"PNGS Reva Diamond Jewellery Limited
Q1 FY27 Earnings Conference Call"
July 29, 2026

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 ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the PNGS Reva Diamond Jewellery 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 would now like to hand the conference over to Mr. Suyash Samant from Stellar Investor Relations Advisors. 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 ended 30th June 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 statement to reflect developments that occur after the statement is made.

I now hand over the conference to Mr. Amit Modak. Thank you and over to you, sir.

Amit Modak: It's almost 4:30 past, so I will say good afternoon and good evening both the things. I myself is not doing well as a health thing, there is a fever and cold, but still I feel that I must join this call because the results were reasonably well good as far as I personally think. It is a investor to take the call about it.

The company is on track, company is showing growth as it is perceived at the time of the getting separated the business, creating a brand and it is working well. The studded jewellery market is growing and our performance, I personally think that whatever is expressed here is a opinion or the expectation of the company and its management.

Investor should take due care before making any decision on their own. Thank you and I now request Aditya Modak to continue on the behalf of company and I am extremely sorry that I could not continue the speaking because of my throat is not keeping well, health is not keeping well. Thank you, thank you for listening.

Aditya Modak: Thank you, sir. So, good afternoon everyone and thank you for joining us today. Our investor presentation has been uploaded on the company's website and on stock exchanges and I hope you have had chance to go through it. Just a quick note that today's call will be limited for 45 minutes due to time constraint.

If we are unable to address all of your questions during the session, please feel free to reach out to Stellar IR Advisor or send us a mail and we will be happy to respond to your queries. We are pleased to begin the year on a strong note, delivering another quarter of robust growth.

Our performance reflects the continued strength in our brand, healthy consumer demand, disciplined execution, and successful implementation of our growth strategy across all the formats. More importantly, this marks our second consecutive quarter of delivering over 100% year-on-year revenue growth, reinforcing our confidence in long-term scalability of our business, the momentum and the execution capabilities which we have built over the past few quarters.

While market potential creates opportunities, it is our team's ability to capitalize on them through focused execution that drives our growth. We are proud of our team's dedication and agility which have enabled company to translate these opportunities into strong revenue growth.

Let me begin by sharing some of the operational highlights for the quarter. Our inventory turns stood at 1.29x during the quarter one of FY27, which is in line with the industry's accepted range for diamond which is between 0.75x to 1.5x. As we expand our store network and increase inventory, we remain confident of maintaining a healthy inventory turnover through our disciplined inventory management.

Further, addition to that our average order value also remains around INR1 lakh for the quarter Q1 of ‘27. These operational improvements translated into another quarter of strong financial performance.

During the quarter, revenue from operations stood at INR118 crores registering robust 119.5% year-on-year growth, driven largely by higher volumes in terms of diamond caratage and highlighting the strength of our core diamond jewellery business.

The gross profit for the quarter stood at INR41.83 crores, reflecting the growth of 147.25% Y-o-Y with gross margins of 35.46%. The EBITDA stood at INR33.92 crores, recording a growth of 192.88% Y-o-Y, while EBITDA margins stood at 28.76%. The PAT stood at INR27.21 crores, growing it by 265% Y-o-Y with PAT margins at 23.06%.

The strong financial performance was supported by healthy consumer demand across our market, driven by festive buying during Akshaya Tritiya and healthy sales during the monsoon festival season. During Akshaya Tritiya alone, we recorded revenue of INR12.7 crores compared to INR3.5 crores in corresponding period last year, reflecting a robust 268% year-on-year growth. This continued traction highlights the increasing customers' preference for certified natural diamond jewellery and growing acceptance of Reva Diamond.

Our marketing spend in Q1 FY’27 remained relatively modest, reflecting seasonal nature of our business. Historically, demand and consumer acquisition opportunities are significantly stronger from the end of Q2 through Q4 and accordingly our marketing budget is planned to be deployed over the upcoming quarter rather than incurring upfront in Q1.

While this phased approach is expected to support growth during the stronger operational period, it also means that profitability in coming quarters may see a limited impact to the extent of planned marketing spends.

To support our long-term growth strategy and capitalize on healthy demand environment, we continue expanding our retail footprint with a launch of new COCO store at Amanora Mall, Pune on 7th of July, taking our total network to 37 stores comprising three COCO stores and 34 shop-in-shop stores with PNGS. We are pleased to see that our recently opened COCO store are performing in line with the expectations, reaffirming our confidence in the COCO led expansion strategy.

Looking ahead, we remain on track to open 15 new COCO stores through the IPO proceeds with two stores already operational. Our expansion will continue to focus on Tier-1 cities along with selective entry into Tier-2 cities and key metro markets across Maharashtra and North India, further strengthening our brand presence, deepening customer engagement and driving sustainable long-term profitability growth.

Our store expansion strategy remains disciplined and focused on long-term value creation. Each new store location undergoes a rigorous evaluation process involving multiple levels of approvals, detailed market assessment and feasibility studies to ensure strong profitability and attractive payback potential.

While funds have been earmarked to expansion following the IPO, our objective is not to maximize number of stores opening in shortest period possible time. We are not evaluating stores solely on the ability to achieve operational sustainability or break-even; instead, our focus is on locations that can deliver healthy profitability and attractive payback period, thereby contributing meaningful to company's long-term earnings growth.

As outlined in prospectus, we plan to open nine stores during first year of following IPO with remaining stores to be opened in second year. As on date, we remain on track to execute the expansion plan as communicated and expect to complete the rollout within the stated timeline. We remain optimistic about demand outlook also.

The recent correction in gold prices is expected to support jewellery purchases ahead of upcoming wedding season and festive season, while the continued shift towards organized and branded jewellery continues to provide strong structural tailwind for the industry. Combined with expanding retail footprint, improving brand recall and focused execution, we believe we are well-positioned to sustain our growth momentum in coming quarters also.

We are pleased to share that the company's e-commerce website is also on track to launch by the end of August 2026, making an important milestone in strengthening our digital presence and expanding our direct-to-customer reach.

With this, we would like now to open the floor for questions. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Prince Choudhary from Pink Wealth. Please go ahead.

Prince Choudhary: Yes, hi sir. Congratulations on the good sets of number. Basically, I want to understand whether the EBITDA and PAT margins would be sustainable and what were the reasons like economies of scale or the product mix change which led to the high margin in this quarter?

Aditya Modak: Yes, thanks Prince. First of all, like you have mentioned that the economies of scale obviously played a great part. If you see there is an increasing turnover by almost it got doubled, so of course the economies of scale had played a part. And the better price realization for diamond on caratage base was also a contributor there. So that's why the GP margins went up and accordingly our EBITDA and PAT margins also went up.

But like I explained in my pre-note is that once we start doing marketing effort in Q2, Q3 and Q4, obviously there will be around dent of 1% or 2% on PAT basis and other than that I don't see anything fluctuating.

Prince Choudhary: So for the full year how do you see these sustainable EBITDA margins approximately?

Aditya Modak: So, EBITDA margins, so the current EBITDA margins that we are talking about is 29% and the PAT margins are around 23%. Like I said, 2% to 3% dent here, so anything between 25% to 27% on yearly basis and something between 22% to 23% on PAT basis is what we are expecting.

Prince Choudhary: Understood. And second question, how do you see the demand outside Pune for natural diamonds?

Aditya Modak: So, I think if you see the increase in turnover, it has happened on vanilla basis in almost every city that we are in. Almost we are present in 21 cities and almost in every city we are seeing that there is a really good demand and whatever the SSSG that has happened, it is across. So, it is not just the concentration in Pune or one or two cities that are performing better and other cities are not performing better that is not the case here.

Overall the traction for the natural diamond jewellery has gone up, even the shift from plain gold jewellery to natural diamond jewellery is also seen in almost every shop that we are dealing in. So, overall the prospects are looking better.

Prince Choudhary: Okay, sir. Understood. Thank you for answering the questions.

Aditya Modak: Thanks, Prince.

Moderator: Thank you. We have our next question from the line of Khushi Jain from Share India Securities. Please go ahead.

Khushi Jain: Yes, hello. Thank you for taking my question. Congratulations on the good set of numbers. I just wanted to understand that while the Akshaya Tritiya went very really well, I just wanted to understand what was the volume growth in June and mid of July and what we are seeing ahead?

Aditya Modak: Yes, hi Khushi. So, I have the volume growth for the quarter. For the July we haven't because the month is not closed yet, we don't have that. But the volume growth that we see in diamond caratage is more than 50% is what we have seen. So, Akshaya Tritiya and also we had monsoon festival which was there in June 2026, so both have contributed extraordinarily and that's how we saw this growth of almost 50% in quantity.

Khushi Jain: Okay. Also, thank you for the answer. On the inventory side, like how we are doing the hedging part? Are we using the natural hedging side, are we using more of GMLs, how it is that how is that done?

Aditya Modak: Yes. So, I think so basically we do have a gold loan facility available as a limit from the bank, but currently we are not using that because the gold portion is limited. So if you see the total inventory valuation, the gold portion is very short and we are not doing any hedging on MCX. I think in previous couple of calls Modak sir has explained why MCX hedging is deliberately we are keeping it out of our purview considering the volumes that we deal in.

So the natural hedge that happens with periodically buying and selling of gold that is what we are doing and obviously recently we have opted for gold loan and we will be utilizing that gold loan in quarters to come.

Khushi Jain: Okay, perfect. Last question from my side. Could you just bifurcate the same sales growth on the COCO side and SIS model?

Aditya Modak: Sorry, can you repeat?

Khushi Jain: I want same sales growth on the COCO model and the SIS, the store-in-store one.

Aditya Modak: So all the SSSG that has happened is in SIS only because all the COCO models are not even one year old since the opening. So, there is no SSSG as such right now. But in terms of SIS growth that we have seen is almost 50% SSSG is what we have seen across the shop.

Khushi Jain: Okay. Thank you and good luck.

Moderator: Thank you. We have our next question from the line of Harsh Shah from Mirae Asset Advisors. Please go ahead.

Harsh Shah: Yes. Hi Amit sir. Hi Aditya sir. Congratulations on a very good set of numbers. Sir, I wanted to understand that SSSG you answered to a former participant that SSSG is 50% is on a year-on-year basis, right?

Aditya Modak: Yes.

Harsh Shah: Okay. And one more thing, actually just a bookkeeping question, that the other income has jumped to INR5.6 crores this quarter from I think INR30 lakhs, correct me if I'm wrong. So, is there any specific reason for that?

Aditya Modak: So all the IPO proceeds which are parked in our bank is yielding of interest and that is getting accounted for.

Harsh Shah: Okay. That is entirely the interest income, treasury income basically.

Aditya Modak: Yes.

Harsh Shah: Okay. And sir, can you give bifurcation on the finance cost that what is pertaining to the lease part because some part of lease we add to P&L, right, on the COCO stores and some part would be the normal interest on loans?

Aditya Modak: Just give me one minute, I'm just extracting that. Give me one minute.

Harsh Shah: Sure.

Aditya Modak: I think can we just move to next question meanwhile my team is extracting that. As soon as I get that value I will explain it.

Harsh Shah: Sure, no worries. I'll join back the queue.

Aditya Modak: Yes, thanks.

Moderator: Thank you. We have our next question from the line of Keshav Biyani from SBSPL. Please go ahead.

Keshav Biyani: Hello.

Aditya Modak: Hello, sir.

Keshav Biyani: Hi sir, congratulations on great set of numbers. Sir, I have just one query. In the -- it’s a bookkeeping question, there's change in inventory of finished goods is INR30 crores. How is this number determined?

Aditya Modak: Sorry?

Keshav Biyani: There is an item in expenses, change in inventory of finished goods. Value is INR30 crores. So, how is that number determined? Is this some profit on sale of or is it some inventory revaluation which we are getting benefit?

Aditya Modak: This is difference between opening and closing stock.

Keshav Biyani: So this is because our sales have gone up so that because of which you have kept more stock.

Aditya Modak: Yes.

Keshav Biyani: So this is the routine phenomenon.

Aditya Modak: Yes.

Keshav Biyani: Okay. Thank you. All the best.

Aditya Modak: Even in previous quarters you would see the similar number.

Keshav Biyani: Yes. Year-on-year it was there but this number was a bit higher, so I just thought to reconfirm.

Aditya Modak: Yes, okay.

Keshav Biyani: Thank you so much.

Aditya Modak: Thanks.

Moderator: Thank you. The next question is from the line of Harshit Pandey from Blue Star Capital. Please go ahead.

Harshit Pandey: Hello, am I audible?

Aditya Modak: Yes.

Harshit Pandey: Yes. First of all, congratulations for good set of numbers. Sir, my question was, is there any upward revision in our guidance, sir, as we have delivered fantastic Q1?

Aditya Modak: Sir, can you repeat? Your voice was cracking.

Harshit Pandey: Yes. So I was saying is there any upward revision in our guidance as we have delivered fantastic Q1?

Aditya Modak: So we -- honestly I think Modak sir would have been a better person to answer that. As he always said that we want to under-promise and over-perform. So this is what I think that -- there is no different guidance that I have received from him. So, I think the guidance remains same, but at least we are more confident on what we had promised previously that we will be able to deliver.

Harshit Pandey: Okay. Thank you and all the best, sir.

Aditya Modak: Thank you. And I would like to answer the about the finance cost that was previously asked by someone. So out of total INR27 million, almost INR26.53 million is the pure finance cost and about INR0.95 million is the interest on lease liability. So yes.

Moderator: Thank you, sir. We have our next question from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thank you for the opportunity and congratulations for a good set of numbers. Sir, in this quarter have we seen some impact on the sales following Prime Minister Modi's request to slow down a bit on gold buying and people going back to exchanging more gold instead of purchasing new gold jewellery and so any impact of the same on our sales? It actually doesn't reflect in the numbers but has there been any views on how the sentiment is at the retail level currently?

Aditya Modak: Yes, hi. That's a very much relevant question. But what we have saw in our group company, that is P.N. Gadgil & Sons is that obviously there has been a dent when it comes to the plain gold jewellery with Prime Minister's appealed to the everyone.

But about diamond jewellery, I think the customer preference and the way customers are looking at this particular diamond jewellery is completely different from gold jewellery. It is more utility-based.

So, there is no investment buying as which happens in our case. So obviously there is an investment buying but the component is lower. If you see even our product also, so almost 40% is gold component and rest is diamond and making charges. So, I think the impact which was received by plain gold jewellery as compared to studded jewellery was bigger.

So, we haven't got impacted honestly and overall the optimistic flow from customers is what we are observing since last two quarters. So, I don't think there is a point of concern in remainder of the year around the demand about natural diamond jewellery.

Ankit Gupta: Sir, because I'm actually -- if you look at the performance of our sister company PNGS Gargi, their sales have slowed down quite considerably in this quarter. So, I was just relating the two like their sales have been have slowed down to 11% which would be the lowest since its listing. So and in our case, we have done significantly better than them, like almost grown by 120%.

Aditya Modak: Of course, so obviously we would be answering that question in that call. There are different reasons than the PM's, you know, announcement. Obviously, it will be taken care in that call. Thanks.

Ankit Gupta: Sure, no issues. And sir, just next two like let's say FY28, '29, how do you see the sales split between SIS stores of our parent company and EBOs in next two years and how do you think that, the same will impact our, margins and overall return metrics since, this will like EBOs will cut into investments, will take some time to reach break-even.

And so, if you can share your views on how the EBO like what will be the EBO sales that you are expecting in percentage terms in FY28, '29 and how will that impact our margins going forward? And overall, in overall scheme of things, how should we see the margins going ahead with increasing EBOs that we are opening up?

Aditya Modak: Yes. So, I think what we are expecting our EBOs to perform is that the EBOs which are in Maharashtra should get its BEP in a first year and which are opened outside Maharashtra should get their BEP in like 15 to 18 months from the start is what we are expecting. Like I have already explained that nine stores we are planning this year, seven stores will be next year and it will start slowly start contributing in our top line.

In couple of years or three years down the line like you said, obviously the dependency on PNGS SIS would go down from where we are today, which is almost 95% of the dependency is on PNGS SIS, that we are looking at going down to the tune of 20% to 25% in, you know, years to come.

And obviously eventually after two to three years, the EBOs also will be consider if they reach to a stock turn of like 1.25 to 1.5, they will also start significantly contributing to the PAT level. So, I don't think so there would be any revision at PAT levels that can be ascertained right now. So, I think there won't be that much of dent because the even the PNGS SIS will grow in years to come. So obviously that will also continue to contribute to the top line and bottom line.

So, I don't think so there is any revision in that we are anticipating in PAT levels. But obviously the contribution top line contribution would come down for PNGS SIS and EBOs' contributions will go up in years to come.

Ankit Gupta: Sure. And like so as you were saying 1.25 to 1.5 is an optimal inventory turns at which our EBOs should start generating profits or where they should break even? Is that the correct understanding?

Aditya Modak: No. So, 0.75 is where it breaks even. And when it reaches like 1, 1.25 it starts making reasonable profits. And anything beyond 1.3 is like super-normal profit that are getting generated. Yes.

Ankit Gupta: Sure. So, at 0.5 inventory turns we start breaking even and above 1, 1.2 we start making substantial profits.

Aditya Modak: Correct, correct. 0.75 is break even.

Ankit Gupta: 0.75. Okay, okay. Thank you so much and wish you all the best.

Moderator: Thank you. We have our next question from the line of Harsh Shah from Mirae Asset Advisors. Please go ahead.

Harsh Shah: Yes, hi sir. So, I just noted down the points that you said. And sir, I just wanted to ask that how are we facing, we have can you add some color on how competitive are lab-grown diamonds to us? And what is the competitive intensity, are they hurting us or, our brand is actually playing out? That would be my first question.

Aditya Modak: So, the competition from lab-grown is not that significant because predominantly we are dealing in star-melee and minus-two kind of diamond. So, in that particular category, the price differential between the lab-grown and natural diamond is not more than 10% to 15% on a product basis. Obviously in pointers market there has been a, you know, dent overall.

But if you see Indian market also, almost 95% of the diamond jewellery market is star-melee and minus-two. So, I don't think so there is any, you know, major dent that we are observing in players like us and even for us also, like almost 97% of our business is in smaller diamond. So, we are not feeling any heat from lab-grown.

Harsh Shah: Okay, okay. Can you repeat the diamond category please?

Aditya Modak: So, it is basically smaller diamonds, the technically they are called as star melee or minus-two diamonds.

Harsh Shah: Star melee or minus-two diamonds. Okay, okay. And one more thing, sir, I just what so what kind of inventory turn can we expect on an annualized basis for FY27, '28, maybe '29?

Aditya Modak: So currently we are having 1.29 and I think those are so basically it will be between 1.1 to 1.4. Honestly very difficult to tell you because if you see our previous year also, Q1 has almost contributed to the tune of only 15% of annual turnover. So, we are there right now.

So, anticipating it going ahead is difficult. On top of that obviously we will be opening EBOs. So, if the EBOs are opened in, you know, fag end of the year, there would be some dent to, mathematical calculation of stock turn also.

So, it's very difficult to, anticipate or forecast that today. But on ideal basis if we consider every store is working for one year from 1st April to like 31st March and if we make that assumption, then I think we will be able to sustain the stock turns that we are having right now.

Harsh Shah: Okay. And if I can squeeze in one more...

Moderator: Sorry to interrupt you, Harsh. May we please request you to rejoin the queue? There are several participants waiting for their turn. Thank you. We have our next question from the line of Pranav from Rare Enterprises. Please go ahead.

Pranav: Hi sir, thanks a lot for the opportunity. Sir, due to sound quality I missed the volume growth number, that is one. And about the store opening guidance, can you just give me split of EBOs and franchise for the year? Thanks a lot.

Aditya Modak: Can you repeat the second question, sorry?

Pranav: Can you give the store opening guidance for the year? Thank you.

Aditya Modak: Okay. So, to answer your first question, the volume growth that I explained was more than 50% on carat-weight basis on diamond. So that is what I had said. And the secondly the plan that we are having is like already quoted in our, you know, plan IPO plan that in first year we will be opening nine stores and seven stores in second year.

And out of which two out of those nine stores, two are already opened and we are already negotiating and there is there are stores in pipeline. As soon as it gets materialized, it will be given on exchanges. And all these stores will be COCO only, so there won't be any franchise.

Pranav: Thanks a lot, sir. Thank you.

Aditya Modak: Okay, okay.

Moderator: Thank you. We have our next question from the line of Rahul Kumar Paliwal from Shefa Family Office. Please go ahead.

Rahul Kumar Paliwal: Thanks for the opportunity, Aditya, and congrats for the good set of number. My question is it fair to assume that next two quarter will be better than this quarter considering the festive seasons and the consumer upliftment in the coming quarters because of the same?

Aditya Modak: Hi sir, thank you. So basically, like I explained, I think Q1 generally contributes to the tune of 15% and Q3 and Q4 are like the best quarters in any, you know, financial year for jewellery industry. So usual bifurcation is that almost 35% would be H1 and 65% should be the H2. And that has been the, general rule of thumb when it comes to jewellery and that is what has happened also with Reva in previous year. So obviously the Q2 would be better than Q1 historically and

Q3 and Q4 always yields to the tune of 65%. So, this is what we have seen and this is what we are also anticipating this year.

Rahul Kumar Paliwal: Got it, got it. Probably with the INR27 crores this quarter, we are probably expecting around INR80 to INR100 crores PAT for this year. That's the assumption we are taking actually. So, my second question is trade payable fell a lot from INR32 to INR20 crores while the business is scaling very high. So, is it because of we are paying fast or some renegotiation with the suppliers?

Aditya Modak: So, I think it will it is so it is not directly related to how the quantities are coming in and out. So generally, maybe towards fag end of last year it would have been, you know, raised and the credit period is still due, so that is why the payments were not made or something like that.

So there has not been any, material change in payment policies or something. Maybe the, payment cycles would be the only thing to look at to see why there is, a decrease in trade payable as such. But there is no material change that that has happened in any terms that we are doing with the our vendor.

Rahul Kumar Paliwal: Got it, got it. And my final question is probably there are concerns coming out of from investors that once we roll out more COCO, there will be a dent and you spoke about in margins and inventory turn as well, right? So, can't we I have two parts in this, can't we nullify them through scale and efficiencies and probably better product mix or the volume average value orders? That's question number one.

Question number two is can you give a larger picture where these COCO stores you are planning to open more in Maharashtra side or outside your comfort level going outside Maharashtra? And time period 24 months is what you suggest in DRHP. Is there any aggression on that target?

Aditya Modak: So, like so basically to answer your first question, obviously the EBOs will start contributing to the top line and it will be rolled out in a such a way that it will, we will reach their contribution to 20% to 25% in like two to three years down the line. But like I was explaining, if we are able to generate, you know, stock turn of 1.1 anything above 1.1 or 1.25, then there won't be any I don't think, I don't see any dent on, PAT or EBITDA margins. So, there is no revision as such.

So, like you explained correctly, maybe in next, you know, presentation we will try to inculcate these points also in our presentation for better investor understanding. So that is point number one. Point number two, like you asked about the expansion, so the strategy remains same that we will be concentrating on Tier 1, Tier 2 cities in Maharashtra and metro cities in North and South of India. So that is been there and that is how we will be doing it.

About the aggression or not, so like I explained that only making that particular shop, you know, BEP is not the aim. Wherever we put up our shop, we want to make it, profitable and contributor to the PAT. And that's why our process of, identifying, verifying, and finally concreting our location is very thorough.

So rather than speed, what we want to do is, you know, slow and steady wins the race, but at the same time we will make sure that whatever the timelines that is been stipulated and whatever the timelines that we have already promised, we will deliver the number of stores that we had explained. So Yes, so that is the plan. There is no material change in what we had decided earlier.

Rahul Kumar Paliwal: Got it. Thanks a lot. All the best to you and the team.

Aditya Modak: Thanks.

Moderator: Thank you. We have a follow-up question from the line of Harsh Shah from Mirae Asset Advisors. Please go ahead.

Harsh Shah: Yes, hi sir. So, I wanted to ask that am I audible?

Aditya Modak: Yes, Yes.

Harsh Shah: Yes. So, in last investor presentation, so our AOV was around INR129,000 for March '26 and in this quarter, I think it is at around INR1 lakh. So, is the seasonality the reason for the difference or is it something else?

Aditya Modak: So generally, so if you see there is a seasonality to our business. Obviously the Q2, Q3 quarters would have a, you know, larger AOV considering the festive periods are, on the corner. If you see last quarter, I think the AOV was INR112,000 if I am not wrong and right now it is INR1 lakh. So, I think hardly a dent of 7% to 8% is what we are looking at here.

So, I think so it is about the seasonality. I think in Q2 you would see a better AOV and in Q3 that the AOV will be the largest one because it will consist of Dussehra, Diwali, and festive and wedding purchases. So Yes.

Harsh Shah: Okay, okay. Understood, sir. And one more question, sir, you know, in one of my calls actually with Modak sir, he had told that, you know, we are going to increase the marketing activity a lot in maybe H2. So, is there any plans for any brand ambassador or something like that, sir?

Aditya Modak: So of course we are in hunt. There are certain negotiations going on, but it is very difficult to, you know, promise you right now unless it is formalized. So obviously the efforts are going on in background. Once the if someone is getting signed, once they are getting signed, we will be uploading on, you know, we will give that announcement also. So, but what I can assure you is that the efforts are going on in background right now. As of today, we don't have anyone.

Harsh Shah: Okay, okay. Fine. Thank you.

Moderator: Thank you. We have our next question from the line of Prashant, an Individual Investor. Please go ahead.

Prashant: Yes, hello. Thank you. I think all my questions are answered. I just have one question for our EBOs, what is the break-even period on an average?

Aditya Modak: So, for EBO within Maharashtra, it will be one year and the we have opened three EBOs out of which one EBO is more than six months and what we are looking at that we are fairly in line with what the expectation are. So that is point number one. Outside Maharashtra, the soon I think in two or three months the EBOs will start coming up and what we are anticipating is that the BEP period would be between 15 to 18 months for stores outside Maharashtra.

Prashant: Okay. Thank you.

Aditya Modak: Yes.

Moderator: Thank you. We have our next question from the line of Darshil Jain, an Individual Investor. Please go ahead.

Darshil Jain: Hello, sir. Am I audible?

Aditya Modak: Yes, sir.

Darshil Jain: Yes. Congratulations on a very good set of numbers. So, my question was regarding the 200-300 bps margin impact for the full year which you mentioned. So, does that consider the EBITDA losses from the nine new EBOs which we are planning to open this year?

Aditya Modak: No. So basically, I was mentioning about the marketing spends which are very low in Q1. So obviously there will be a ramp-up in marketing expenditure once the festive seasons are around the corner. So, there will be some dent because right now the PAT margins are between, I think 23% to 24%. So, the 200 or 300 basis points that we are talking about is large will be largely impacted by the marketing expenditure that we will take in Q2, Q3, Q4 where the main seasons would start.

And obviously there will be some dent by, you know, fixed cost of some EBOs, but that won't be like very material because most of the EBOs would start in H2. So, the expenditure will be for like average on an average four to five months, not the annual. So Yes.

Darshil Jain: Right. So, if my understanding is correct, then the margin impact would be more led by the marketing cost than by the fixed cost of the EBO, right?

Aditya Modak: Correct.

Darshil Jain: Right. And secondly, sir, my just a bookkeeping question. So, we had a short-term debt of about INR166 crores at the end of FY26. So, what is this debt regarding?

Aditya Modak: So, it was WCDL taken at the start of I think a year for the procurement of for the BTA settlement and that is been now I think repaid. 120 is part of it is repaid and currently it is around INR120 or something.

Darshil Jain: Right. So do we plan to clear this off by the end of the year?

Aditya Modak: It won't be cleared entirely, but as and when as and when we start realizing profit and if it those are not disposable to any new opening because almost all the EBOs that we are planning will be are funded by the IPO proceeds that we have. Obviously, anything above and over and above that will be repaid. But I'm not sure that entire entirety will be repaid this year.

Darshil Jain: Right. So, by going by this our quarterly interest cost should go down sequentially, right?

Aditya Modak: Yes, Yes. Correct.

Darshil Jain: Okay. And sir, if I can squeeze in the last one. So, the we do not plan to take debt to like how is our EBO expansion plan post these 15 EBOs likely to be funded? Like do we plan to take debt or from internal accruals primarily?

Aditya Modak: So primarily it will be through internal accruals. Eventually if the good opportunity comes, obviously the phase-wise decision would be taken. But I think for the next couple of years we are almost sorted.

Darshil Jain: Okay, sir. Thank you. Thank you so much and best of luck for your future.

Aditya Modak: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question of the day and I now hand the conference over to Mr. Aditya Modak for closing comments. Over to you, sir.

Aditya Modak: Yes. So, thank you all for joining us today and for your continued support. As always, we remain available to address any of your follow-up questions. Please feel free to reach out us to us directly or through our investor relation partner Stellar IR Advisors. Thank you.

Moderator: Thank you, members of the management. On behalf of PNGS Reva Diamond Jewellery Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.