Date: July 28, 2026

To,
The Manager
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code - 544161

To,
The Manager, Listing Department,
National Stock Exchange of India Limited
Corporate Communication Department
Exchange Plaza, Bandra Kurla Complex
Bandra East, Mumbai – 400051
Scrip Symbol – DPABHUSHAN

Subject: Transcript of Q1FY27 Earnings Call held on Wednesday, July 22, 2026.

Dear Sir/ Madam,

Pursuant to Regulations 30 and 46 (2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Q1FY27 Earnings Call held between the Company and Investors on Wednesday, July 22, 2026 on the Unaudited Financial Results of the Company for the quarter ended on June 30, 2026.

The aforesaid transcript is also being hosted on the website of the Company, www.dpjewellers.com in accordance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on record and acknowledge.

Thanking You,

Your faithfully,

For D. P. Abhushan Limited
SANTOSH KATARIA
Digitally signed by SANTOSH KATARIA
Date: 2026.07.28 15:48:30 +05'30'
D. P. Abhushan Limited DP
Santosh Kataria
Chairman and Managing Director
DIN: 02855068

D.P. ABHUSHAN LIMITED

"Q1 FY27 Earnings Conference Call"

July 22, 2026

MANAGEMENT: **MR. ANIL KATARIA – WHOLE-TIME DIRECTOR – D.P. ABHUSHAN LIMITED**
MR. SANTOSH KATARIA – CHAIRMAN AND MANAGING DIRECTOR – D.P. ABHUSHAN LIMITED
MR. VIKAS KATARIA – PROMOTER – D.P. ABHUSHAN LIMITED
MR. MANISH LADDHA – CHIEF FINANCIAL OFFICER – D.P. ABHUSHAN LIMITED

MODERATOR: **MR. AJIT MISHRA – ERNST & YOUNG INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the D.P. Abhushan Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ajit Mishra from Ernst & Young. Thank you, and over to you, sir.

Ajit Mishra: Good evening. Thank you for joining the call. I am Ajit Mishra from Ernst & Young Investor Relations. Before we proceed to the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties, and other factors.

It must be viewed in conjunction with our business risks that could cause future results, performance, or achievement to differ significantly from what is expressed or implied by such forward-looking statements. Please note that the press release, investor presentation, financial results are already circulated via mail and are available on the stock exchanges as well as the company's website.

In case anyone has not received the documents, please feel free to reach out to us and we'll be happy to share them. To take you through the Q1 FY27 results and business performance today, we have with us senior management team of D.P. Abhushan Limited: Mr. Anil Kataria, Whole Time Director; Mr. Santosh Kataria, Chairman and Managing Director; Mr. Vikas Kataria, Promoter; and Mr. Manish Laddha, CFO. We will begin the call with the management's opening remarks on the company's performance for the quarter, followed by a question-and-answer session.

With that said, I would now like to hand over the call to Mr. Anil sir. Over to you, sir. Thank you.

Anil Kataria: Good evening, everyone and thank you for joining us on the Q1FY27 earnings call. On behalf of D.P. Abhushan Limited, I welcome all our investors, analysts, and stakeholders.

I hope you have had the opportunity to review our financial results and Investor presentation.

Before we discuss the financial performance and key business highlights, let me reflect upon Jewellery industry trends During the Quarter 1 of FY27.

The Indian jewellery industry entered FY27 against the backdrop of elevated gold prices, policy-related developments, and evolving consumer behaviour. During the early part of the quarter, high gold prices continued to influence purchase decisions, particularly among price-sensitive consumers. However, the sharp correction in gold prices during June, followed by relative stability in July, helped improve buying sentiment, especially in the jewellery segment. While overall consumer demand remained somewhat subdued in June, industry feedback indicated that jewellery buying gained traction after the price correction, supported by exchange offers, promotional campaigns, and flexible payment options.

A key trend during the quarter was the continued resilience of jewellery demand despite near-term volatility. The quarter benefited from seasonal and occasion-led demand, including Akshaya Tritiya, summer weddings, and regional festivities during the early part of the period. At the same time, demand patterns remained broad-based, with traction across plain gold as well as studded jewellery categories. The industry also witnessed growth in customer additions and average ticket sizes, indicating that consumer interest in jewellery remained intact even in a high-price environment.

In line with this broader sector trend, consumers are also showing higher interest in lightweight, daily-wear, minimalist, and versatile jewellery designs, which allow them to manage affordability while continuing to participate in jewellery purchases. Another important development during the quarter was the increasing relevance of old-gold exchange-led purchases. With gold prices remaining elevated and import duty increasing during the quarter, customers increasingly used old gold to fund new jewellery purchases. This helped support affordability and enabled consumers to continue purchasing jewellery without relying entirely on fresh cash outflows. The quarter also reflected the growing role of digital engagement in the jewellery buying journey. Consumers are increasingly discovering designs through digital catalogues, online platforms, social media, and virtual engagement tools before completing purchases in-store.

While the recent government announcement and increase in gold import duty from 6% to 15% in May 2026 has introduced near-term cost and demand sensitivity, the long-term fundamentals of the sector remain intact, supported by India's cultural affinity for gold, wedding and festive led demand, rising formalisation, omnichannel adoption.

With this context, I will now hand over to Santosh, who will take you through the company's detailed Business highlights.

Santosh Kataria: I'm happy to share that the company has had an impressive start to FY27. We delivered healthy performance in the first quarter, with revenue growing 58% year on year, supported by festive occasions such as Akshaya Tritiya and the onset of the summer wedding season.

Customer demand remained healthy across all our operating markets during the quarter. People are buying jewellery not only for regular consumption but also as an investment. The trust customers place in us, our strong regional presence, our wide product portfolio, and our focus on purity, transparency, and service excellence helped us deliver strong quarterly results.

In Q1 FY27, footfall at our stores was encouraging, and the footfall-to-conversion ratio stood at 81%, showing strong buying intent and effective in-store engagement. During the quarter, our average ticket size was approximately Rs. 1,57,000, supported by wedding-led purchases and festive demand.

One important trend during the quarter was increased customer participation in the Gold Exchange Business and the D.P. Swarna Plus Scheme. Customers today prefer planned jewellery purchases and want to efficiently monetize their existing gold. Following recent government announcements and growing awareness, gold exchange transactions also strengthened. In Q1

FY27, old gold exchange contributed approximately 25% of total sales, which improves affordability for customers and reduces our dependence on fresh gold procurement.

Expansion remains a very important pillar of our long-term growth strategy. We are expanding our presence in high-potential markets through a disciplined, research-led approach. Under this roadmap, we have successfully finalized the locations for new showrooms in Jabalpur, Madhya Pradesh, and Dahod, Gujarat. All key agreements, approvals, and necessary formalities have been completed. Fit-out and showroom development activities are underway at both locations, and the stores will be operational soon.

The Dahod showroom will be approximately 3,200 sq. ft. and will mark our strategic entry into the Gujarat market. This showroom will operate under the Company-Owned Company-Operated model.

Our second showroom, in Jabalpur, will be approximately 3,750 sq. ft. and will be our first Franchisee-Owned Company-Operated model showroom. This will support our asset-light expansion strategy and enable wider market reach.

Along with physical expansion, we are also strengthening our digital and omni-channel capabilities. This quarter, we launched our e-commerce website and mobile application, which are now available on both the Play Store and App Store. We are also actively expanding on leading online marketplaces. Jewellery buying is still largely relationship-driven and store-driven, but we believe digital discovery and omni-channel engagement will further strengthen customer access, convenience, and brand recall in the future.

During the quarter, we continued to invest in brand-building initiatives as well. Our strategic sponsorship of the Madhya Pradesh League – Scindia Cup 2026 helped strengthen D.P. Jewellers' brand visibility across a wider customer base and further deepened our regional connect.

In addition, we launched the Rani Rupmati Collection, a new addition to our product portfolio. The exclusive showcase for this collection was held in Kota. The collection reflects our focus on blending heritage, craftsmanship, and modern customer preferences.

With these updates, I would now like to invite our Chief Financial Officer, Mr. Manish Laddha, to provide the detailed financial overview.

Manish Laddha: Thank you, Santosh bhai. Good evening, everyone. I will now take you through the financial performance of D. P. Abhushan Limited for the first quarter fiscal year '27. See, we have started the year on a strong financial note with a healthy growth revenue across all the segment, whether it is operating profitability as well as the net profit. During Quarter 1 '27, our total revenue stood at INR853.63 crores as compared to INR541 crores in Quarter 1 FY26, registering a strong growth of 58% year-on-year. This growth was supported by strong customer demand during the summer wedding season, festive led purchases, and healthy traction across our operating markets. At operating level, EBITDA increased by 70% year-on-year to INR93.99 crores in Q1 '27 as compared to INR55 crores in Q1 '26. EBITDA margin expanded by 80 basis points year-on-year to 11.01% as compared to 10.21% in the corresponding quarter of the previous year.

The improvement in the operating profitability was driven by higher revenue scale, better operating leverages, disciplined cost management, and favourable sales mix during the quarter. Profit after tax also witnessed a strong growth during the quarter. PAT increased by 77% year-on-year to INR64 crores in Q1 FY27as compared to INR36 crores in Q1 FY26. PAT margin expanded to 7.55%, up 82 basis points year-on-year, reflecting strong profitability growth and sustained efficiency across the businesses.

Coming to the revenue mix by category, gold continued to remain the largest contributor to our overall revenue. Gold revenue increased from INR491 crores in Q1 FY26 to INR781 crores in Q1 FY27. This is reflecting a growth of 59% year-on-year. Silver, one of the segments, which is growing drastically, it has grown as compared to Q1 FY26 where we were having INR16 crores to INR40 crores in Q1 FY27, registering a strong growth of 150% year-on-year.

Diamond revenue stood at INR29 crores in Q1 FY27as compared to INR31 crores in Q1 FY26. In terms of product category mix, wedding related purchases remained the largest contributor, accounting for 62% of the sales during the quarter. Festive and lightweight jewellery contributed 18%, while the other segment, other categories, gift articles contributed 20%. This reflects the continued strength of wedding led demand along with the healthy traction in the festive and regular use of the jewellery category.

Operationally, the company continued to maintain healthy customer engagement across all the stores. Our same-store sales growth stood at 52% on an overall basis. We also continued to follow the disciplined approach towards gold procurement, inventory management, and working capital efficiency. The company continues to leverage exchange led procurement of gold, gold metal loan, and hedging mechanisms on the commodity exchange platform to mitigate gold price volatility, support margin stability, and improve working capital efficiency.

We believe that our focus on disciplined execution, efficient inventory management, strong customer trust, and sustained demand across key categories will continue to support our financial performance going forward. With this, I would like to thank you all for your continued interest and support in our company. We can now open the floor for the questions and the answer session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Praveen Jayaram from Avendus Spark Institutional Equities. Please proceed.

Praveen Jayaraman: Yeah, hi. Thanks for the opportunity, sir. So, I have two questions. The first one is on our DP Swarn Plus program. How big is this program? Like, in the presentation we saw that this is a leading factor of our revenues for the upcoming year. So, can you give a colour on how big this DP Swarn Plus program is?

Manish Laddha: Hi, Praveen. This is Manish here. So, this Swarn Plus scheme is basically introduced in April only. The idea was to introduce this is to protect every customer from this gold fluctuation which is happening across the world. So, every contributor, whoever would like to contribute in the form of SIP, the minimum ticket price we have kept is INR 5,000/- which may go even in lakhs also.

So, the person will contribute per month on SIP basis and whenever they will make payment, on the same day at the same time, we will provide them an appropriate gold weight as relevant point of price available at that time. So, basis that across the 10 months or 11 months, whenever that scheme will go and continue, the customer will every month get certain amount of gold in the pocket which will be lying with the D.P and post that completion of that particular scheme, at the redemption, customer may take bullion as well as can get it redeemed against jewellery.

So, in case any jewellery they purchase and the final sales which comes up as compared to the other weights, the weights lying with that particular scheme, then the remaining amount will only be charged from that customer and actually customer will get arbitrage of price protection also irrespective of any price available at the point of sales.

So, by this way, see, this is a beautiful way to protect from the price fluctuation, and we found a wonderful response also. Even above INR 1,00,000/- almost 50 customers have been added which are contributing like more than INR 1,00,000 per month per scheme. So, at that and that is not restricted to particular geography, it is across all the showrooms.

Praveen Jayaraman: So, that's what I wanted to know, sir, the attraction for this. Like, we understood what the policy is. So, you've started around April. How the traction has been in this policy and whether we actually started seeing contribution coming to our sales on this policy? So, as it started in April and it runs for 10 months, we might see post Jan-February would be the correct observation?

Manish Laddha: Yes.

Praveen Jayaraman: Okay. My second question is on the FOCO model operated store in Jabalpur. So, how are we planning this? So, this would be our first foray into FOCO model. So, how are we structuring this and what would be the plan ahead, like not only on Jabalpur side, in the total expansion what would be the FOCO versus COCO going forward?

Manish Laddha: So, Praveen, basically this is the first pilot model which we have started after long period. Basically, it is you can say fully controlled showroom that will be driven by entirely from top to bottom by our team only. We will bear all the expenses, and this is basically a revenue sharing model which we are doing with that franchisee, whereby franchisee will get good amount of return and as well as this gold gain will also be received by them.

So, this is a pilot model. You know, our format of showrooms are quite high. It is not INR5 crores, INR10 crores of showroom which we are running in. And we are not looking drastically about too much of franchisee. Yes, we will keep this continued momentum wherever our presence will not be required, we may look for the franchisee and you know the markets are so open that lot of jewellers or lot of investors are getting into this in the franchisee mode.

So, the return on investment has to make an attraction for them. So, this FOCO model we have created with the consensus with that franchisee whereby they will get good amount of return and the entire control, operating procedures, management, SOPs will be of D.P. And this pilot run we will continue for next four-five years also with idea of that every year we may look for two to three franchisee by this model only and when the things will settle and the market will also understand about our mechanism, we may look for further enhancement also.

Praveen Jayaraman: Right, sir. I have one more question, so this would be the last from my side. In terms of the stores with different maturity levels, the stores which are more than six years, stores which are three years plus or stores which are very new, zero to three years, how would the revenue be different here and what would be the inside metrics which should be different there?

So, in terms of zero to three years or three to six years. So, we heard in the previous commentary like within two to three years we might reach this INR300 crores plus top line on stores getting matured. So, what format stores here we which we are referring to, either it's 3,000 square feet one or a bigger, longer format, 5,000 square feet plus?

Manish Laddha: Okay. So, broadly we cover two formats. One is small to medium, that is catering 3,000 to 5,000 square feet, and the second one is the larger format where above 8,000 to 10,000 square feet. So, that 3,000 square feet or even 8,000 square feet, whenever we open any showroom, we have certain strategy as well as study to catch the market audience, the size, the customer base, our presence, our brand awareness. All these parameters takes place then we open showroom at any of the places.

When we open these showrooms, our past trend says that whenever we have opened, almost after two to three years they reach to the three turnover of our inventory and after four to five years they reach to the optimum level what we desire of four and a half to five times. And beyond that if suppose a showroom reaches after six years or seven years of their opening, some of the showrooms are even providing eight to nine times of their inventory.

Okay. So, so far as break-even is concerned, we generally receive between six to nine months only the break-even about our capex and rest all the inventory we have always taken that the last showroom of 8,000 to 10,000 square feet will provide a turnover of INR350 crores to INR400 crores once it reaches to three to four years and the smaller between INR150 crores to INR200 crores. This is the idea which we are taking ahead.

Praveen Jayaraman: Understood, sir. Understood. So, this is okay. Okay, sir you have given the bifurcation. Thanks, that's it from my side.

Manish Laddha: Thank you.

Moderator: Thank you. We take the next question from the line of Kanishk Gupta from SS Family Office. Please proceed.

Kanishk Gupta: Yeah, very good evening, sir. My question would be, sir, in the last con-call management had mentioned a target of reaching 51 stores by FY30, but during the same discussion it was also indicated that the company plans to add three to four stores annually, which implies approximately 16 to 20 new stores over the next four years.

So, considering the current base of 12 stores, so this would roughly translate to the total of 28 to 32 stores by FY30. So, how do you plan to bridge the gap between the target of 51 stores and the approximate number of 28 to 32 stores? So, can we expect the FOCO model stores to come in play in the later years?

Manish Laddha: So, good evening, Kanishk. So, what idea we have taken is that for FY26, FY27, on an overall basis we are looking for six stores whereby one or at the end second franchisee may come in this year. And in FY27, FY28, six to eight more stores will open and the same persistently going on up to FY30. So, by this way we will achieve this 51 which is our vision also. In that 51, we may have some FOCO model also and some COCO model also.

So, whenever we will go to any market, as I said that in last conversation in the last earnings call also, I guess you were there at that time. So, whenever we are opening these stores, we always look into the consideration of our peers, our competitor also whether we would like to keep our presence or in the form of franchisee. Basis that we always take calls. Wherever our brand awareness is already there, then there is no point that we may look for our showroom, we may look for franchisee also.

Kanishk Gupta: Okay. So, sir, what would be your ideal mix you want to achieve internally of the 51 that would be COCO and FOCO models?

Manish Laddha: I guess between six to seven, between six to seven will be COCO and we will target between one to two will be FOCO.

Kanishk Gupta: So, sir, you are upgrading the targets from three to four COCO model to six to seven annually?

Manish Laddha: See, the current year was something different so far because you know in the month of May lot of things were happening. But however, that that traction has already gone over and things are now almost near to settlement. But still see, this industry runs on lot of factors. But yes, we will continue with our vision of 51 stores, there is no doubt. It may be that in a year one it may be instead of eight it will be six, but in the year two and year three it will be compensated accordingly.

Kanishk Gupta: So, sir, no internal mix you want to achieve how much would be COCO out of 51 stores?

Manish Laddha: Almost five to seven will be FOCO and remaining will be COCO only.

Kanishk Gupta: Okay, sir. Santosh ji, would you like to add something to this? Am I audible? Santosh ji?

Vikas Kataria: Yes, Vikas here, our overall plan remains broadly unchanged we aim to reach a total of 51 stores, and the majority of these will continue to be under the Company-Owned, Company-Operated (COCO) model. In addition, we are planning to open around three to four franchise stores. There is also a possibility that the number of franchise stores could increase beyond this over time. However, our current strategy is to establish 51 COCO stores, while any expansion beyond that target is likely to be pursued through the franchise route.

For this year as well, we are targeting the addition of approximately five to six new stores. As Manish ji mentioned earlier, following certain developments in May, we decided to temporarily moderate the pace of our expansion during the first quarter. However, the situation is now well under control, and overall conditions appear favourable. As a result, we have returned to a more aggressive growth and expansion mode.

At present, we have already finalized two new locations, while discussions and development activities are progressing for two additional locations currently under planning. Furthermore, there is a good possibility that by the end of this month, we will be able to finalize another two to three locations, further strengthening our expansion pipeline for the year.

Kanishk Gupta: Okay, sir. Okay. And sir, the second question would be why you are currently pursuing multi-state expansion instead of fully penetrating Tier 2 and Tier 3 markets in Rajasthan and Madhya Pradesh where brand awareness and store density appear to be significant for growth opportunities as I can also see that you have very healthy footfall in Indore, Kota as well?

Vikas Kataria: Yes, the overall strategy remains unchanged, and we continue to follow the same expansion roadmap. The reason we are entering multiple states is that these markets are geographically close to our existing areas of operation and already have a strong customer connection with the brand.

For example, we are entering Gujarat through Dahod, which is located approximately 100 kilometres from Ratlam. We already have a strong customer base in Dahod and have witnessed encouraging demand from the region over the years. This familiarity with the market and existing brand recall made Dahod a natural choice for our entry into Gujarat.

Similarly, we are actively evaluating additional locations across Rajasthan and Madhya Pradesh. We are also exploring opportunities in Maharashtra, with potential entry through cities such as Nagpur and other nearby markets. Our approach is to expand into locations where the brand already enjoys a certain level of awareness, trust, and customer acceptance, while also offering attractive market potential.

Going forward, our primary focus will continue to be on Tier II and Tier III cities, where we see significant growth opportunities and strong consumer demand. At present, we do not have any immediate plans to enter metropolitan markets, as we believe our expansion strategy is best aligned with the opportunities available in these emerging cities.

Kanishk Gupta: Okay, sir. My next question would be for Santosh ji. Sir, with larger organized jewellery players increasingly expanding in Tier 2 and Tier 3 markets, so how does you assess its competitive positioning within core geographies and what differentiating factors help sustain customer loyalty and conversion rate and market share against these stronger national brands?

Santosh Kataria: Absolutely. As an organization, our foundation has always been built on trust, transparency, and fair dealings, and these principles continue to guide every aspect of our growth strategy. As we expand further into Tier II and Tier III markets, we remain committed to maintaining the same standards of transparency and customer-centricity that have helped us build a strong reputation over the years.

The trust that customers place in the D.P. brand remains one of our greatest strengths. Our expansion strategy is focused on nearby markets, typically within a radius of around 100 to 200 kilometers from our existing locations. In many of these regions, customers are already familiar with the D.P. brand, recognize our credibility, and associate us with transparent business practices and fair pricing.

As a result, we are entering markets where there is already a degree of brand awareness and customer confidence, which provides a strong foundation for sustainable growth. Most importantly, our core values of trust, transparency, integrity, and customer satisfaction will continue to remain at the heart of our business as we expand into new geographies.

Kanishk Gupta: Sir, if I were to put the question differently if D.P. is present in my city alongside the number one and number two jewellery players in India, why should I choose D.P.?

Vikas Kataria: If I may add to that, the reason customers choose D.P. is that when it comes to jewellery, the first thing a customer looks for is trust, followed by a strong and diverse design portfolio. At D.P., our entire business model is built around delivering both.

To give you an example, in Indore, if we consider all formats of a leading national jewellery brand, there are approximately 14 -15 stores in the city. However, the combined revenue of those stores is still lower than the revenue generated by a single D.P. store. This demonstrates the strength of our customer connect, product offering, and operating model.

As we expand into new markets, we will continue to follow the same philosophy and approach. Our objective is to become one of the leading jewellery retailers in every city we enter. We aspire to be among the top one or two players in each market and ensure that whenever a customer thinks of purchasing jewellery even a single product D.P. is the first brand that comes to mind.

We aim to offer customers everything they are looking for: extensive variety, high-quality products, trust, fair pricing, transparency, superior service, attractive buyback policies, and seamless exchange facilities. In short, we strive to deliver a comprehensive 360-degree customer experience.

Our goal is to leave no gap in the customer journey that could give consumers a reason not to choose D.P. We want D.P. to be the preferred and first choice for customers, and that mindset continues to guide every aspect of our business.

Moderator: Okay, thank you. We take the next question from the line of Aanchal Maheshwari from Naredi Investment Private Limited. Please proceed.

Anchal Maheshwari So, I understand that we are moving ahead and as we move ahead there is increasing demand for silver as well as gold. Sir, I wanted to understand how are we planning to hedge both silver and gold in the next three-four years as we increase our store base?

Manish Laddha: So, Aanchal, let us understand first how we are doing this entire scenario for over the years. There are certain models of hedging. The first and foremost in the preference order comes as real-time replenishment. This is a shared methodology which we have been following for years. How it happens like whenever we do any sales at our showroom, we take three to four times minimum a day booking with our vendors with the same price so as to avoid any kind of fluctuation. So, this is the first and foremost which we have been following.

Second one, I believe over the years this exchange business will be growing gradually. And this is also one of the segments whereby you can do naturally hedge. How it happens that if a customer brings their own old jewellery, get it melted and against that they redeem with the new jewellery, there is no price which comes and play an important role to the extent of the material supplied by them. So, this is the second model which we are following.

These are the models whereby we are getting the replenishment. Now, if suppose over and above our strategy which is going on and the years to come whereby, we will keep additional inventory. This additional inventory will be 100% be backed by a GML which is one of the products provided by the banks and nominated agencies. This GML generally provides and keeping the things like price and commodity both open.

So, once those showrooms will start and the customer will come on new showrooms, they will fix the prices of the product, correspondingly we will also book our rates with those banks and nominated agencies. This is the third model. The fourth model as everybody is aware about the MCX platform. So, we are also doing hedging whenever situation gives us the idea, the research team, the analyst whoever we have empanelled, they provide us feeds what to do under what scenario, basis that we always keep position at MCX. And this is how we will be following in the upcoming years also.

Anchal Maheshwari Right, sir. Thank you so much. And I have another question. Sir, over the next three-four years, so I am personally I am from Bhilwara and here we are very fond of D. P's diamond jewellery. So, I would like to know like over the next three-four years, how much of the studded ratio are we expecting to go up?

Manish Laddha: So, definitely it is also in our DNA to increase that studded ratio and we have taken this as a target also. As of now our business is doing like between 6% to 7% of the studded mix. And we have targeted by March '28, we would like to increase up to 12% to 15% on an overall basis. But see, this this we should not look at from that perspective whereby that if the 100 is the sales then the 12 or 15 will be the diamond.

The diamond itself is a separate division which has to grow at its own path. So, we have targeted that those cities like as you said Bhilwara, whether it is Udaipur, Bhopal, Ujjain or upcoming big, larger cities, we will keep this particular segment on the little higher side at our stores also. So, the higher inventory exposure may give better result, better conversion and better help in our EBITDA also. So, for March '28, our target is to take it to at least 2x to 3x of what we have today of diamond segment.

Anchal Maheshwari Right, sir. Thank you so much. And also, sir, so when we look around, a lot of bigger companies have come up with their own minimalistic brands for daily wear or at least gifting. Are we planning to do something similar in the future?

Manish Laddha: We are already working on that. Aanchal, if you look at our portfolio, we have a smaller brand called Amoura, which we introduced around two years ago, and we have received a very good response also. It primarily caters to the daily-wear jewellery segment, offering lightweight studded jewellery with elegant designs that are suitable for office wear and everyday use. We have made this collection available across all our showrooms with dedicated counters and prominent display areas.

Secondly, we are also actively focusing on the lightweight jewellery category. We have seen good customer acceptance for products across lower karatage categories, such as 18-karat and 14-karat jewellery. However, since our primary markets are Tier II and Tier III cities, customers generally view jewellery first as an investment product and then as a fashion accessory.

As a result, 22-karat and 18-karat jewellery are likely to continue dominating demand in our markets. Lower-karat jewellery certainly has an important role to play in the daily-wear and fashion segment, but it is not typically preferred from an investment perspective.

That said, we continue to invest in and expand this category. The pace of adoption will largely depend on the movement in gold prices. If gold prices remain elevated for a sustained period, we believe demand for lightweight and lower-karat jewellery will gradually increase, making it an increasingly important segment over time.

Aanchal Maheshwari: Right, sir. And are we looking to enter into lab-grown diamonds?

Manish Laddha: As of now we are not looking into that, but yes certainly it will entirely depend on the market approach how market is moving because see, lab-grown is something different. Lab-grown in the Tier 2, Tier 3 may not get good response because it is not for the purpose of investment but for the purpose of fashion accessory.

You know, one person may take for the one time or at the max two time, but they may not be buying like say a bridal collection. So, a bridal may not be looking that entire stuff will be of the lab-grown. But yes, we have kept these things open also, let the market will decide in which segment we would like to go. As of now, yes, it is purely studded which will be pure diamond.

Aanchal Maheshwari: All right. Thank you so much, sir.

Manish Laddha: Yeah, thank you.

Moderator: Thank you. We take the next question from the line of Niteen Dharmawat from Aurum Edge LLP Please proceed.

Nitin Dhanawat: Thank you for the opportunity. My question is related to volumes. Could you provide some details on the volume growth achieved in the last financial year compared to the previous year? Additionally, how has volume growth trended during the quarter that has just concluded?

Further, could you elaborate on how fluctuations in gold prices are impacting our volume growth? Specifically, how are higher gold prices influencing customer demand and overall sales volumes across our markets?

Manish Laddha: When we compare Q1 FY27 with Q1 FY26, we have delivered volume growth of approximately 1% to 2%. The balance growth has largely been driven by higher gold prices. Our pricing mechanism is linked to prevailing gold prices, and accordingly, the making charges or labour charges are applied.

For the current quarter, only around 10% to 15% of the growth can be attributed to inventory gains. The majority of the improvement has come from higher making charges. Over the last three to four months, we have done a commendable job in optimizing our product mix and enhancing the visibility of products that command better making charges.

As a result, this strategy has yielded encouraging outcomes during the quarter. In addition, the silver segment has performed well and received a strong response from customers, contributing positively to our overall growth.

From a revenue perspective, gold volumes have grown by approximately 1.5% to 2%. However, higher gold prices have played a significant role in driving overall revenue growth. At the same time, the increase in gold prices has led to a corresponding increase in making charge realization, which has supported profitability and enabled us to deliver a healthy improvement in earnings during the quarter.

Nitin Dhanawat: Last financial year what was the volume growth compared to the previous financial year?

Manish Laddha: Last financial year was quite different from the years before that. The industry as a whole faced several challenges, including geopolitical tensions, ongoing conflicts, and broader macroeconomic uncertainties, which had an impact on overall business sentiment. At the same time, both gold and silver prices witnessed significant volatility and moved sharply during the year.

As a result, the jewellery industry did not see any meaningful volume growth during the last financial year. This was largely an industry-wide phenomenon rather than something specific to our business.

However, the situation has become much more stable now. Gold prices have largely settled within a relatively manageable range, which is providing greater visibility and confidence for both customers and businesses. We believe this environment is more conducive to driving consumption and improving demand trends.

Given the improving market conditions, we remain optimistic about the current financial year and expect to see a gradual improvement in volumes. With customer sentiment stabilizing and our continued focus on product offerings, market expansion, and customer engagement, we believe we are well-positioned to deliver healthy volume-led growth going forward.

Nitin Dhanawat: Got it. I have two more questions. One is about the inventory. So, what is the total gold inventory that we have and that it is at what price considering the dip in the gold price, do we do mark-to-market or how do we manage this, can you elaborate our policy on that?

Manish Laddha: So, see, we are following weighted average cost concept. So, this group is like 86-year-old group. So, over the years this WAC accumulated through continuous purchases and sales. As of today, if we look at the prevailing gold price, it is trading at around INR1,51,000 - INR1,52,000 whereas the inventory value reflected in our books is approximately INR1,20,000. This creates a sizeable gap of nearly 20% between the carrying value of inventory and the current market price.

Having said that, we also continue to procure fresh inventory at prevailing market prices, which are currently in the range of INR1,45,000 – INR1,5,000. Therefore, this gap will naturally narrow over time as new purchases are incorporated into our inventory base. The important point to note is that our business is fundamentally driven by making charges. Making charges are determined based on the prevailing gold price at the time of purchase or sale, and therefore our profitability is not solely dependent on movements in gold prices. This mechanism allows us to maintain healthy revenue generation irrespective of fluctuations in the underlying commodity price.

As a result, the revenue and profitability reflected in our P&L continue to support our growth plans. From a risk management perspective, we have multiple hedging mechanisms in place, including real-time inventory replenishment, exchange-based procurement models, the Gold Metal Loan (GML) route, and MCX-based hedging strategies. In addition, our Board has approved comprehensive risk management policies, enabling us to take appropriate actions whenever we observe specific market signals or directional movements in gold prices.

Overall, we believe our inventory management practices, pricing strategy, and hedging framework position us well to manage volatility while continuing to drive sustainable growth and profitability.

Nitin Dhanawat: Got it. And my final question is about the operating cash flow. Last three years has been, you know, continuously operating cash flow was negative and in earlier year also there were issues with operating cash flow. So, can you elaborate where it is heading and how it is how we are going to ensure that the quality of profits that we have is in line with the cash flows that we are generating?

Manish Laddha: See, we need to understand this industry in terms of how the operating cash flow works. In this business, working capital plays a very important role. If we exclude the impact of working capital and look purely at the cash profits generated through the Profit & Loss account, those numbers are quite healthy.

When we look at our balance sheet, almost 95% to 98% of our assets consist of inventory. Therefore, whenever an organization in this industry maintains healthy inventory levels, it is very difficult to see significantly positive operating cash flows, irrespective of the size of the company. This is simply the nature of the business and a matter of financial mathematics.

Operating cash flow is directly linked to inventory levels. Our business currently operates with an inventory turnover ratio of around 4.7x to 5.0x annually, which, in our view, is among the best in the industry. The reason for this is straightforward the higher and more diversified inventory we maintain, the better our showrooms are able to serve customers and generate sales. As the business scales and inventory productivity improves, we expect working capital efficiency to strengthen and operating cash flows to gradually move towards a more positive position.

Nitin Dhanawat: Got it, though I don't agree, but I would not like to argue right now. I wish you best, sir, and will discuss this at some other point also. Thank you.

Manish Laddha: Sure.

Moderator: Thank you. We take the next question from the line of Madhav Agarwal from SKP. Please proceed.

Madhav Agarwal: Hi, thanks for the opportunity. So, sir, my first question is on if you can share that what was the revenue mix like currently in the let's say in Q1 of FY27, what was the revenue mix on the basis of karats? So, how much revenue came in from 22 karat, how much from 18 karat, how much from 14 karat? The reason I am asking this is like in number terms I want to understand that because of the surge in gold prices, how has this mix changed compared to let's say the base quarter?

Manish Laddha: So, Madhav, we need to understand that wherever karatage-based accounting is involved, the valuation is not done based on individual karatage categories. Instead, the focus is always on the pure gold content. Therefore, on an overall basis, we need to look at how much of the pure gold component is present and how it contributes to the overall inventory.

Of course, 14-karat, 18-karat, and 22-karat jewellery will create a much larger SKU base and product variety. However, when it comes to inventory valuation and accounting, the approach is different. Product mix is one aspect, while valuation is another.

Valuation is always carried out on the basis of the pure gold content and prevailing pure gold rates, irrespective of the number of SKUs across different karat categories. From an accounting perspective, what ultimately matters are the pure gold component embedded in the inventory.

Also, the lower the karatage, the larger the number of SKUs and inventory pieces that can typically be created. As of today, if we look at our overall gold jewellery inventory mix, 22-karat jewellery accounts for nearly 80% of the total gold jewellery inventory, while 18-karat jewellery contributes around 15%. The balance comes from lower-karatage products, including 14-karat and other categories.

This is the broad inventory composition. However, it is important to evaluate the business from an accounting standpoint based on the gold-content mix across karatage segments rather than on an SKU basis. Once we look at it through that lens, we get a much clearer understanding of the overall inventory profile and valuation approach.

Madhav Agarwal: Right, right. So, sir, if I understand this correctly, from a consumer behaviour perspective, customers generally have a fixed budget, right? As a result, they may be buying lower quantities of gold. However, when it comes to karatage, they still seem to prefer 22-karat jewellery. Some players have even introduced 9-karat products. Is that a fair assessment?

Manish Laddha: Correct. However, we view it slightly differently. While customers continue to prefer 22-karat jewellery, we have introduced a lightweight jewellery strategy to address affordability concerns. Through innovative designs, advanced craftsmanship, and improved product engineering, we are able to offer lightweight 22-karat jewellery that provides both aesthetic appeal and durability.

The reason for this is that customers in our markets typically consider jewellery not only as a fashion accessory but also as an investment product. While lower-karat products such as 9-karat or 14-karat jewellery may work well for smaller-ticket purchases and daily-wear categories, customer preference still remains firmly inclined towards 22-karat jewellery whenever an equivalent lightweight option is available.

Therefore, rather than encouraging customers to shift to lower karatage, our focus is on providing lightweight 22-karat designs that meet their budget requirements while preserving the investment value associated with higher-purity gold. Based on our experience, customers continue to respond positively to this approach and generally prefer 22-karat lightweight jewellery whenever suitable designs are available.

Madhav Agarwal: Right, right, right. Okay. And like second question is on you know diamond. So, I want to understand is that like the out of the diamond jewellery, so if let's say a customer comes back to you let's say in case of old gold exchange program, so like what is the recoverable value of the diamond component within the studded jewellery that that you sell?

So, because the reason I am trying to understand this is because in India like as you also mentioned that the first approach is that they look this investment they look jewellery buying as an investment, right? So, that is why I want to understand that what is the recoverable value for the diamond jewellery that you sell and is it like different from the other players or how's the case?

Manish Laddha: See, whenever certified diamond jewellery is sold in the market, there is generally no issue when it comes to exchange, resale, or remelting. Whether you go to one jeweller or another, the value realization for certified jewellery typically remains within a similar range, with only a marginal variation of around 5% to 10%.

Secondly, where you purchase the jewellery also plays an important role, because trust and goodwill are built over a long period of time. This is where the strength of a legacy brand comes into play.

If a customer purchases jewellery from D.P. they know that whenever they wish to exchange, upgrade, or return that jewellery even after five or ten years they are likely to receive a fair and competitive value based on prevailing market conditions at that point in time. This level of confidence comes from the trust we have built with our customers over the years.

We also offer multiple options to customers depending on their preference. Some customers may prefer cashback schemes, others may opt for exchange programs, while some may choose remelting and redesigning their jewellery into newer products. All these facilities are available across our showrooms, and similar options are available across the industry as well.

What differentiates D.P. is the strength of the brand associated with the product. When a customer owns a jewellery piece carrying the D.P. brand, it provides an added level of confidence and trust. Customers know that such products command good value, and they can typically obtain a fair exchange value whenever they decide to upgrade or exchange their jewellery in the future.

Madhav Agarwal: This is just an extension to like my ongoing question. After that I will wait in the queue. So, I was asking that, like the market price whatever would be the recoverable value that would be like that is what is told at the store. There is no standard thing, right?

Manish Laddha: No, see, that always depends on the price at which a showroom is selling the jewellery. Our pricing is already quite competitive and reasonable in the market. That is one of the key strengths of our brand.

Therefore, it generally remains a win-win proposition for the customer. Even if a customer chooses to take our jewellery to any other reputed or renowned jeweller for exchange or valuation purposes, they are likely to receive a fair value because the initial pricing itself is reasonable and transparent.

Moreover, when a product is backed by the D.P. brand, it carries a certain level of trust and credibility in the market. As a result, customers can remain confident that the jewellery they purchase from us will continue to hold good value over time, whether they choose to exchange, upgrade, or monetize it in the future.

Moderator: Thank you. We take the next question from the line of Lokesh, an Individual Investor. Please proceed. I would request Mr. Lokesh to unmute and then speak.

Lokesh: Sir, I have a doubt on the inventory gains, like you have said our average weighted cost of inventory is around 1,20,000 for gold, right?

Manish Laddha: Yes.

Lokesh: Yeah, and if I assume that let's say we sold gold at INR1,50,000 for this quarter, so that's a clear 20% gross margin that we get just from the price appreciation. So, if we sold like 780 crores of gold this quarter, it translates to somewhere around 150 crores of gross profit just because of this?

Manish Laddha: Hold on. The INR1,45,000 - INR 1,50,000 price that I mentioned refers to the pure gold rate. What we actually sell consists of 22-karat jewellery, 18-karat jewellery, and various studded jewellery products. Therefore, if the pure gold price is around INR1,45,000 - INR1,50,000 the equivalent price for 22-karat gold would be approximately INR1,35,000 - 1,38,000.

Now, if we assume that our average selling price for a product is around INR1,20,000, and our normal gross margin is in the range of 10% to 11%, then the profitability can be analysed at the SKU level.

Another important point to understand is that every product category carries a different margin profile. For example, diamond jewellery operates with a different margin structure, silver jewellery has its own margin characteristics, and gold jewellery has a separate margin framework altogether.

Based on this product mix, the overall gross profit that we have achieved during the year has been derived from the contribution of these various categories. Therefore, while the pure gold rate may be around INR1,45,000 - INR1,50,000 the realized pricing and profitability depend on the specific product category, karatage, and margin profile involved.

So, to reiterate, INR1,45,000 - INR 1,50,000 is the pure gold price, and when we convert that into 22-karat jewellery pricing, it comes to approximately INR1,35,000 - INR1,37,000. The final profitability is then driven by the respective making charges, product mix, and category-wise margin structure.

Lokesh: Okay, okay. Got it. And sir, one more thing that I'd like to share that in the industry a lot of peers just keep update the just keep updating the investor with specific festival sales or quarter specific sales in the initial period only. So, if that is followed by D.P. Abhushan that will be great.

Manish Laddha: Sure, sure. We always try to give any kind of festive season sales and we'll continue. Now the things have settled, and the festival is going to start from August, so you will find these numbers also into place.

Lokesh: Okay, sir. Thank you, sir.

Manish Laddha: Yeah, thank you.

Moderator: Thank you. We take the next question from the line of Sonu Nebhwani from Sonu Investments. Please proceed.

Sonu Nebhwani Kataria ji, my question is that over the last three quarters, we have seen a significant increase in gold prices. As a result, our revenue growth has been around 57%-58%, and as Laddha ji mentioned earlier, the underlying volume growth has been only about 1%-2%.

My concern is that over the next two to three quarters, the benefit of higher gold prices will be reflected in the base itself. In that scenario, if volume growth continues to remain at around 1%-2%, how do we plan to sustain our growth trajectory?

Additionally, you have guided for the opening of six to eight new stores annually. However, new stores typically operate at a lower asset turnover ratio of around 3x to 4x in the initial years. Given this, how do you see the Company driving sales growth going forward once the benefit of the gold price increase is absorbed into the base and volume growth remains relatively modest?

Vikas Kataria: No, that is not usually how it works. What we have observed over many years in this industry is that whenever gold prices rise sharply in a short period of time, demand tends to pause temporarily. Customers often feel that the price may correct, soften, or stabilize, and therefore they postpone discretionary purchases. During such periods, only essential purchases, such as weddings or urgent requirements, continue as planned.

However, once gold prices stabilize, the deferred demand gradually returns to the market. In our experience, demand for gold jewellery is not limited to immediate necessity; customers often aspire to purchase more jewellery over time. Therefore, when prices become highly volatile and move to new highs, customers prefer to wait and watch. But once prices enter a stable range, the pent-up demand starts coming back.

This trend has been visible in the recent past as well. Gold prices had moved up significantly and were approaching levels of around INR1,70,000-INR1,75,000. Subsequently, prices corrected and have been trading in the range of approximately INR1,45,000-INR1,50,000. As a result, we are already seeing demand gradually returning to the market.

If prices remain stable or moderate further from current levels, we believe volume growth will improve meaningfully. Based on our long-standing experience in the jewellery industry, gold demand can slow temporarily due to sharp price movements, but over the long term, demand for gold jewellery has consistently grown. Therefore, while there may be short-term fluctuations in volume demand, we remain confident that volume growth will continue to improve over time as market conditions normalize.

Sonu Nebhwani Sir, my second and final question is regarding the Company's growth outlook. Could you share your expectations or guidance for volume growth as well as revenue growth for FY27 and FY28? Thank you.

Vikas Kataria: Broadly, we are targeting around 10% volume growth going forward. Internally, our primary focus remains on volume growth, and we believe that achieving around 10% growth in volumes is a reasonable target.

As far as value growth is concerned, that will naturally depend on the prevailing gold prices. If gold prices remain at higher levels or continue to appreciate, the value growth will be correspondingly higher. Conversely, if prices stabilize or moderate, the value growth will reflect those market conditions.

From our perspective, we focus more on the underlying business metrics, particularly the quantity sold. For us, what matters most is how many kilograms or tonnes of jewellery we have sold, as that is the true indicator of business growth and market demand. Revenue growth can be influenced by fluctuations in gold prices, but volume growth reflects the actual strength of customer demand and operational performance.

Therefore, our strategy continues to be centered on increasing volumes, strengthening customer reach, expanding our store network, and driving higher sales throughput across existing and new locations. Volume growth remains the key metric that we closely monitor and focus on internally.

Sonu Nebhwani So, the 10% volume growth target that you mentioned would apply to both FY27 and FY28?

Vikas Kataria: Yes, that's correct. Internally, we are planning for approximately 10% volume growth, and that remains our broad target for both FY27 and FY28. Our key focus continues to be on driving sustainable volume growth across the business.

Sonu Nebhwani Okay, okay. Thank you so much, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, we take that as the last question for the day and would now like to hand the conference over to Mr. Manish sir for closing comments. Over to you, sir.

Manish Laddha: Thank you, everyone, for your thoughtful questions and active participation in today's earnings call.

As we conclude, I would like to reiterate that D. P. Abhushan Limited has commenced FY27 on a strong note, supported by healthy customer demand, disciplined execution and continued trust in the D.P. Jewellers brand.

Our focus remains on strengthening our core retail operations, deepening customer relationships and expanding our presence across high-potential markets in a calibrated manner. At the same time, we are actively scaling our digital and omni-channel capabilities through our e-commerce platform, mobile application and presence across leading online marketplaces. We believe these initiatives will enhance customer engagement, improve accessibility and complement our physical store network over the long term.

On behalf of the entire management team, I would like to thank all our investors, analysts and stakeholders for joining us today and for your continued support and confidence in D. P. Abhushan Limited.

We look forward to engaging with you again in the coming quarters. Should you have any further queries, please feel free to reach out to the EY Investor Relations team. Thank you.

Moderator: Thank you. On behalf of D.P. Abhushan Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.