SENCO GOLD & DIAMONDS
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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**

Dear Sir(s)/ Madam(s),

Sub: Earnings Call Transcripts pertaining to the Audited Financial Results of Q4 FY-24

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcripts of Analysts/Investors Earning Conference Call organized on Friday, 24th May, 2024 post declaration of Audited Financial Results (both Standalone & Consolidated) for the 4th Quarter and year ended 31st March,2024.

The transcript is also available on the website of the Company: https://sencogoldanddiamonds.com/investor-relations

We request you to take the same on records.

Yours sincerely,

For SENCO GOLD LIMITED

Surendra Gupta
Digitally signed by Surendra Gupta
Date: 2024.05.31 16:30:10 +05'30'

Surendra Gupta
Company Secretary & Compliance Officer
Membership No. A20666

Encl: As above

Senco Gold Limited”
Q4 FY-24 Earnings Conference Call”

May 24, 2024

MANAGEMENT: **MR. SUVANKAR SEN - MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, SENCO GOLD LIMITED.**
MR. SANJAY BANKA - CHIEF FINANCIAL OFFICER, SENCO GOLD LIMITED.

MODERATOR: **MR. DEVANSHU BANSAL – EMKAY GLOBAL FINANCIAL SERVICES.**

Moderator: Ladies and gentlemen, welcome to the Q4 FY24 Results Conference Call of Senco Gold Limited hosted by Emkay Global Financial Services.

As a reminder, all participant lines will be in listen only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Devanshu Bansal from Emkay Global Financial Services. Thank you and over to you, sir.

Devanshu Bansal: Good morning, everyone. I would like to welcome the management team of Senco Gold and thank them for this opportunity.

We have with us today, Mr. Suvankar Sen, Managing Director and Chief Executive Officer and Mr. Sanjay Banka, Chief Financial Officer of Senco Gold.

I shall now hand over the call to the Management Team for the Opening Remarks. Over to you sir.

Suvankar Sen: Yes, good morning, everyone. It's always a great pleasure to interact with all of you. This is our first year post the listing in which we are sharing our thoughts, emotions and the data regarding the way our Company and our team have performed in the last Financial Year FY23-24.

And I would say that this year has been a milestone and a wonderful year, a journey for Senco Gold and Diamond. If we really look back at the way it's been in the month of July, we got our Company listed. And we have had one of the best ever listing in the Jewellery industry. The ability for us as a Company to create wealth for so many shareholders and stakeholders with the performance of our Company gives us a lot of happiness and it is a privilege to be a part of the wealth creation for the various shareholders of our country.

If we look at how this year has been, it's been a year of doing many, many new things. We were amongst the first to have launched metaverse platform with a future in mind of the way retail could be, taking small, small steps towards that we got ourselves enlisted in the ONDC which was an initiative by the government to make sure that we can reach further into the tier two, three, four towns and cities. We tied up with eBay to get ourselves accessible to the world market because with "Make in India" and with the whole focus that India as a growing economy must take a center stage in the world. It is our initiative to reach out to the various marketplaces across the world.

If we look at in terms of our geographic presence, we used this year to enter into the central India market with our store openings in Bhopal and Indore. We already had stores in Raipur, we opened one more store there. So, now, if we look at it in terms of our total store count as we ended the year FY23-24, we had 159 stores. The new number of stores that we opened, were about 23, out of which 17 were Company-owned-Company operated and six were franchisees. The franchisees have been more focused on the Eastern India expansion while our journey of opening new stores, building the brand, getting our awareness levels high across the country has been focused on East, North and Central India . We opened one store in the South in Bangalore as well, and one store in Pune. So, that has been a very balanced approach in terms of our expansion with a focus on the Eastern and Northern part of the country.

If we look at the various products that we have launched, so last year we also took the initiative of launching a new brand or rather a sub brand called SENNES, which was focusing on lab-grown diamonds and leather accessories ; and we have started our pilot project by opening three Sennes stores in Kolkata and we have displayed our products in the various stores located in Kolkata as well as in Chandigarh and Delhi . Trying, testing the market, looking at the way the consumers are behaving. In terms of the designs, in terms of the collections that we have launched, last year we launched 23 collections across the year, be it in the lightweight Jewellery category, in diamond Jewellery category. So, every month we target ourselves to bring in new designs for the consumers and that has been one of our focus areas. So, that there is an inquisitiveness and inspiration for the customers to keep coming back to the stores.

If we come down to the numbers, we may have seen that the revenue from operations overall has grown by 28.5% Out of that, if we look at the retail business growth, we have grown by about 25% If we see the PAT growth that we have seen, it has grown by 14.2% at a figure of Rs. 181 crore vis-à-vis Rs. 158 crore in the previous financial year and our top line also has been Rs. 5,240 crore approximately compared to Rs. 4,077 crore in the previous financial year. So, the effort and the endeavor that the team has done in order to grow the business, by all of your support, has been in the right direction, if you look at the number of customers that has transacted with us, it's been about 5,88,000 customers, out of which we have seen that approximately the new customer base that has been a part of our journey has been around 2,88,000 and the remaining of the customers that have been there are our old customers that have come back.

So, in terms of an interesting figure, we have seen that our old gold exchange with our customers has grown substantially, two years back it was about 25% of the overall business,, but today we see 32% of the overall business is happening through the exchange of old gold. Now, that is a kind of a signal that yes, one is the hallmarking policies that are being taken by the government is working in the right direction, consumers are much more aware of the brand, aware of all the established brands of the fact that they need to buy Jewellery which is of the right purity, of the right standards, and they are utilizing it to exchange their old Jewellery and buying new Jewellery and that is a part in which we are seeing the shift from the unorganized to the organized sector.

Now, if we look at the stud ratio, we will see that, in terms of the diamond Jewellery sales, we have grown by about 37%. And that's been a very decent jump in terms of the growth of the stud ratio. So, it was 10.4% as of overall sale in the previous financial year compared to that it's grown by 100 basis points to 11.4%. So, there has been a constant effort and an endeavor on our part to take these new designs and collections to the consumers. And we have seen that because of the gold prices if you really observe the way it has worked out in the previous financial year, which has moved from ~Rs. 57,000 in the beginning of the year to about Rs. 67,000 by the end of the year, while the jump has been more in the month of March, but till January and February it was in the range of Rs. 60,000 to Rs. 62,000.

So, that big jump is impacting the consumer behavior in many ways, one is that for the lighter Jewellery, for the everyday wear people are shifting to these diamond studded Jewellery or platinum Jewellery and that is why we are seeing that segment we are having a higher sales of the diamond Jewellery that is one and in the second way to look at it is that, as far as wedding Jewellery is concerned, we are seeing in terms of the ATV or the value of the wedding Jewellery sale because of the gold price rise. And because the fact is, it is a necessity. The family has to buy Jewellery for the wedding purpose, for the bride so there the stickiness and the inelasticity of demand, even though the prices have been on the upward trend has been seen and even if we look at the trend in the last two months with a big jump in the gold prices, it is this wedding Jewellery collection and the wedding Jewellery purchases that is showing a bigger traction compared to the lighter Jewellery sales. So, that is how we are observing the market. And in terms of EBITDA margin, it was 7.7% is the Q4 FY24, which has come down from the previous financial year of 8.2%. But our effort overall in the EBITDA margin level and on the annual basis has been 7.2%. And we will be working towards ways and means and how we can take it closer to 8%. That will be our constant endeavor.

Yes, with all the good things that's happening, where are the challenges or where we need to focus on, we have seen that our margins are under pressure. And so, while we are seeing an absolute increase in terms of profitability, but in terms of our percentage ways, it has come down, now that is something we have to accept the way the market is behaving, there is an endeavor of growth of capturing new customers. So, that is one part of the way of looking at it positively. But the other part of it is that, the competitive scenario is increasing, we have our fellow jewelers who are also working towards, trying to acquire new customers. And in that competitive scenario, there are more offers and discounts and aggressive campaigns that are happening and that is what is leading to this whole, downward pressure on the margins. But, I believe that, this will continue as much as the time we will be taking for the shift of unorganized to organize happening, but we should look at a long term picture, we should look at the 10 year growth journey of our country. And as a brand, it is our responsibility to look into the future to create our new customer base, and be a little aggressive in terms of our expansion in a sustainable manner. And I believe that, that is where we are taking this little bit of sacrifice on margins for a longer benefit. And our endeavor to keep on increasing our diamond Jewellery sales will continue to happen, which will be able to mitigate a little bit in terms of the downward pressure that we will see on the margin.

So, with this, I would request Mr. Banka to say a few words.

Sanjay Banka: Thank you very much, sir. Further to what you have said about the qualitative factors, I will quickly give a brief idea about the financial parameters. So, as we said that EBITDA margin has been in a range bound and our target is to keep it near eight and above. Our debt equity ratio has slightly improved from 1.24x to 1.10x is based on the free cash flow for the current year and the IPO funds which came in and which has been used for the working capital. The TOL / TNW, which is the important parameter for credit rating that has also improved from 1.7x to 1.44x, the net debt to equity which is a very important parameter to understand what is the net debt, so we have FD margin of around (+5800) crore on account of hedging and collateral. So, the net debt to equity has also improved from 0.80x to 0.71x. Cash conversion cycle that has been in the range bound to 165 to 169. The press release which we have issued highlighted some other important parameters, particularly we must look at the finance cost from the Ind AS angle. So, the finance cost which is visible in the financials, it includes a lease rental impact of Rs. 28 crore. So, effectively as we said the finance cost or blended interest rate is around 6%p.a. on our total borrowing. Our EBIT margin had been stable at 6.8%.

So, these are the few parameters, if I come to the standalone balance sheet. Our net worth has increased from Rs. 949 crore to Rs. Rs 1377 Cr a growth of Rs. 428 crore primarily on account of IPO equity and the PAT for the current year. Inventory have increased by Rs. 559 crore from Rs. 1,877 crore to Rs. 2,436 crore. In this regard, it is important to understand that this inventory increase is slightly optical because it is not a quantity increase at all the stores, it is about the new stores which have been set up and a 15% price increase. So, that leads to an optical illusion of the inventory increase , but our inventory days has been remained stable it is 2.41x or around 151 days and amongst the best in the industry, borrowing may slightly increase. So, post the IPO funding while we have used the IPO working capital, but since we have been working for the growth and since the gold price increase has happened, the borrowing has increased by ~Rs. 322 crore.

A very important point is the free cash flow. The accounting policy which we have adopted earlier and during the IPO we could not make a change in it. So, optically the free cash flow looks negative, but if we adjust the gold metal loan borrowings, the GML borrowing from the financing cash flow to operating cash flow, then the operating cash flow will become positive by Rs. 46.02 crore.

So, with that, we conclude our briefing on the business and the financials, and we invite your query. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Avnish Roy from Nuvama. Please go ahead.

Avnish Roy: My first question is your Q4 revenue growth was much stronger than the nine month growth. So, what's driving this, is this gold price or store addition and secondly in FY25, after a weak Q1 in terms of wedding days, then the wedding days are actually picking up. So, wanted to understand what your expectation of growth in FY25 will be can it be faster than the growth in FY24 , given exit rate has been very strong.

Suvankar Sen: So, the Q4 growth has been higher than the Q3 growth, Q3 growth is usually because of Dhanteras the festive season. So, therefore the base is always on the higher side and, one needs to look at the base and build on that base, which is already high. For Q4 the wedding season, we had a large number of weddings up to 7th of March. So, if we look at January and February month, we had a very strong performance and demand from the consumer end, post middle of March, the numbers started moving a little downward. And that is when, overall we have seen a little lower traction. But the first two months showed the maximum benefit in terms of the growth that we have seen led by the wedding season. So, that was one, and going forward for the coming financial year. If you look at the macro economic scenario, we already had Akshaya Tritiya, which is one of the bigger days of sales and a season for the Jewellery industry. The gold prices have moved upward since March. And even in the month of April, it was in an upward trend and a curve, so that is impacting sales. So, if you really ask, in terms of value till Akshaya Tritiya, the value growth we can talk about 15% odd, but in terms of volume, we have not seen much of growth happening. So, people are taking a little bit of time to get used to the new gold prices. So, in terms of our focus and our effort, we will want to continue to grow at about 18% to 20% in terms of top line. And in the same way with our mix of gold versus diamonds stud ratio and the other products, we will also want to ensure that our bottom line also grows approximately between 15% to 20%. It is also impacted by the global uncertainty, the war, the gold price volatility, all of that put together maybe the conservative estimate is 15%. And the positive, optimistic estimate will be about 20%. This is how we are looking at the picture.

Sanjay Banka: If I add to this ,basically if you look at this 39%. So, Q3 was 23%, one clear factor is the price variance of the gold price increase. So, let's say if we exclude the 15% gold price increase, we are left with 24%. And, there is a volume variance of around 13% as well. Then it is followed by an increase of around 19% in diamond as well. Since there are around total 36 new stores which have been set up in last two years in March 24 and March 23, there is a cumulative impact of the new stores coming up, which is usually in the second part of the year. Assuming the price variance is one of the factors around 15%. The volume variance of gold, SSSG is almost as you say it is around 20% for own store. It's a mix of all these things. Moreover, as the customer base is increasing debt is also creating a ripple effect.

Avnish Roy: Understood. My second question is, you have added 36 stores in last two years. So, wanted to understand FY25-26 what will be your target. Second is, now you are going into some of the new markets where the brand is unknown and the local taste also will be different. So, for example, going into these cosmopolitan cities like Bangalore, Pune are you targeting more of the East Indian population or maybe even the North Indian population, is that the main focus or is it, you are going completely local from a Bangalore perspective, local from a Pune perspective just full mass audience you are targeting, that's my question and what is the response you have seen say in Bhopal, Indore, because that again is very new to the brand and definitely very competitive also?

Suvankar Sen: As far as the new stores are concerned, we are looking at about 8 to 10 Company owned, Company operated stores and 8 to 10 franchisees these are the thought process with which we are working for the new financial year. so about adding between 15 to 20 odd stores in the coming year. So, that is one, we have said that before as well, that when we will be growing our focus of growth almost, I would say 70% to 80% of our growth will continue to be Eastern and Northern India, because we want to continue to play on the economies of scale and we want to leverage the brand and the goodwill that we have building upon in the Eastern and Northern part of the country. So, that will continue to be our focus, yes other than that, be it West or South or Central would be a mixture of West and North, but the awareness levels are gradually building up. How do you build up awareness, when you open a store, as far as the product portfolio is concerned, usually our merchandisers are surveying the market, understanding the local tastes and the based being Kolkata, where maximum Karigar are based out of, manufacturing of Jewellery of whichever part of the country not really a big challenge, it is the brand awareness, the loyalty of the customers that we have to get over a period of time is where we need to work upon. Indeed, in Bhopal and Indore it's just been less than a year, we are doing our marketing campaigns, we are building awareness, we are taking help of various local partners, marketing partners, trying to build those customer relationships. And as far as the product portfolio goes in say, Bangalore or such cosmopolitan markets, we are aware of where our strength lies, our strength lies in Eastern and Northern parts of the country. So, when we are planning our merchandising, with the cosmopolitan crowd in mind, when it comes to diamond Jewellery, it is cutting across all communities because it's for everyday wear, lightweight, we trying to be as design oriented and value oriented in terms of diamond Jewellery, so that will cater to mass audience and large customer base. When it comes to gold Jewellery we are consciously taking a 40% to 50% design portfolio for Eastern and Northern consumers and 40% to 50% for the local consumers. And accordingly, we are planning our merchandising, this is how we are looking at.

Avnish Roy: Sure. Last quick question so, if you see the gold import data in terms of the quantum of gold, in terms of tonnage, it clearly suggests that illegal gold is increasing fairly significant. So, that is one point. Second is, the local jewelers clearly still do not hedge and it doesn't make too much sense for them to infact hedge because gold is going one way up. In that scenario, if you could comment, how is your Company able to compete against the local competition. You are doing quite well, but still wanted to understand how big is that a problem. And second, there is some dip in gross and EBITDA margins, which you also highlighted. So, when do you see the competitive intensity dipping, will it be a function of the gold prices coming back to a bit more rational level till then the competitive intensity will it remain high?

Suvankar Sen: When it comes to the gold import data, we will see that if you look at the quantum imports in terms of tonnage, over the last six to seven years it has been in the range of 600 tonnes to 800 tonnes there were one year when there was a 1,000 odd tonnes that was the post COVID scenario but other than that, on an average it is around 700 to 750 tonnes. So, whatever you see in terms of the market share and consumption, which is a value that is growing more rather than the volume and the shift from the unorganized to organized happening, where the organized players are having a bigger pie of the cake that is the scenario that we are looking at. Now, in terms of the unauthorized gold let me tell you that in spite of whatever data, reports and all that is coming in, it is not easy for a normal jewelers to do much of business with the policies, with GST, with the vigilance and the monitoring mechanism of the government. Over a period of time, even if anything like that is happening, it cannot sustain for a long period of time. And that will not be able to impact the bigger consuming centers maybe the far of some village or somewhere like that, it might still impact but it will not impact the Jewellery industry . It might impact the bullion industry. So, that is how we would look at it. Yes, what was happening with the unorganized segment and the competition that is increasing is that when, the organized segment is growing in a fast manner the unorganized players are trying to survive, trying their level best to put their best foot forward being more competitive, trying to build relationship with the consumer and then it is a matter of design, service, how the organized players are being able to cater to that consumer demand. And finally, over the past coming four to five years, you will be able to see a consolidation happening and this competitive scenario that we are seeing will much stabilize and things will move upward in terms of capturing market share more and more and even I would say see, profitability is there is competition, there will always be people trying to grab a higher market share. But I would say more stable profitability rather than growing profitability in the coming four to five years. This is how we want to look at it.

Moderator: Thank you. The next question is from the line of Videesha Sheth from Ambit Capital. Please go ahead.

Videesha Sheth: My first question was on our Northern region, can you share an update on performance of your North store in terms of revenue throughput, or margin coming at these stores and what is your sense as to how can we improve the profitability in these stores going forward?

Sanjay Banka: See, Videesha we don't speak about the profitability zone wise, that is not published, but to give you a flavor out of total 159 stores, we have 21 own stores is North and one franchisee store. And in the last two years, the new stores which have been set up in the North are four. Now, if you look at what we highlighted last time as well, North is a crown and since in North there is no leader everybody is trying to capture the market in North. Therefore, the stud ratio is highest in the North. So, while we are talking about 11.4% blended stud ratio of own and franchise, in North it is 17.2% that is what I can inform you. Similarly, when we talk about the retail growth of 35% overall, which includes own store of let say 26%, franchise 22% North growth is 22%, which includes SSSG of 19% which means that the North business is clearly growing. While we have earlier talked about the blended average sale per store of around Rs. 35 to Rs. 36 crore. North average sale per store is in the range of Rs. 27 crore. So, clearly the business has an opportunity in North and as you said earlier, East and North will be the focus followed by West and South. So, we continue to see opportunity of growth in North.

Videesha Sheth: Sure. Second was on the export element, given that higher revenue growth in 4Q was also a bit attributable to the export, can you help with what is the ballpark export income for FY 24 & 4Q FY24 and share your outlook on this segment. And sorry, just a follow up, how would a gross margins look like had it not been for the bump in this export income for the current quarter?

Sanjay Banka: So, gross margin would have been higher, export last year was Rs. 70 crore to be precise and this year we have done exports around Rs. 187 crore to Rs. 188 crore. So, as you are aware export business gross margins are usually lower, let's say 6% to 7% range. So the gross margin is marginally diluted. . So, in a top line of Rs. 5,200 crore, Rs. 187 crore or 4% to 5% on that does not really impact. As we have said earlier, the gross margin dilution is a function of the current competitive intensity in the market you would have seen that other large players are also facing this challenge, a lot of discounting is happening while we are avoiding the temptation to give more discount on the gold ; others are, they are giving the discount. So, then on diamond also the market is giving a discount which is more on the solitaire and those exceeding 30cents plus in size, sometimes we have to follow the market trends and this is in line with our expectation for the current year.

Videesha Sheth: Got it. And lastly on the borrowing side, how much are the short term borrowing Rs. 1,500 odd crores pertaining to gold metal loan and what will be the amount of other working capital loans?

Sanjay Banka: See, our borrowing as on March 24 is Rs. 1,497 crore, our entire borrowing is short term there is no material long term borrowing, It is of only Rs. 4 to Rs. 5 crore because we don't take any borrowing for the plant and machinery. Gold metal loans is around 61% , around Rs. 915 crore would be gold metal loan. And the interest rate as we have said in the earlier concall and the quarterly presentation. Our rate of interest on the gold metal loan will vary from 3.2% to 3.80 %. And on the working capital facility that is CC/ WCDL, et cetera that is around 9.5%, blended of around 5.5% to 6%. And this is what we have said that we look forward to increasing the GML percentage year-on-year and take it higher . That's a part of our strategy to minimize the cost and pass on the maximum benefit to the PAT and to the stakeholders.

Moderator: Thank you. The next question is from the line of Devansh Nigotia from Safe Enterprises. Please go ahead.

Devansh Nigotia: Sir, with respect to the inventory buildup which has happened in this year, is significantly higher than our peers with similar store expansion and on percentage basis while the gold price increase has been pretty much similar for all of us. So, can you share some thoughts over there and if you can break up the inventory buildup between the price increase and between the investment which has happened in our COCO stores so that would be really helpful. And when do we expect this to rationalize also by the end of FY25 or maybe H2 of next year FY25?

Sanjay Banka: So, as we said in the press release at the summary level, the inventory increase is optically high because the gold price has increased by 15%. The major reason for that is due to the gold price rise. So, while we have added 16 to 17 stores, let's say our total gold inventory, was around Rs. 1,877 crore, and this year it is around Rs. 2,435 crores.

Devansh Nigotia: Okay. And how much that translates into the amount?

Sanjay Banka: And let's look at the last six years, last six years it has only increased for 650 kg. So, when we talk about average inventory per store, obviously stores are of different size, average inventory per store is rangebound.

Devansh Nigotia: Okay. And sir what you see the outlook in terms of margin guidance for FY25?

Sanjay Banka: Margin, we have not said much, we have only said that the market's competitive intensity will further increase. So, in order to mitigate the competitive intensity, we will continue to work on our stud ratio strategy, increasing our stud ratio by 100 to 130 basis points every year, which will mitigate the price pressure which will come on the gold business and we will look at around 20 to 30 basis point improvement in the gross margin and EBITDA. This is what is the conservative outlook we can give. So, you have seen the published results of other fellow jewelers they have also seen this pressure on the gross margin EBITDA and EBIT at all level. Our advantage is that since we are market leader in the East, and we have a strategic locational advantage of being present in Kolkata which is the largest supplier of karigars workers to India, the pressure on us is much lesser.

Devansh Nigotia: And sir, just last question. The interest portion which we mentioned, the GML portion which we will increase. So, what is the optimum GML percentage we can take, or the limits that we have currently that can mitigate this high cost, borrowing from banks?

Sanjay Banka: See we are looking at around 75% is optimum, I don't have the exact breakup of the competitor or the industry peers, last year it was around 55% and has improved to 61% as of March 24, we propose to take it to around 75%.

Devansh Nigotia: And this will be the maximum limit?

Sanjay Banka: This may not be the maximum limit, see we have a consortium banking from around 15 bankers and each and every banks have their own policy of the product mix and their margin mix so it depends upon the negotiation. So, I can't say it is maximum, we will try to maximize the value for our shareholders, that's what is our promise from the management team. So, we continue to understand best practices from our fellow jewelers and consistently working for improving the value, be it at the gross margin level, EBITDA level or at the finance cost level. That is what is our promise to our shareholders.

Moderator: Thank you. The next question is from the line of Shirish Pardeshi from Centrum Broking. Please go ahead.

Shirish Pardeshi: Sir starting with, in your press briefing you have given the ASP is Rs. 41,600. So, this is full year number or this quarter number and maybe if you can tell me if it is possible what was the number last year?

Suvankar Sen: So, the ASP (average sale price) is around Rs. 41,000 for the full year improving from Rs 36,000 range for last 3 years. Similarly The ATVs (average ticket value) was in Rs 63000 range improving from Rs 56,00 to Rs 57,000 for last 3 years. Even when considering quarterly or yearly data, the ASP typically remains within this range, fluctuating only by about Rs. 1,000 here and there. It is important to note that this is the blended ASP and Gold Jewellery ASP are higher by Rs 9,000- to Rs 10,000.

Sanjay Banka: So, if I will add one more point, what we have reported earlier, this ASP and ATV was at an overall level so if you remember one other player has also given the Gold ASP separately, our gold ASP is around Rs. 54,000 so clearly the ASP overall has also seen an increase so gold ASP is around Rs. 54,800 and diamond ASP is Rs. 42,000, while the blended is what you are seeing but gold ASP is Rs. 10,000 more, which we will disclose in our quarterly presentation as well.

Shirish Pardeshi: Okay, Mr Banka that's helpful, but what I wanted to check in the context you have said the gold exchange has increased to 32%. So, I just wanted to say technically if the ASP is going up, that's the comment if you can also?

Sanjay Banka: Yes, we have clearly said that our ASP is going up in all the categories in the gold and in diamond particularly because there is a premiumization happening. As we are moving up the customer value chain, and as we expand into North and West region. We are getting more and more premium customers. Despite the fact that we are moving up the value chain our ASP and ATV are in the moderate range. So, premiumization, bringing newer customer, bringing more youngsters is what is leading to an increase in the ASP. And this increase in ASP is not a function of price rise. That's what we want to clarify, it's a premium customer, youngsters, the lightweight Jewellery, making charges are more due to our brand positioning.

Shirish Pardeshi: Okay. So, one follow-up here in the context of what you are saying, I don't know whether you measure that, but what is the new buyer growth or what is the contribution from new buyer?

Suvankar Sen: So, I will tell you that , we had a total number of customers that transacted was 5,54,000 and out of that new customer was 2,72,000. So, approximately 45% to 50%, that's how one has to look at it. And the repeat buyers were the remaining 2,80,000 odd, so around 55%, so 47% and 53%, something of that sort. And in this also one has to look at the growth numbers that the repeat buyers last year has grown. So, we tried to reach out to our existing customers, and offer them new collections and designs. So, we could win back many customers who haven't been buying for a year and a half. And the new customer growth rate is standard between 5% to 10%. So, that's how we are acquiring new customers in terms of the growth every year-on-year.

Shirish Pardeshi: That's really complimentary, it's really fantastic number, hope you will continue on that.

Sanjay Banka: So, if I just complement what sir has said, basically loyalty customer is a stable customer base, which we have said earlier 55% to 60%. So, if you look at loyalty customer in terms of value it is around 55%+

Suvankar Sen: So, see, if you understand the category, you will understand that the consumer every year would want to buy something or the other, women as a customer, they get bored with suppose a design that they have been using for say two years or three years. So, a lot of consumers having a higher disposable income will keep accumulating and buying new and many consumers will want to exchange their old Jewellery and buy their new design. So, this is how the consumer is behaving and we have to come up with new designs and collections to keep them excited and coming back to the store. So, this is what we are trying to do. So, very recently, as we speak today we launched our new bridal range collection for the season and this is a trend that we have seen in the last one, one and a half months during Akshaya Tritiya time also that people having their weddings in the end of the year, like say November and December because of the gold price rise are already starting to accumulate their wedding Jewellery. So, we have already launched the wedding Jewellery range, we are calling it the Gathbandhan collection and in this time of the year so that people can start accumulating their Jewellery for the wedding, buying it for the family. We also launched something called the Marygold collection. Now, maybe we will talk more in detail after the quarter one performance, but these are initiatives that we are taking so that people can start planning how do we solve the problem of consumers being able to buy Jewellery with such a high volatility in gold price. So, we have launched the Marygold scheme, in which a consumer can keep accumulating their money, save it with us over a period of six months or nine months and then they can buy it at the end of the tenure and there is a flexible option and a fixed option. So, the fixed option you can average out the gold rate based on your convenience and the flexible option is in which at time of booking of gold and at the time of buying of the Jewellery, whichever is the lower consumer shall be passed on the benefit. So, we are trying to come up with such innovative offers and schemes to solve the problem of the high gold price for the consumer.

Shirish Pardeshi: That's really helpful and my last question on the Akshaya Tritiya, so maybe if you say that you have clocked 19% SSSG, how this SSSG would have happened in last 40 to 45 days?

Suvankar Sen: So, in the last 40 to 45 days, if we look at the SSSG numbers, we have grown by about 18%. But, like-to-like has been 12% and the new stores have been 6%. So, total growth has been 18% for Company-on-Company operative store, but if you look at the franchisee business, there we have seen that the growth has been a little higher. So, this is also something that we are hoping and observing that the franchisee which are mostly in the tier two, three, four towns and semi urban or semi- rural kind of areas, they are seeing some amount of higher traction, whatever be the case. So, the rural India growth story is going to look very positive this year hoping for a great monsoon that will give us a good response from the rural and the semi urban market post Q2 I guess. So, that's been the way but, what is the point to be noted here along with the value growth number is the volume growth has not been touched because of the price rise. It's only been in a, I would say in the same range, no growth in volume, only growth in value.

Moderator: Thank you. The next question is from the line of Mohit Madhiwalla from Envision Capital. Please go ahead.

Mohit Madhiwalla: So, sir my first question is that out of the total consolidated revenue, what was the proportion of COCO store and what is the proportion of your franchisee stores?

Sanjay Banka: Proportion is usually, so out of the total franchisees should be around 35% and around 60% would be own, balance would be exports, e-commerce, et cetera.

Mohit Madhiwalla: Okay, so 60% owned, 35% franchise and 5% export?

Sanjay Banka: Exports, e-commerce, corporate, et cetera within 5% . So, we have a team which actually does B2B business with the corporates. We have e-commerce site, we have got Digi gold, we have got Digi silver. So, all the digital model, digital platform we are making future ready so while current focus is very clearly on the brick and mortar model, but we are making ourselves ready for the future as well.

Mohit Madhiwalla: Okay, super got it. And sir, if I had to see your cash flow statement, so, basically the CAPEX that was done in FY23 is Rs. 31 crore and in FY24 its Rs. 38 crore versus COCO stores additions or five stores added in FY23 or rather 16 or 17 added in FY24. So, there is a significant difference on a per store basis. So, I just wanted to understand is this because we are taking more stores on lease, is it because we are opening smaller stores, is it because the real estate is cheaper in the newer locations. So, just wanted to understand how to kind of interpret this difference?

Sanjay Banka: So, basically what we have reported is cash flow in the accounts disclosure you will find in let's say one major store which was Hatibagan store, due to some issues it was work in progress (WIP) for five years. So, the cost incurred was Rs. 17 crore. So, you will see a higher number as far as the balance sheet is concerned. But as far as cash flow is concerned, we have said around Rs. 37 to Rs. 38 crore. That is one point, clearly so we take most of the stores on lease, we don't own the store. So, if you talk at 90 total stores, only seven to eight are owned by the group Company which we take on lease, so as a strategy, we don't invest in the real estate, we all know that real estate does not yield results. And we are working to give the maximum return to our shareholders. So, we don't own the stores. All the stores are taken on lease for a period from seven year to whatever 17 to 18 years. Clearly, the CAPEX, so average CAPEX per store in terms of per square feet, is around Rs. 6,000 to Rs. 7,000 per square feet. Now, as you have seen we have got multiple model, we have got a D'Signia model which is quite premium. We have recently launched House of Senco which is quite premium. The old classic store cost is lesser, we have also modernized our store look and feel so, you will see that Noida store has been modernized, the existing stores are getting modernized. So, on an average around Rs. 2.5 crore is our CAPEX per store, there are stores where we have incurred Rs. 1.6 crore also, there are stores which have got Rs. 1.6 crore and Rs. 1.2 crore and Rs. 2.5 crore, there are multiple ranges, but average is around Rs. 6,000 per store, per square feet.

Mohit Madhiwalla: Okay, got it. And sir just to understand, so how long do you take these leases on the store and what is the renewal kind of cycle like?

Suvankar Sen: So, it's usually a nine year lease and then we get it renewed. So, usually it's a nine year.

Mohit Madhiwalla: Okay, got it. And just a question on, plans in the international market. So, just want an update on how the store in Dubai is doing, any further plans to expand out there just how the uptake has been out there?

Suvankar Sen: So, the store in Dubai we did the puja and the auspicious beginning on the Day of Akshaya Tritiya, store in Dubai is under I wouldn't say the initiatives, the plan, the consumer connect, all those things are under process and right now there is nothing substantial to talk about, we are taking the initiative of building up the future traction that is all that I can say. But yes, what is the long term vision is that, we already have our fellow jewelers that are either established in the global market or are endeavoring to grow in the global market. For us there is like a three phase strategy one is the East and North strategy the rest of India strategy and the global strategy and then the immediate traction is the East and North that will ensure that the profitability, the cash flow stays in hand. The West and South is the closer kind of timeframe and the global is where you have a limited focus and step-by-step you would want to grow. So, this is how the priorities have set in.

Mohit Madhiwalla: Okay, great. And sir just one last question. In terms of acquiring new customers in the new kind of locations that we are opening, what is the philosophy, so is it more on like you are offering discounts on making charges, are you being aggressive in that context or is the idea to kind of spend more on advertisements, marketing, sales force on that type of spend, so just wanted to understand the idea behind customer acquisition?

Suvankar Sen: Right. So, to see it's a blended mix strategy very honestly, two things has to be done, one is that the brand awareness has to go up. Now, for the purpose of brand awareness, you will need to spend on marketing which is outdoors, digital, people should get to know about the brand, story about the brand, the karigari story, the fact that we come from that place in the country, which is the hub for a karigar, the design, the fact that we can make products which are lighter in kind of weight and within the budget of the consumer, the fact that our diamond jewellery is value and can be really affordable. So, those are the areas in which brand awareness has to be built, but when it comes to these special occasions like Dhanteras, Akshaya Tritiya or any of the hyper local occasion there, you cannot not give a discount, you have to give some kind of offer to the consumers to make them get hooked on to your brand. So, at a 60:40 ratio, I would say brand awareness, brand building and 40% is on offers.

Moderator: Thank you. The next question is from the line of Vikrant Kashyap from Asian Markets Securities. Please go ahead.

Vikrant Kashyap: I have a question on your store opening plan. Can you please break it up in terms of how many stores we are planning to open in your core strength area of North and East, and other parts of India. And what would be the mix of Company owned and franchised stores?

Suvankar Sen: So, what I said is about 8 to 10 Company owned, Company operated and 8 to 10 franchisees that's the conservative estimate which we are working on. And again, the focus of 60% to 70% of your store openings be its own store or franchisee will be Eastern and Northern part of the country and 20% more so, will be on the Southern and Western part of the country. So, 70% to 80% Eastern and North, out of that again 40% to 50% is going to be East only, because we believe that there is still our scope in all the Eastern India states of Bihar, Odisha, Bengal, Assam, Chhattisgarh and further on to penetrate into the tire two, three, four towns and cities or the growing fact of the capital cities of East India also. So, then you should not lose our focus on that, and North India, be it UP, Delhi, Punjab, all those states that are there we will be focusing on those states for the time and then the rest is South and West, which we will go with the lesser focus.

Vikrant Kashyap: Okay, thank you, sir. And one question on your overseas expansion for this year your long term vision, therefore three to five years, what kind of opportunity you see in the overseas market and which of the geographies you are targeting and what kind of revenue net mix do we have?

Suvankar Sen: Thank you for the question, because it's very important to have a long-term vision towards which one has to keep growing. So, if you are aware of this report of Deloitte that has been published in the month of February, in which they were talking about the top 100 luxury brands of the world. And we spoke about this in the last earnings call that, there were six companies from India that were listed in that list. And out of that all six of them were from the jewellery industry, and we were amongst one of those who have been listed. So, with the Indian diaspora or as we call the sub continental diaspora spreading all over the world, there is a market that is lying there to be tapped, and we already have our fellow jewelers, who are doing a great job of going there and capturing the market. So, the brand India, Made in India, jewellery designed in India, those kind of thought process is also something that we all need to talk to grow the economy. And we all have to play our roles and part in it. So, yes, with the Indian diaspora in mind, and with the subcontinent the diaspora in mind, we would step by step, but again it's all about capital allocation, it is all about balance. So, now that a huge capital allocation will happen in the global expansion, but five to six years in the major areas in which already the market will be created by our fellow jewelers, we would like to capture a part of the market as and when the time would suit right.

Moderator: Thank you. The next question is from the line of Aliasgar Shakir from Motilal Oswal Financial Services. Please go ahead.

Aliasgar Shakir: Couple of questions. One is on the growth, so you guided about 18% to 20% growth on an annual basis in 25. But in this quarter, you mentioned about 18% growth that you have observed out of this 12% is NFL and about 6% is the growth from new store, did I hear that correct, follow up there is that in terms of new store given that you will be adding about 18 to 20 new stores which is foot print growth of nearly about close to +12%. So, in the current quarter run rate seems to be higher than what you are guiding for the full year given the improvement in prices. So, that gives you an upward bias, correct?

Sanjay Banka: Ali, sorry we could not understand your query if you can be specific, what we have said is that, we have grown at a retail level for the full year at 25% and SSSG was 18%, that is one and as far as Akshaya Tritiya is concern, overall we have grown 21% and own store 18% and SSSG 12%.

Aliasgar Shakir: Okay. So, mainly for the quarter so far in the 45 days you have done about 18% SSSG growth, right. So, that is way higher than what you are guiding for the full year of about 18% growth. So, in that context, if the gold prices remain where they are then certainly the growth in FY25 will be higher than what we are guiding?

Sanjay Banka: There is a slight confusion, in the current year so far, we have grown around +20% our own and franchisee both taken together and SSSG is around 12%. And earlier we also have said that the SSSG is around 60% to 70% of the total growth ; so if we grow 20% , SSSG will be 60% to 70% that is 12% to 13%. If we grow 30%, SSSG will be 60% to 70% that is 18% and 20%.

Aliasgar Shakir: Got it. Second question is on the gross margin. So, you indicated that we would target to improve our margins to 18%. Having said that, given the fact that we are still seeing competition, we are not being intention the making charges. Do think that increasing studded with fully offset this impact on you think that in the near term we should continue to see impact on the gross margin?

Sanjay Banka: We are very happy that you are giving us such a nice number. But we have not said that the gross margin will be 18%. Our gross margin for the current year is around 15.3%.

Suvankar Sen: So, we said that the EBITDA has grown for the full year by 18.6% from Rs. 316 crores in the previous financial years to Rs. 375 odd crore in the FY24, so that will be the growth of EBITDA.

Aliasgar Shakir: Sorry, I meant 8% EBITDA margin.

Suvankar Sen: Yes, so our EBITDA margin is at 7.3% that we have seen, and we will work on increasing it towards 8%, that's what we are saying, that is going to be our endeavor.

Aliasgar Shakir: Correct. But given the fact that we are seeing impact in making charges?

Suvankar Sen: So, the impact on making charges, the impact on the gold grades and all of that will be the factors for the downward pressure. And for that the increase in stud ratio, the increase of sales of more of diamond jewellery, that will be the one that will create the upward pressure. So, that's where we need to work on increasing the stud ratio and our stud ratio is 11.4% as on date. And you are all aware that our fellow friends have had a bigger share in terms of their stud ratio and the diamond jewellery sales. So, even if we do a 100 to 150 basis point jump in the stud ratio that will create an upward pressure on the margins and the EBITDA.

Aliasgar Shakir: Understood. So, basically you should be able to fully offset this impact of making charges and still improve your EBITDA margins?

Suvankar Sen: That's the thought.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question and I will hand the conference over to the management for closing comments.

Suvankar Sen: Last question is over or are we waiting for the last question?

Moderator: No, sir last question is over.

Suvankar Sen: So, yes, thank you, everyone for attending the earnings call. And we are very grateful to all of you for standing by and supporting the effort that we as a team are making, as I have already said that this year is a milestone year for the journey and for the team Senco Gold Limited. And while we all are working towards growing the business, there are challenges to be faced in terms of the gold price volatility. We have seen in the last two months the heat wave, and because of the elections, there have been a little bit of lesser traction and movement comparatively. But we are all very optimistic that post June, we will be able to see a much more positive sentiment in the economy praying for a great monsoon that will all impact the agriculture sector which will in turn impact our jewellery business. The wedding season will be starting, the summer weddings are lesser in numbers, but it is still there. The winter wedding planning will all begin very soon and with that positivity and optimism, we will continue to grow the new brands that we have launched, the new products and categories that we have launched, we look forward to consolidate on them and build those for the future. And, hope to continue to interact with all of you and update you with whatever is happening in the jewellery industry. Thank you.

Moderator: Thank you. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.
