It will be more about, the call will be based on stability.
- Suvankar Sen:** Stability. Exactly, ma'am. Right now, it is not at all in a stable situation.
- Moderator:** The next question is from the line of Jinesh, an individual investor.
- Jinesh:** Congratulations, sir, for a great set of numbers and amazing PPT. Just one question from my end. What is your current hedging policy as on date? How much percentage are we hedged as on date?
- Sanjay Banka:** Jineshbhai, we've already explained this question earlier. Now I think repeated questions are coming on the same subject.
- Jinesh:** Maybe I've missed that, sir.
- Sanjay Banka:** Okay. So kindly refer to our slide. We are saying that it's a Board-approved policy, it's a prudent policy. We are required to ensure that minimum of 50% is hedged. We have -- during this quarter also, we maintain hedging in the range of 55% to 60%. And due to the elevated gold price, working capital challenges, margin calls, we will remain in this range. And as Pallaviji asked from Sameeksha, that if the gold prices are stable or if it falls, we can again take it to 85%

to 90%. But at the current elevated pressure, due to working capital challenges, it will remain in the range of 55% to 60%. And it's a Board-approved policy.

Moderator: The next question is from the line of Sonal from Prescient Capital.

Sonal Minhas: This is Sonal Minhas. I hope I'm audible.

Moderator: Yes.

Suvankar Sen: Yes, you are audible.

Sonal Minhas: Okay. Sir, I wanted to understand -- from a disclosure perspective, you've given sales realisation, you've given your top line in crores. Just back calculating some numbers. In terms of volume of items sold or, let's say, grammage or tonnage of whatever gold sold, is it fair to assume that the volume is flat Y-O-Y for 9 months, if we measure it in terms of tons of gold, if we measure it in terms of, let's say, items sold? I want to understand the volume growth, basically, for 9 months. I want to understand volume growth for 3 months.

Suvankar Sen: Yes. So the volume -- as I mentioned, the volume degrowth in quarter 3 was minus 3% like quarter-on-quarter. And for the whole 9 months, if you look at it, it is minus 10%. That is for gold. And for diamonds, if you look at just diamonds as a product, then it is up by 12.5% for the 9 months. These are all volume numbers.

Sonal Minhas: Got it. So how do you measure volume, Suvankar, here? Is it in terms of grammage of gold? Or is it in terms of items sold, basically?

Suvankar Sen: No, no, grammage, grammage. We are measuring in terms of grammage?

Sonal Minhas: Grammage of gold.

Sanjay Banka: See, Sonalji, I will like to add here that India import of gold remains at 800 tons -- 800 tons, 850 tons for last 10 years. While the -- and the jewellery consumption remains in the range of 450 tons to 500 tons for last 10 years. And the jewellery market size has increased from INR30 billion to INR120 billion, almost 3x.

So volume is not a factor in jewellery industry. People don't consume jewellery by volume, but by value. So there is a high possibility that even for next year -- and if the gold prices again rises by 50%, 60%, you will not see any volume, because customer budget will not increase by 50%, 60%. So he will end up buying a low weight jewellery, low caratage jewellery. He may go for a silver jewellery with diamonds. He can go for a smaller size jewellery to maintain his pocket size. But we will continue to grow by 20% to 25% and so on, depending upon our SSG as well.

Moderator: The next question is from the line of Abhijeet from Antique Stock Broking.

Abhijeet: Congrats on a very strong set of numbers. So my first question was on the staff cost, you said that there was about INR6.5 crores of impact from the new labour code, right?

Sanjay Banka: Correct, correct.

- Abhijeet:** And that has not been separately shown. It's basically a part of the staff cost. So we have to separate it and look at the margin?
- Sanjay Banka:** Yes.
- Abhijeet:** These are one-time because the customs impact will be far lower in the forthcoming quarters?
- Sanjay Banka:** Yes, yes. Correct, correct. Impact will not be substantial as you've seen in other companies because we have -- the labour code has come around 5 years, 6 years back. We have been aligning and calibrating our structure of the cost for own staff as well as third-party. We have been preparing ourselves for a long time. And as you said, we are an employer of choice. We are a great place to work. Our focus is on social value addition. So we've been preparing ourselves on those lines.
- Abhijeet:** Okay. So the staff cost during the quarter should be about INR47 crores, INR469 million, if we remove the INR6.5 crores from that.
- Sanjay Banka:** Correct.
- Abhijeet:** That is one. And second, sir, if I then look at the fourth quarter and for the year as a whole, EBITDA margin still would be at about -- even if we cut it down, it will still be at about 10% for the year. Correct me if I'm substantially wrong.
- Sanjay Banka:** No. Correct.. So we have given this number, EBITDA margin for the whole, for the 9 months, right?
- Abhijeet:** Right.
- Sanjay Banka:** For the 9 months...
- Abhijeet:** No, no. I'm saying for the full year, for the full year also...
- Sanjay Banka:** Yes.
- Abhijeet:** Even if we don't have a great fourth quarter in terms of margin, the 9-month margin is 10.8%. So the full year margin also should be around that then?
- Suvankar Sen:** You see, in terms of overall numbers, even if we have been guiding that our EBITDA, sustainable EBITDA, is 7.5% to 7.8%.
- Abhijeet:** Right.
- Suvankar Sen:** So that is what we will keep guiding. But with all these numbers and situations and what we will discuss, then the plus, what you can add certain pluses to it, but yes, a sustainable EBITDA margin of our guidance is 7.5% to 7.8%. We will not comment more than that.
- Abhijeet:** Yes. Right. That that I agree. And so I was just working around the figures and coming to -- I mean, this year would be extraordinary year in terms of margins.

- Sanjay Banka:** Yes. This is an extraordinary year, and that's why we -- this is -- we are -- so let, so for that that's why we are saying that quarter 4, it's still some details are pending. Next year, we have given guidance of 7.5% to 7.8%.
- Abhijeet:** Right.
- Sanjay Banka:** This year so far has been very good.
- Moderator:** The next question is from the line of Venkat from MIT.
- Venkat:** This is Venkat from Mirabilis. Just one question on Melorra. How do we see the, I mean, integration over the next 1 year or 2 in terms of the stores that will be acquired? Any color on the store economics and the profitability of those stores will help?
- Suvankar Sen:** See, we will have a separate -- once the full acquisition is in place, we will have a separate call with the analyst with the strategy. But broadly speaking, we just want to tell you that Senco being a 88-year-old brand, and over 4 generations we've been serving customers. So Melorra is one of our -- one of the many strategies that we have to connect with the Gen Z, millennial, young generation customers. If you look at it, our average ticket size, even as in traditional Senco business that we have, is in the range of, INR80,000 to INR90,000, which is 6 grams to 7 grams in of today's date and time, right?
- Venkat:** Right.
- Suvankar Sen:** So therefore, this will only add to the portfolio of design centric and catering to the young generation. And that is how it is, and then we will -- once the full acquisition is in place, currently it is the Board's approval that has come in place, and the final thing is still pending. So we'll have a separate analyst call and share our ideas in detail.
- Moderator:** Thank you. Ladies and gentlemen that was the last question for today. I now hand the conference over to the management for closing comments. Over to you, sir.
- Suvankar Sen:** Thank you very much all of my investors and well-wishers and every quarter, the questions that all of you keep putting on us makes us think about it and formulate our strategies and how we can perform better.
- Once again, gratitude to the team that this particular quarter 3 has been a milestone historical quarter. This year has been historical as sir was saying, that with the gold prices, moving up in a way that has not been seen before, we are in the middle of history taking place. I think that as a growing company, our focus is how we can keep growing, keep producing designs and products that we can serve the customers in these times also, and to reach out to the Tier 2, 3, 4 towns and cities.
- One thing in the whole scenario, we must remember macroeconomically that still the play of unorganized to organized continues to happen. The more this gold price volatility comes in, more the regulation comes in. Just to inform all of you, government is thinking of how to make hallmarking much more stronger. Traceability will be a key factor going forward. So,

compliances, rules, regulations, systematic thinking, data analysis, these all will become very, very critical for the business to grow in the future.

And I think that we at Senco Gold & Diamonds are amongst the few jewellers in the country who are preparing ourselves and poised to grow with penetrating into the smaller towns of the country also. Thank you very much and hope to connect with you all again in the next quarter. Thank you and Happy Valentine's Day. Thank you.

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

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Summary of Proceedings: Q3 & FY26 Earnings Conference Call

Financial Performance

- **Historic Quarter:** The company reported a historic performance for Q3 FY26, crossing ₹3,000 crores in revenue, representing a 50% YoY growth.
- **Profitability Surge:** EBITDA rose significantly to ₹404.6 crores (up 406% YoY), and PAT increased to ₹264 crores (up 689% YoY). Adjusted EBITDA margin stood at 13.2%.
- **Margin Drivers:** The surge in margins was attributed to a higher share of own-store sales (65% vs. 33% franchise), improved product mix (including lightweight jewellery), and a 38% value growth in diamond studded jewellery.
- **Credit Rating:** The company received a credit rating of A1 from CareEdge, expected to help reduce blended ROI by 30-40 basis points in the next year.

Strategic & Operational Highlights

- **Product Strategy:** In response to high gold prices (reaching ₹1.5L+), the company focused on "fitting into the consumer's budget" by introducing 9-carat, 14-carat, and lightweight jewellery. Over 6,000 new gold designs and 3,000 diamond designs were launched in the quarter.
- **Technology Integration:** Implementation of AI-based software for real-time inventory monitoring has kept inventory days range-bound between 166-188 days.
- **Store Network:** The network currently stands at 196 stores, with plans to cross 200 by the end of the fiscal year. The focus remains on a "Hyperlocal" strategy catering to specific regional tastes.

Market Context & Risk Management

- **Gold Price Volatility:** Despite gold prices rising approx. 65% YoY, consumer sentiment remained robust during Dhanteras and wedding seasons. However, volume (grammage) saw a 3% decline in Q3 and a 10% decline for the 9-month period.
- **Hedging Policy:** Due to high volatility and liquidity pressures, the hedging ratio was maintained at 55%-60% (down from historical 80%-90%). Management confirmed this can return to 80%-90% once price stability is achieved.
- **Old Gold Exchange:** Exchange of old gold has increased significantly to 45%-50% (up from 25%-30% historically), aiding sales amidst high prices.

Future Outlook & Guidance

- **Q4 Expectations:** Management provided conservative revenue growth guidance of 25%+ for Q4, citing the upcoming wedding season and Akshay Tritiya.
- **Long-term Guidance:** For FY27, the company targets 20%+ revenue growth and a sustainable EBITDA margin of 7.5% - 7.8%.
- **Expansion:** Plans to open 18-20 new stores next year, with a balanced mix of own and franchisee showrooms.
- **Acquisition:** The acquisition of Melorra was highlighted as a strategic move to capture the Gen Z and millennial market, differentiating from the traditional Senco portfolio.