



“PNGS Reva Diamond Jewellery Limited  
Q4 & FY26 Earnings Conference Call”

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**MANAGEMENT:** **MR. AMIT MODAK – WHOLE TIME DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – PNGS REVA DIAMOND  
JEWELLERY LIMITED**  
**MR. ADITYA MODAK – NON-EXECUTIVE DIRECTOR –  
PNGS REVA DIAMOND JEWELLERY LIMITED**

**MODERATOR:** **MR. SUYASH SAMANT – STELLAR INVESTOR  
RELATIONS ADVISOR**

**Moderator:** Ladies and gentlemen, good day and welcome to the PNGS Reva Diamond Jewellery Limited Q4 and FY 2026 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. Suyash Samant from Stellar Investor Relations Advisor. Thank you and over to you, sir.

**Suyash Samant:** Thank you. Good afternoon, everyone and thank you for joining us today. We have with us today the senior management team of PNGS Reva Diamond Jewellery Limited: Mr. Amit Modak, Whole-Time Director and Chief Executive Officer, and Mr. Aditya Modak, Non-Executive Director, who will represent PNGS Reva Diamond Jewellery Limited on the call. The management will be sharing the key operating and financial highlights for the quarter and full year ended 31st March 2026, followed by a question-and-answer session.

Please note, this call may contain some of the forward-looking statements which are completely based upon the company's beliefs, opinions, and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after a statement is made. I now hand over the conference to Mr. Amit Modak. Thank you and over to you, sir.

**Amit Modak:** Yes, good afternoon, everyone. You must have gone through the results which are uploaded on the stock exchange website. It was our first full financial year after incorporation and FY25 restated was there. Now this FY26 is a purely complete year we were operating and complete year without having any restated or that kind of adjustment or regrouping, these financial results are there.

Our investor presentation has been uploaded on the company's website just now, so you will go through after this our meeting. You can refer it through our website and stock exchange links. PNGS Reva Diamond Jewellery is a branded, certified natural diamond jewellery built on a strong legacy of P.N. Gadgil & Sons with 190+ years trust, credibility, and deep industry expertise. We have a strong presence in Western India, particularly in Maharashtra, along with an expanding retail footprint across the key markets.

With the current store count of 36 stores, out of which two are the COCO stores and 34 are SIS, we are evolving aspirations of modern consumers through a well-curated portfolio of natural diamond jewellery across price points. Our product basket spans from the entry-level offering of INR15,000 to INR35,000 aimed at customer acquisition, to everyday wear between INR35,000 to INR1.5 lakhs which drives the repeat purchase.

This is complemented by our core occasion wear segment ranging from INR1.5 lakhs to INR5 lakhs and further extended to our premium and signature collection priced from INR5 lakhs to INR25 lakhs. This structured portfolio enables us to cater to diverse customers and their needs for the occasion while also creating a strong lifestyle play within a single brand, driving higher wallet share and repeat engagement.

We believe diamonds are increasingly becoming relevant across occasions ranging from daily wear and work wear to celebration, weddings, and gifting. Their versatility, timeless appeal, and improving affordability are expanding usages of occasions and driving higher purchase frequency. When we say that it is becoming relevant across the celebration, wedding, and gifting, we mean the natural diamond only because those can be inherited and it creates value and wealth.

From a customer proposition standpoint, we complement our product strength with strong customer-friendly policies. A key differentiator for us is our robust buyback and exchange policy where we offer up to 90% diamond price in case of buyback and 100% diamond value in case of exchange sale for the gold which are attached to it and in which it is traded.

The price has got a very much transparency because it is on the public domain and we offer that for the exchange whatever selling-buying rate difference is there which are for the buyback. This enhanced customer trust provides liquidity, flexibility, and positions diamond jewellery not only as a discretionary purchase but also a store value, thereby encouraging repeat purchase and a long-term customer relationship.

From a distribution perspective, we operate a retail-led model supported by disciplined and scalable expansion strategy. Our two-format approach comprising Shop-in-Shop with our parent company, P.N. Gadgil & Sons and their ecosystem, and Exclusive Brand Outlets which are called EBOs, enable us to effectively balance capital efficiency with brand building while maintaining a strong operational control. This is an asset-light, low-capex vanilla model across both the formats.

These models support higher return on capital employed. The model ensures capital efficiency, lower execution risk, faster scalability while also provide clear visibility on growth through a steady pipeline of store additions. As of now, we have established a strong and focused regional presence across three states and 25 cities. These three states are Gujarat, Maharashtra, and Karnataka. One store is at Gujarat, one store at Karnataka, and remaining are in 23 cities of Maharashtra.

With a higher concentration in western part of the country, this regional focus allows us to develop a deeper understanding of local consumer preferences, tailor our products offering accordingly, and drive higher conversion and repeat purchase. It also enables us to optimize our supply chain, reduce logistic cost, and improve inventory turn, thereby enhancing overall operational efficiency and profitability.

Company has got plan to add 15 new stores which is mentioned, very well mentioned in DRHP, RHP, and prospectus, out of which one store is already established and overall this expansion of 15 stores will take place in a 24-month period. Remaining 14 stores, as one store is already established, are planned across India with a strategic focus of Tier 1 cities while selectively expanding into Tier 2 and metro cities to strengthen brand presence and expand market reach.

Supporting this next phase of growth, capital is raised through the IPO wherein company raised INR380 crores. Out of that, INR287 crores proceeds are earmarked exclusively for the store expansion, working capital requirement. In addition to that, INR35 crores are slated for the out

of the IPO proceed for marketing and promotional activity for these 15 new upcoming stores. This calibrated deployment of capital providing strong visibility on growth while ensuring disciplined execution and scalability of our retail network.

I would like to briefly touch upon the broader industry context, referring to CARE report published in November 25, the Indian Gems and Jewellery Industry. This report page is included in our report also, presentation also. The Indian Gem and Jewellery Industry is a large and growing market, currently valued at approximately INR10,000 plus billion and projected to grow around INR15,000 billion by calendar year '29.

Driven by the rising income, better credit access, and changing lifestyle. This growth is underpinned by strong structural tailwinds including rising disposable incomes, increasing urbanization, and evolving customer preferences, particularly among the younger demographics. At the same time, we are witnessing a clear shift from unorganized to organized, branded, and certified player, from family jeweller to branded jeweller.

As consumers increasingly prioritize transparency, quality assurance, and trust, additionally, the growing acceptance of diamonds across occasions coupled with an expanding gifting culture and higher purchase frequency is further broadening and addressable market. Backed by these favourable tailwinds along with our differential business model, strong parentage, and scalable retail strategy, we believe PNGS Reva is well-positioned to capitalize on this opportunity and deliver sustainable long-term growth. With that, I would like to move to the operational highlights for the quarter and financial year '26. Our inventory turn are at 1.31 times in FY26 as our store network continues to mature. We expect this matrix to further improve over a longer term, driven by healthy same-store sales growth and operating leverage benefits arising out of the economies of scale.

Further, our average order value as far as FY25 was concerned, it was INR85,000. As far as current year ending for which we are referring the results, that is FY26, the average bill size value or average order value is INR1,20,000. Y-o-Y growth is 41%. Financial highlights Q4: Revenue from operations stood at INR138 crores registering growth of 139% Y-o-Y. Gross profit for quarter stood at INR38 crores reflecting growth of 195% Y-o-Y with gross profit margin at 28%.

EBITDA for the quarter stood at INR31 crores recording growth of 278% Y-o-Y while EBITDA margin stood at 22%. Profit after tax stood at INR21 crores growing by 350% Y-o-Y while PAT margin stood at 16%. Coming to FY26, we will be comparing FY25 restated financial because we incorporated company in FY25 during December 2024. So fractional period was there, but we have presented restated figures in DRHP, RHP which you can refer.

So coming to FY26, we will be comparing it to the FY25 restated financial, starting with revenue from operations which stood at INR439 crores compared to INR258 crores reflecting growth of 70%. Gross profit stood at INR122 crores with a gross profit margin of 28%.

EBITDA FY26 stood at INR95 crores registering growth of 19% Y-o-Y while EBITDA margin stood at 22%. Profit after tax for FY26 stood at INR65 crores reflecting growth of 9% Y-o-Y

over FY25 while PAT margin stood at 15%. Wherever we are referring FY25, please note those are restated.

By leveraging our strong legacy, disciplined retail execution, and focused positioning in premium diamond jewellery segment, we aim to further strengthen PNGS Reva as a trusted and aspirational brand within India's organized jewellery market while consistently creating sustainable long-term value for all stakeholders.

With this, we would like to move to the question-and-answer, and everyone is most welcome for questioning and I am very much interested in answering your questions. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harsh Shah from Merisis Advisors. Please go ahead.

**Harsh Shah:** Yes, hi sir. Congratulations on the great set of numbers. I just wanted to ask a couple of questions. Can you give some color on your store economics that what kind of revenue per store you are expecting and what kind of footfalls among 30 store-in-store Shop-in-Shop we have? Can you give a little bit color on the store economics? And I'll ask second question post you answer the first question.

**Amit Modak:** Store economics for SIS is that all infrastructure is provided by P.N. Gadgil who are having those FOCO kind of the franchises where franchisee are having operational part while company has got inventory and employees part. So their operational cost we are not knowing exactly per store, but we are paying them commission on the sale which is happening in their location and those commissions are different for diamond.

There is a different percentage of commission for making charge, there is a different percentage of commission. And on gold, there is no commission. But on vanilla basis if we see that every rupee sale, we are paying them the 4% of the sale which is happening there on a vanilla basis.

And if we refer to the SSG kind of the thing, the last year we have seen SSG of around 40% in the existing SIS. I am considering SIS FY25 there were 30 SIS, FY26 there are 34 SIS. So four SIS are added, of which one SIS was added in last month of the year. So for that single SIS, which is added at the end of the year, there was no much sale, but those 30 SIS which were there in the start of the year, the top-line was around INR313 crores in last year, that is FY26.

Store economics for the EBOs, there is a store economics like around INR6 lakhs of rent, INR3.5 lakhs of employees cost, INR1 lakhs of hospitality cost, INR1 lakhs of infrastructure running cost, expecting around INR9 crores top-line per store, that is a INR75 lakhs a per month or INR3 lakhs per day, making with our that average bill size of INR1,20,000 around 2.5 to 3 customers per day. That is reasonable for 0.75 stock turn because around INR12 crores to INR15 crores inventory will be there in each EBO.

At 0.75, top-line will be around INR9 crores and it will go on increase through the SSG over a period, which generally get escalated to 1.25 in period of 3 to 4 years' time. So on INR9 crores, whatever gross profit margin we are making right now are around 30%, we can take it as a around INR2.7 crores as a operational profit.

From that -- if we calculate that all these different cost which I have told you amounts to around INR1.5 crores a year, giving EBITDA level absolute of around INR1.5 crores per year at a initial stage and when we reach to INR1.25 crores or INR1.5 crores kind of the stock turn in 3 to 4 years' time, that EBITDA level INR1.5 crores will reach to around INR3.5 crores to INR4 crores somewhere between. So that is for EBOs.

When EBOs are within Maharashtra, we are expecting this kind of working to achieve that 0.75 kind of stock turn in 9 to 12 months. When it will be outside Maharashtra, we are expecting it within first 18 to 24 months.

**Harsh Shah:** Okay. Okay, so that was very much helpful. And can you give some color on how the EBOs or the company-owned company-operated stores will be structured, whether you'll buy the property or you'll take it on lease?

**Amit Modak:** No, those will be asset-light. We will never buy the property, it will be on rented basis.

**Harsh Shah:** Okay, so it will all the lease liability will all be reflected in the finance cost, right?

**Amit Modak:** Yes, and that restated balance sheet shows the future liability also by capitalizing, so that lease liability is there, but that liability means the future rent which is payable for the period of that agreement.

**Harsh Shah:** Okay sir, thank you. That was helpful. I'll join back the queue. Thank you so much.

**Amit Modak:** Okay.

**Moderator:** Thank you. Next question is from the line of Priyanshu Maheshwari from Holani Ventures Capital Fund. Please go ahead.

**Priyanshu Maheshwari:** Hello sir, first of all congratulations for your excellent numbers. Sir, could you share your expectation regarding the customer acquisition cost over the upcoming quarters and what are your revenue expectation and overall break-even timelines for new stores?

**Amit Modak:** No, customer acquisition cost as such we are not calculating it because it is very difficult in our kind of business. We are not running any scheme or anything like multi-level marketing kind of thing where we can calculate the customer acquisition cost.

Customer acquisition cost is nothing but our goodwill which is working very well, mouth-to-mouth publicity, BTL activities, ATL activities, those kind of activities we carry out and the publicity which we normally make through the schemes we can acquire the customer, but also we are reluctant to run these kind of schemes also which are having cross-marketing kind of the thing because our is a luxury kind of the industry and discretionary purchase, so there these kind of activities are not supposed to be there. What was your second question sir, please repeat?

**Priyanshu Maheshwari:** Sir, what are your revenue expectation and overall break-even timelines for new stores?

**Amit Modak:**

In earlier reply, I said that within Maharashtra if it is, 0.75 stock turn if I want to achieve, it will take around 9 to 12 months or 8 to 12 months' time and that gives me INR1.5 crores EBITDA level margin per store.

And if it is outside Maharashtra, it will be 18 to 24 months' time and the revenue growth for EBOs, as I said in earlier question's reply, from 0.75 stock turn to reach to 1.25 to 1.5 kind of the stock turn with the EBITDA level expected around INR3 to INR3.5 crores per store, it takes around three to four years' time.

**Priyanshu Maheshwari:**

Okay sir. Sir, my other question is that in a recent interview -- in your recent interview with NDTV, you emphasized focus on the natural diamonds and concern about resale value. Sir, with the rapid growth of lab-grown diamond, do you see them as a long-term competitive threat and how are you adapting the Gen Z and millennial customers which have lower purchasing parity and view diamond more as a lifestyle?

**Amit Modak:**

Right now, I think that lab-grown diamonds are there in market for at least last six to seven years' time. In last six to seven years' time, people have seen the change in price. It is a -- I will not pronounce whether it is a positive or negative, market knows it very well. But for natural diamond, we are looking to 3% to 5% appreciation year-over-year.

And recently one very good national level brand has introduced the lab-grown diamond stores, outlets where they are explaining to their customer that there is no resale value to the lab-grown diamond and there is a only resale value to the gold content in that ornament. So it is very much clear in the market that there is no resale value or buyback value for the lab-grown diamond.

So with our buyback policy, natural diamond has got rarity and increasing value over a period, so I am not thinking that is a threat for me. And secondly, even though millennium are there, we have got INR150 crores plus population, out of that high level or higher middle class and white-collared class millennium are also there who will prefer to the natural diamond because it has got resale value.

So they can exchange it in future because they will be having repeat exchanges and repeat visit to the shopping because they have got additional discretionary or reasonable discretionary surplus which they can use it repeatedly. At that time, if there is a resale value, they will prefer for that. And as it is in our society, whenever we give some ornament in the wedding or the anniversaries, those ornament carries the wealth, not only the look or the lifestyle.

Because if some -- if father is giving gift of the necklace to his daughter in marriage, he cannot give the lab-grown diamond necklace to his daughter. Because when that daughter will carry that necklace, it should have inherited value. She can transfer that property or value or the wealth to her son, means to her daughter or daughter-in-law in future. So generally we inherit wealth and natural diamond is getting classified in the wealth, not lab-grown diamond is getting classified in the wealth.

**Priyanshu Maheshwari:**

Okay sir, thank you very much sir for your answer.

**Moderator:** Thank you. The next question is from the line of Rushabh Doshi from Nirmiti Investment Advisors LLP. Please go ahead.

**Rushabh Doshi:** Hi, congratulations on a great set of numbers. I had three questions. So the first question is, like is there some accounting difference between the gross margins or EBITDA margins between the current financial numbers and the restated ones? Because the EBITDA margins have come down from around 30%, 32% to 22% in this year.

**Amit Modak:** See, up to last year, it was a not a separate entity. So certain fixed costs were not there, like premises we taken on the rent for separate sitting, then inventory and logistic department was created, then there is a CEO, CFO, compliance department. So all these costs have gone up because of the separation.

Earlier it was a part of the main entity and that's why there was no such cost which were borne by the division. Now because these costs are there, then earlier there was no interest cost also there, but since you are talking about the EBITDA, that doesn't matter. So these separate costs which have got loaded, that has reduced the EBITDA margin.

**Rushabh Doshi:** Okay. So in the long run, this margin of let's say 28% gross margin, EBITDA margin of 22%, like this would be sustainable, right?

**Amit Modak:** Yes. Gross margin may improve in future because right now we are not charging any brand value in the diamond pricing, which is valued or the priced just like a family jeweller price them, like 35% gross margin loading. But over a period, we will start loading the brand value once our brand gets settled in the market because this industry has got gross margin between 30% to 35% or even as high as 40% to 42% also. So right now, these margins are without loading the brand value to the diamonds.

**Rushabh Doshi:** Okay. Also, like could you give the breakup of the raw material between let's say gold, diamond, and others which might include platinum?

**Amit Modak:** The platinum is a very smaller content in the total sale, but gold and diamond if we consider, even as a jewellery, INR1 lakhs jewellery contains around 50% to 55% of the gold and 30% to 35% of the diamond and 15% to 20% of making. That is a composition right now in present days because gold prices have gone up. Earlier it was a gold contents were 15% to 20% and diamond contents were around 60% to 65%.

**Rushabh Doshi:** Correct. So like if gold prices go up let's say like 30% in one quarter, on a totality basis, like would you expect gross margins to contract?

**Amit Modak:** Gross margin percentage basis it may contract, but in absolute value, it will get maintained. And as a person, I more believe in the absolute value rather than percentage.

**Rushabh Doshi:** Okay. Because other, I guess, plain jewellery companies, like even though gold prices go up, their margins...

**Amit Modak:** We are not comparing ourselves with the plain gold jewellery company.

**Rushabh Doshi:** Okay, yes. And like since we have excess gold, like which is mostly through buybacks or exchange, like where do we sell this and why don't we keep it on our balance sheet? And do we also have inventory gain in gold?

**Amit Modak:** No, we never calculate inventory gain as such because we are valuing our inventory at average purchase price, not at FIFO or LIFO. So inventory gain or inventory loss concept is not there. Our inventory is getting valued at average purchase price, which is far less than the current market price at present. And generally it is competitive to the current market price because it is a average purchase price.

**Rushabh Doshi:** Okay. So the excess gold, like do we sell this to like gold traders?

**Amit Modak:** Nowadays what people are giving gold even as a consideration also. If somebody is buying INR3 lakhs necklace, he may come with the 20 gram gold coin which is valuing around INR2,80,000 and will pay over and above that INR20,000 by credit card. Then that 20 gram gold comes in my kitty, which is a part of consideration.

So I need to encash that. Unless I encash that, my working capital will get stuck because that 20 gram is not my intended purchase or requirement. It is received as a consideration. Instead of bank, I am receiving the commodity in my hand. And that is sold in the market directly in open market and that sale is mentioned as a note in the accounts regularly.

**Rushabh Doshi:** Thanks. And my last question is like our sister company Gargi, like they are also into diamond jewellery, but the difference is that they sell it with 14k gold. So my question was like doesn't this lead to kind of conflict of interest, like we are selling almost the same thing, the difference is that we are selling at 18k or 22k and they are selling at 14k? So -- but at the end of the day, the product is same, the average ticket size is also in the same range. So my question is why do we have such a structure?

**Amit Modak:** See, there are biscuits available in market which are normal biscuit, gold biscuit, means I am talking about the confectionery and bakery product biscuit. Product is same.

**Rushabh Doshi:** Correct.

**Rushabh Doshi:** One manufacturer is selling three kind of glucose biscuits. One in pack of four biscuit which are extreme premium glucose biscuit, one in the name as a gold which is a second level premium, and which is very ordinary which is in a yellow kind of the packing. So product is same. So in Gargi, we are selling 14 carat gold along with lower quality of the diamond.

I am saying lower quality with not mentioning that those diamonds are fake or anything. Diamond quality always get assessed with the color. So in Reva, we are selling E and F color, that is a next to highest color, D is the highest color. E and F color and good 4Cs, all 4Cs are extreme good.

In Gargi, we sell H,I and with good 4Cs, but color is H,I. So their valuation, their prices are different than the valuation and prices of the Reva. So Reva is a premium thing, Gargi is a daily use -- daily wear and pocket friendly.

Secondly, they have got range from INR10,000-INR15,000 to INR2,00,000-INR2,25,000 kind of thing. In my earlier comment to start with the meeting, I said we sell from right from INR15,000 to INR25 lakhs. So it's a no-spin to bridal jewellery. That bridal jewellery kind of necklaces or sets are not there in Gargi. So it's a mainly fast-moving fashion jewellery along with having resale value diamond jewellery.

- Rushabh Doshi:** Okay, yes. Thanks, that's all from my side.
- Moderator:** Thank you. Next question is from the line of Subhanu Bangal from 3 Head Capital. Please go ahead.
- Subhanu Bangal:** Yes. So sir, can you tell me the what was the buyer growth in FY26?
- Amit Modak:** What was?
- Subhanu Bangal:** Like I am explaining, like FY25 100 customer was buy, but FY26 how much customer -- how many customer bought from us?
- Amit Modak:** Bought from us?
- Subhanu Bangal:** Buyer growth. Yes, yes.
- Amit Modak:** Buyer, number of buyers. Number of buyers, that statistics is not with me. You can send the separate mail, I will forward it to you on the mail. There is a CS or the compliance mail ID is there, on that mail ID you can send. Because it is not readily available with me right now.
- Subhanu Bangal:** Okay. okay. Sir, like my next question on SIS SSG. You said FY26 SSG was 40%. Do you expect this will maintain?
- Amit Modak:** I hope so.
- Subhanu Bangal:** Okay. And my last question on store opening. Out of this 15 store, already one store already opened. And how many store will be open in FY26? Sorry, FY27?
- Amit Modak:** We have got two EBOs, two EBOs are there, out of that one EBO is post-IPO. So 15 EBOs we are planning through the IPO proceed, out of that one is completed, remaining 14 are there. Out of these 14, 6 to 7 will take place in current financial year and remaining will be in next financial year. Because we have mentioned in DRHP, RHP prospectus that this is a project for 24 months' period.
- Subhanu Bangal:** Yes, but as 6 to 7 store will be open in FY27, then automatically our inventory turn will be reduced because new store inventory turn will be low. Is my understanding correct?
- Amit Modak:** No, inventory stock turn right now is mainly used in the SIS. SIS is amounting almost INR350 crores top-line. These new EBOs will have comparatively lower inventory content as compared to the present INR330 crores inventory which is already in the system.

And secondly, their top-line will have around 0.75 kind of the stock turn. So this 1.3 stock turn will get improved from the SSG also. So it will get compensated from the lower stock turn of the EBOs which are upcoming.

As I said in my earlier opening comment, it's a vanilla model where SIS also working which are existingly working as a profitable with higher stock turn and these new EBOs which are coming, at initial period, those will be lower this stock turn as compared to the present our stock turn, but it will get compensated and average out. So I am not expecting that much fall in the stock turn as overall, as a organization.

**Subhanu Bangal:** We can expect this will be maintained?

**Amit Modak:** Yes, yes. It should get maintained. Hardly, this means this is 1.31, if that were the case, it would fall between 1.25 and 1.35.

**Subhanu Bangal:** Understood. Sir, my next last question on margin. As you said that our gross margin, too, could increase from here, but this will be happened in FY27?

**Amit Modak:** See, for all listeners, I have got a very precise thought process that I don't depend more on the percentage, I depend more on the absolute value. Because if gold prices keep on going up and gold content in total sale goes on because of the gold prices, on gold there is a lower margin percentage term I am talking about.

But as a absolute value of the margin or the rupee of the margin, it will get maintained or increased and so there will be net increase in my earnings even though not in percentage term, but in value term it will definitely.

**Subhanu Bangal:** Okay, understood. Thank you sir. Best of luck.

**Amit Modak:** Thank you.

**Moderator:** Thank you. Next question is from the line of Harsh Shah from Merisis Advisors. Please go ahead.

**Harsh Shah:** Yes, sir, I would just wanted to ask that what are your expectations in terms or outlook for in terms of revenue for FY27, '28 and SSSG if you can also, give a outlook on that?

**Amit Modak:** SSG, I am expecting around 25% to 30%, it will not be less than 25% to 30%. I achieved it 40% last year because there was a -- all of sudden shoot up of the gold prices. So in value term that it is there, but if gold prices remain stable, I am expecting 25% to 30%, but if gold prices shoot up just like last year, it again can match with the previous year's SSG growth.

**Harsh Shah:** And sir, revenue? Can you give an outlook on revenue for FY27, '28?

**Amit Modak:** If SSG growth is there, and as I said very precisely, major turnover for coming 2 years will be from this SIS mainly. So SSG is mainly on the SIS plus upcoming stores. So I expect top-line growth also to get maintained around 25% to 30%.

- Harsh Shah:** Okay. And you might have heard the current announcement as well sir, there might -- do you expect any pressure on gold going forward? And because of that there might be a pressure on our top-line as well, right?
- Amit Modak:** No, it may -- if import duty is increased, then it may increase the gold prices in Indian context. It cannot put pressure or it cannot defer the decision of the buyers. If I want to buy a gold chain, I will buy gold chain only. If I want to buy gold studded with the diamond, I will buy gold studded in the diamond, diamond studded in the gold.
- Harsh Shah:** Okay.
- Amit Modak:** So price of gold may change if government change some structural import duty, custom duty, GST, and all these thing, that direct-indirect tax loading may change on the product. But I don't think that government will ban importing gold or do anything kind of rationing or anything because we are in the free economy. Government will not demonstrate any such thing which will give the demonstration of the restricted economy kind of the thing. We are in the free market.
- Harsh Shah:** Okay, okay.
- Amit Modak:** And since it's a discretionary purchase, generally people who are liking the luxury, having higher middle class and rich class of the people, they will not mind to pay something more due to change in import duty and all this. Because it's a statutory thing. It is not something different for showroom to showroom or brand to brand.
- Harsh Shah:** Okay. Okay, that was very much precise sir. Thank you so much.
- Amit Modak:** Thank you.
- Moderator:** Thank you. Next question is from the line of Divya Daga from Volta Green Structures Private Limited. Please go ahead.
- Divya Daga:** Hi sir. I just have as a majority of our revenue come from 34 SIS stores, so I want to know how our parent company is planning to expand those stores further?
- Amit Modak:** Their expansion is out of their accumulated profits, that is a internal accruals. They are not borrowing additionally. So their growth will be three to four store in 2 years, every 2 years. So it will be a passive expansion mainly for us because we have started on the EBO model and that EBO model starting is mainly to avoid that passive expansion because they require INR90 crores to INR120 crores to set up one store, which is a very high capex and they don't want to borrow further.
- So it depends on their internal accruals. But when it's a EBO which we are setting, it requires around INR20 crores to INR25 crores per EBO. So that expansion will have better numbers at lower capex.
- Divya Daga:** Okay, thank you so much sir. That's all I have.

**Moderator:** Thank you. We will take our next question from the line of Lokesh, an Individual Investor. Please go ahead.

**Lokesh:** Hello, thanks for the opportunity. Sir, my question is, let's say in the next 24 to 30 months, we will have somewhere near close to 50 stores. So what could be the revenue potential that you can see in those 50 stores, let's say in the year FY28 or FY29?

**Amit Modak:** Yes, I have given a metrics for per store revenue top-line. You can multiply it because I cannot spell out you precise revenue projections and all these thing. And I have said that 30% SSG growth is likely from this 34 existing stores. And I have given you idea that around INR350 plus crores revenue is there in current year from these SIS.

So you can escalate the figure and calculate on yourself what could be the 2 years on this 34 stores with INR350 crores base with 30% escalation every year and at INR9 crores to INR12 crores top-line for these 15 store in next 2-year. First year it will have 7 to 8 store, next year again it will have 7 to 8 stores. Because giving you forward-looking statement precisely in rupee, there are certain limitations.

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

**Moderator:** Thank you. Next question is from the line of Rahul Kumar Paliwal from Shefa Family Office. Please go ahead.

**Rahul Kumar Paliwal:** Good afternoon, sir.

**Amit Modak:** Good afternoon.

**Rahul Kumar Paliwal:** Yes, congratulations for great set of numbers. So my first question is what has actually drive this growth for this year compared to the last one where we jumped from INR250 crores to INR440 crores? Hope I have not missed some clarification already which you have given?

**Amit Modak:** See, the growth is a focus concentration on certain business makes a difference all together. We have demonstrated in our other listed company also that after separating it out as a brand and given concentration on that, we have exponentially grown from INR15 crores-INR20 crores to INR140 crores kind of the thing in Gargi Fashion Jewellery.

Here again, the separating out the business and creating a brand is with the same vision to concentrate on the product line, to give a more and more designs and concentrating on the variety, finish, and everything. So this is a focus activity or the things which are done with the focus target that has materialized and given the numbers which are right now in front of you.

Those are INR439 crores, but out of that almost I think INR55 crores to INR60 crores is the -- around INR55 crores is a that surplus gold which we are receiving. Otherwise that is around INR390 crores which is a B2C purely jewellery.

**Rahul Kumar Paliwal:** Got it, got it. So I think a conservative side you spoken about 25% to 30% a top-line growth. While -- what is the margin profile in this business we wanted to maintain for medium to long-term, say let's say 3 to 5-year?

And my second question is about now both these verticals like Reva and Gargi has been listed, so what exactly is the management thought process to streamline the executive leadership, for example CEO to both of the entities and the leadership and streamlining the operations, maybe the listing onto the main Board of Gargi and all those corporate actions which is actually derived from when we grow from very a baseline and then the things takes place down the line 3 to 5-year, the growth and everything is visible through this executive machinery. So what are the strategies on that front, like have we thought about full-time CEOs on the verticals and so on and so forth?

**Amit Modak:**

For Reva, there is a CEO, CFO, CS, everything is in place, Whole-Time Director is in place. In Gargi, CEO is not there, but it will take care by that company in due course and they have already started working on it. But for Reva, I don't think that there is any lagging or the shortcoming in the top-level management.

And as far as compliance levels are concerned, even though Gargi is a SME, we are complying just like a main Board. We are having quarterly filings, declaration of result on quarterly basis, and corporate governance is, I think it's a reasonably good in the industry.

We complete our AGMs and all these things before 31st July every year and generally declare result in first or second week of May every year for the financial year ending and quarterly results also within 35 to 40 days every quarter. So as far as compliance and all these things, I don't think that there will be any problem at present and in future also.

**Rahul Kumar Paliwal:**

It was more about the related to strategic like the management bandwidth dividing in between two entities and all, but I got the broad idea. My last question is about growth. We have taken the growth capex from the market, which is almost like a PE investor kind of growth we have given a chance to retail to participation.

So I am assuming at least for 2-year we don't need the funds. Down the line 2-year and 3-year, maybe what would be your mode of getting the growth capex, like would it be a further equity dilution or it will be internal accrual and the cash flows we generate from in these 2 years from the existing setup?

**Amit Modak:**

This year we are adding almost INR64 crores out of the earnings. So those internal accruals we are retaining, we are not distributing. So in next 2 years also, I expect some these kind of numbers will come and which will get added to the internal accruals. Further, we have got INR190 crores loans which are in place, over and above there is a INR50 crores sanction received from ICICI Bank and INR40 crores sanction received from SVC Bank.

So another INR90 crores making almost INR280 crores, out of which I am using right now around INR132 crores-INR150 crores somewhere. So, existingly also there is a sufficient almost INR150 crores to INR200 crores unused sanction limit.

And moreover, these sanction limits I can get even a higher sanction limit in future because my financials will be strong, my equity, other equity will be very strong, that parameter and ratios will be very strong, debt to equity and all this thing. So I don't primarily expect any dilution of the equity, but after getting settled by 2030, I will be expanding out of the borrowings in future.

- Rahul Kumar Paliwal:** Great, great. So that's no equity dilution for investors. So I think the capital, the management bandwidth, the plan is in place and now the -- we wish you for the execution. All the best sir.
- Amit Modak:** Yes, thank you.
- Moderator:** Thank you. Next question is from the line of Subhanu Bangal from 3 Head Capital. Please go ahead.
- Subhanu Bangal:** Yes, thank you for follow-up. Sir, as you mentioned 6 to 7 store will be open in FY27, out of that how many will be open outside Maharashtra?
- Amit Modak:** It will be one or two. Two stores will be out of state and five will be in Maharashtra, because we have repeatedly saying that 40%, 60% will be the ratio for this 15 store. 60% will be in Maharashtra and 40% will be outside Maharashtra, more preferably in North part of the India, Tier 1 city and in the mall.
- Subhanu Bangal:** Yes. And outside Maharashtra store takes around 18 to 24-month for breakeven. And normally how much inventory you are keeping?
- Amit Modak:** In Maharashtra, it will take 8 to 12 months.
- Subhanu Bangal:** Yes, yes. And normally how much inventory you are keeping, store level?
- Amit Modak:** Store level inventory depends on the size of store from 1,000, 1,200, 1,500, three type of model, that is a small, medium, and large. Small require around INR9 crores to INR10 crores, medium required around INR12 crores to INR15 crores, large require around INR18 crores to INR20 crores.
- Subhanu Bangal:** And first year inventory turn around 0.75?
- Amit Modak:** I am expecting 0.75 in Maharashtra in first year, but it will be at end of the year at initial 4 to 5 months it may be 0.25, 0.3, 0.5. So it will be incremental to reach that 0.75% base level, I will take 8 to 12 months in Maharashtra.
- Subhanu Bangal:** And outside Maharashtra?
- Amit Modak:** 18 to 24 months.
- Subhanu Bangal:** Okay. Thank you. That's it. Best of luck sir.
- Amit Modak:** Thank you.
- Moderator:** Thank you. Next question is from the line of Priyansh Miri from NGP family office. Please go ahead.
- Priyansh Miri:** Actually my question was already answered, but sir any trend that we see in working capital before year stable state 2030 timeline? Like will it -- the overall working capital for the business will remain steady or do we see any reduction by 2030?

**Amit Modak:** No, as number of stores goes on increasing, that back-end inventory requirement goes on decreasing. If I am right now maintaining around 15% to 20% back-end industry inventory, then number of stores if grows, that may percentage-wise go down to the 12% to 15%. And to that extent, there will be lesser working capital requirement may be there.

**Priyansh Miri:** Understood, understood sir. Sir, also one more question on your marketing side, like given that we are planning to expand outside Maharashtra, right? So is there any already planned budget that we have allocated for marketing expense that could hit on our margins?

**Amit Modak:** No, for every location, whether it will be in Maharashtra or outside Maharashtra, for every EBO we are planning to spend around INR2 crores and that will be spend between 12 to 18 months together, not at a stretch. The expenses won't be incurred all at once. So that spend will be planned for the BTL activity, ATL activity, social media activity, that kind of the thing. It will not a bulk spend and it will be targeted region wise or area centric. And brand as such we will be spending around 3% to 4% every year on the top-line.

**Priyansh Miri:** Okay. So long-term margins sir will be maintained between 19% and 23% only, right? Given any volatility in gold and diamond prices?

**Amit Modak:** Yes, yes. See, moreover I am always saying that absolute value it will be growing because if gold content increases, that percentage may decrease because on gold content that margins are not like a diamond margin. If diamond content is high, then margins are very high. But when gold content goes on increasing in the total composition of the ornament, then margin may fall, but value-wise rupee term that profit will increase.

**Priyansh Miri:** Okay. One last question sir, I'm I joined late so I'm not sure if you already answered this, but do we also hedge our inventories or like do we already actively manage our inventory by using hedge?

**Amit Modak:** See, I have got gold through the slum sale. And in slum sale that gold was attached to the jewellery of the diamond. So hedging it through the bank not possible, hedging through MCX is possible, but there is no liquidity and cost of hedging is very high on the MCX. Secondly, up to 2004 there was no hedging mechanism, people were still carrying out business very healthy and profitably.

We have got 190 plus year experience of the business and in this business as much as you sell, you should cover immediately on the same day at same price. That is a best mechanism of the natural hedging. And that is there, plus we are having surplus gold in our system. So we sell that gold from time to time to B2B basis because that gold is received in form of consideration.

If somebody is buying INR3 lakhs necklace, he may come with the 20 gram coin and remaining amount through the credit card, that 20 gram coin is received instead of bank receipt. So I need to encash that, otherwise my working capital will get stuck.

So buying fresh gold from the bank is a very rare event, but still I have got limit from the Federal Bank and HDFC Bank and ICICI Bank for buying gold through the GML whenever I will require to buy fresh gold from the market or the bank, I will prefer to go for the GML.

- Priyansh Miri:** Okay, okay sir. Sir, also one more question, like have you also shared any guidance on the product mix, like the diamond jewellery will become what percentage of overall revenue in next 2 or 3 years?
- Amit Modak:** In which concern? Because we are doing exclusively diamond jewellery only. We have got no mix of the plain gold jewellery or anything. And platinum jewellery is there, but that platinum jewellery is a very minor part of the total jewellery.
- Priyansh Miri:** Majority it will be studded part?
- Amit Modak:** Majority it will be studded. Gold -- with 18 carat gold studded.
- Priyansh Miri:** Okay. Okay sir. Thank you. Thank you for the answer.
- Amit Modak:** Do you want to know about the product-wise or the gold and plain gold and diamond that kind of thing? Otherwise, rings is the highest sold product in my composition, which is almost 28%. Then studded mangalsutra with the pendant diamond pendants and all these thing, that is around 25% to 27%, then earrings, that is around 15% to 17%, necklaces are 10% and so on and so and bangle bracelets are 5% to 6% each.
- Priyansh Miri:** Okay. Okay sir. Sir, also like some of our competitor, they also mentioned like where they are strategically focusing, right? Like lightweight jewellery or lesser of a traditional design, right? Like our focus will be more I think on the lighter part of the jewellery segment, right? Like smaller ticket item focusing more on the new generation, right? That is the correct understanding, right?
- Amit Modak:** No, any studded jewellery means trader all these branded jewellers are selling mainly in the range of somewhere INR70,000 to INR1,50,000 kind of jewellery. And heavy jewellery consists part to the extent of 10% to 15% of their total top-line. Lightweight is concept in a pure gold.
- Lightweight is not concept in the diamond jewellery. And in diamond jewellery, there's trendy -- designs is trendy, which costs around INR1,00,000, INR1,50,000. Heavy design will be around INR5 lakhs to INR7 lakhs, medium size designs will be around INR3 lakhs to INR5 lakhs.
- Priyansh Miri:** Okay. So our focus will be on the same range, right? INR1 lakhs to INR1.5 lakhs of the selling price?
- Amit Modak:** Our average bill size or average order size is INR1,20,000, but we cater from INR15,000 to INR25 lakhs kind of jewellery. We sell the bridal jewellery necklaces also, diamond necklaces. Or the bangles which are studded with the 30 cent or 20 cent kind of diamond on the bangle and those are sold as a bridal jewellery.
- Priyansh Miri:** Okay. So sir, where are we focusing like more on the higher cost items or like a lower side of ASP?
- Amit Modak:** No, percentage wise that higher price item comes around 10% to 12% of the total sale.

- Priyansh Miri:** Okay, understood.
- Amit Modak:** And medium size comes around 20%-25% and lower ticket size or the pocket friendly item comes around 60% to 70%.
- Priyansh Miri:** Understood. So going ahead also I think it will remain same, right? Given our brand positioning, right?
- Amit Modak:** Yes.
- Priyansh Miri:** Okay. Okay. Thank you sir for answering the question.
- Moderator:** Thank you. Next question is from the line of Harsh Shah from Merisis Advisors. Please go ahead.
- Harsh Shah:** Yes. Sir, just one question. Can you also -- you already have given the EBO revenue run rate. Can you also give the SIS run rate going forward of the 33 SIS that we have?
- Amit Modak:** No, SIS are of different size because if my parent has got 6,000 square feet showroom, then he provide me around 700 to 800 square feet area. If he has got any his location of just 2,000 square feet, I will have area of around 100-200 square feet.
- So every SIS will have different kind of top-line. We need to take it on the as a whole all together. If you say INR350 crores in 34 SIS, then it will be around INR10 crores per SIS, but that doesn't hard and fast matching because my few SIS are working between INR20 crores to INR40 crores per year.
- Harsh Shah:** Okay. Okay sir, thank you. That's it from my side. Thank you so much.
- Amit Modak:** Okay.
- Moderator:** Thank you. That was the last question for today. I now hand the conference back to Mr. Amit Modak for closing comments. Over to you, sir.
- Amit Modak:** Yes, thank you very much to all who have joined and participated in this discussion. I hope we have answered reasonably as per expectation of the listeners or the participants. Thank you joining us today and expect your continued support as always we have received in past also. We remain available to address any follow-up question, please feel free to reach out us directly or through our investor relation partners Stellar IR Advisors. Thank you.
- Moderator:** Thank you very much, members of the management. On behalf of PNGS Reva Diamond Jewellery Limited, that concludes this conference. Thank you for joining us today and you may now disconnect your line. Thank you.
- Amit Modak:** Thank you.