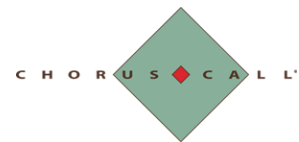




“PNGS Reva Diamond Jewellery Limited  
Q3 & 9-month FY '25 Earnings Conference Call”

March 13, 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:**

Ladies and gentlemen, good day and welcome to the PNGS Reva Diamond Jewellery Limited Q3 and 9-month FY '25 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 have with us today the senior management team of PNGS Reva Diamond Jewellery Limited, Mr. Amit Modak, Whole Time Director and CEO, and Mr. Aditya Modak, Non-Executive Director, who will represent PNGS Reva Diamond Jewellery Limited on the call. The management will be sharing operating and financial highlights for the quarter and 9-months ended December 31, 2025, 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 the guarantee of company's future performance and involve unforeseen risk and uncertainty. The company also undertakes no obligation to update any forward-looking statement to reflect developments that occur after a statement is made. I now hand the conference over to Mr. Amit Modak. Thank you and over to you, sir.

**Amit Modak:**

Yes, good evening everyone and thank you for joining us on this call today. I welcome you to the maiden earning call of PNGS Reva Diamond Jewellery Limited to discuss our third quarter and 9-month ending for FY '26 performance. I am delighted to speak to you all for the first time after a successful listing. I hope you all have gone through the results which are available on the stock exchange website and stock exchange portal, as well as on our website. As this is our first earning call, I would like to take a few minutes to take you through the business model and journey of our company and our promoter group.

Our Promoter Group is P N Gadgil & Sons Limited as a corporate promoter along with Govind Gadgil and Renu Gadgil as a individual promoter. Govind Gadgil has got 45 plus years experience in the jewellery segment and P N Gadgil name and company as such has got 190 plus years legacy. It was started in 1832 in Sangli. Subsequently came to Pune and after that in 2012, that three brothers who came to Pune got started with their successor, the business separately, one of them is P N Gadgil & Sons Limited.

P N Gadgil & Sons Limited established in 2012 and our promoter has got, corporate promoter has got 34 their showrooms, mainly in Maharashtra, 32, one in Gujarat and one in Karnataka, so total 34 stores are there. They have got whatever their turnover and all these things, you can get it from their website, so I will not give up the time for that. This is all available on their website regarding their financial performance and financials.

This our entity is a carved out entity out of the total P N Gadgil & Sons Limited. It was carved out basically for giving the attention and giving the focus development to the studded jewellery, that is a diamond and real stone studded jewellery studded in the gold, it may be a 14 carat, 18 carat or the platinum as the choice of the customers. Regarding corporate restructuring, it was

restructured, I will not say restructured, it was carved out in February 25 through the slump sale transaction and business transfer agreement.

Through that agreement we took over the entire HR or the manpower who was working earlier with the P N Gadgil & Sons for their diamond division. So we got the ready knowledgeable people available for the diamond jewellery segment. Generally diamond jewellery segment requires a specialized people who know about the diamond assessing, then classification, QC and all these things, but we got that ready things.

At the time of carving out we got all their 33 SIS which were there at that time as our SIS because their corporate shops we use as our SIS, we sell our products in their stores on the SIS basis and those SIS are run either on a FOCO basis or a FOFO basis. One location is on FOFO basis, another 33 locations as on date because just one week back one SIS was added and so those 33 become 34 and out of these 34, 33 are FOCO and one is a FOFO.

FOFO is Franchise Owned Franchise Operated and that is in a mall because in mall generally two GST numbers are not allowed to be used under one roof and that is why we need to carry it out as a FOFO. We also have got one store on a COCO basis, that is our basic aim to get it separated out to start and exponential growth through the COCO model.

Because of the lower capex is required for the setting up the independent diamond jewellery store rather than along with the plain gold jewellery and silver jewellery the capex is very high. So, if we remain depending on our corporate promoter and their stores then our passive growth will have limitation. But when we separate out it and started thinking about the COCO, it is faster than the passive -- growth and that is why we have opted this route which is well explained in our RHP, DRHP.

Our one COCO store is in Phoenix Mall Pune at Wakad and herein after there will be the mix. Few SIS may get added if corporate promoter adds their stores and COCOs will get added as described in the RHP, DRHP where we have said that in next 24 months we are planning to expand with 15 COCO model stores which are scattered in Maharashtra as well as Pan India.

More precisely we are thinking to cater the north part of the India and when it will be outside Maharashtra it will be mainly in the mall and Tier 1 city because mall has got generic footfall and it is easy for us to create a brand awareness in the area where we are not at present. So that is regarding the thing and very soon in another say eight days time we will add one COCO model standalone EBO.

The growth strategy for us is expansion through the COCO model stores in next 24 months as described in RHP, DRHP to the extent of 15 locations. For that the out of total IPO proceed INR285 crores round about something INR287 crores precisely will be the proceed invested in 15 stores in their infrastructure as well as inventory.

All models will be asset-light model because only inventory will be the major investment. Entire other things like premises will be rental, infrastructure will be created by company through their own spending. Other than that INR287 crores capex we are set aside INR35 crores for 15 locations for exclusive branding of those locations because those will be the standalone store

and that standalone store will require more attention to get created from the people through the marketing efforts and that INR35 crores or say INR2 crores approximately per shop will be spend during the period of 8 to 18 months after getting that location started.

I am not saying after 8 months I will start marketing, it will be scattered, that spend will scatter between 8 to 18 months from the date of start. So that will add to the brand value, it will be beneficial for the existing sales also as well as the new location sale and creating awareness about the people, people's awareness about the new location which is a standalone.

Out of total IPO proceed that INR380 crores, INR30 crores will be round about IPO expenses which are very well mentioned in our prospectus and rest around INR28 crores will be the GCP.

Coming financials for our current business, jewellery is a seasonal business first of all. So it cannot be hard and fast compared with Q1 to Q2, Q2 to Q3 or Q3 to Q4 or H1 to H2. Because in H1 there are less festivals as compared to the H2. H2 has got India's busiest festival, that is a Navratri and Diwali which is almost a 45 days festival.

Then as far as diamond industry is concerned, diamond industry is related with the Christmas, diamond is related with the year end, New Year then Valentine's Day and subsequently coming Gudi Padwa which generally comes in the last quarter.

So H2 is a busiest period for the diamond or the studded jewellery or the fashion jewellery kind of the industry because there are festivals other than our Indian culture festival which are relating to that business. Generally studded jewellery business relates to the GenZ because they like the colors, they like the designs, they like the jazzy things, they like the pocket-friendly things and corporate working woman because she also has got aspiration to have different designs, different colors and different make and that too along with the brand.

Because generally their social status get maintained if they pronounce some brand while telling to their colleagues from where they have bought the product. If they will say, I purchased it from so and so shop then it doesn't get create a value for them in the society, so they generally that corporate working woman generally prefer to go to the branded shops. And that is also a very main reason why we have carved out this entity and created brand for the diamond jewellery.

Because otherwise if somebody is buying from the traditional jeweller or the family jewellery house how they can pronounce or she or her, he can pronounce that from which brand because that shop's name will be base on the family jeweller's name. And if she or he pronounce that brand name it may not be very much relevant or known to the common people. So instead of that if it is a specific brand to the product it is easy for them to portray them in their society.

We have got traditional business also simultaneously because we are from the 190 plus years legacy business and their legacy is getting continued help for us for selling our product with more reliability to the society. Because there are many start-ups in the market who are coming with the diamond jewellery but for creating awareness about their reliability or telling people repeatedly that we will be there whenever there will be buy-back or the exchange opportunity for you.

We will be there to create that confidence in the investor mind or the customer they need to spend heavily on that but we are lucky that we are already known in the society that we are there for last 190 plus year and very important USP for us that not a -- our single shutter is close down or pulled down at any point of time in past. So people have got that faith if I will come for buy-back or the exchange the shop or the brand from where I am buying they will be there at the time when I will be having the desire, whenever I desire to, buy-back should happen, I want to buy-back value or the exchange to the new product.

I will go to the now financials which you must have got through the our disclosure which is made on the BSE site as well as our website. Revenue from operation for only quarter 3 was INR144.18 crores with EBITDA of INR33.71 crores and PAT of INR23.11 crores. It is only for quarter 3. If you go with the quarter 2, quarter 2 revenue was INR102 crores, EBITDA was INR19.32 crores and PAT was INR12.70 crores. So on a Q-o-Q I personally at first only I have told that Q1 to Q2, Q2 to Q3 it is not hard and fast comparable but still Q2 to Q3 growth in revenue was 40%, EBITDA was 74% and PAT growth was 82%.

Summary for 9 months ending December 25 also given in the our result which says that revenue from operation are INR300.90 crores, EBITDA is INR64.90 crores and PAT is INR43.23 crores. Our 95% sale get contributed from presently from the Maharashtra location and around 5% sale gets contributed from Gujarat and Karnataka but as we will start setting up stores outside Maharashtra these COCO store these contribution other than Maharashtra will grow.

Q3 our footfall as compared to Q2 increased by 66% and we are very satisfied with this performance of the growth. Regarding the same store growth, presently we are operating on the 33 SIS which were there earlier also and right now also and only one COCO which has got start added late September and one SIS is added but that is not added in last quarter which we are discussing.

So those 33 SIS which we were operating were earlier also was there so whatever growth is there in the business you can take it as a same store growth also. So what is the same store growth we are not at presently having any separate data that new stores have got so much same store growth and old store have got so much same store growth, so current period all same store growth is from the earlier business only.

I think that I have given you the reasonable idea. I will open the forum for the discussion, question and answer and I would like to reply as far as possible without disturbing the forward looking statement limitation to answer all the questions. Thank you for listening.

**Moderator:** Thank you very much. We have the first question from the line of Disha from Sapphire Capital. Please go ahead.

**Disha:** Yes. Okay. So, thank you so much for the opportunity. So firstly, sir, you mentioned that you're planning to open 15 stores in the next 24 months. So can you give us a breakdown in terms of how many are we planning to open in FY27 and how many would be in FY28?

**Amit Modak:** Since it is a 24 months that is a 2 years period, it will not get separated out in exact financial year wise, but tentatively we are thinking that six to eight stores will get open FY27.

- Disha:** Sorry, sir, I couldn't hear that.
- Amit Modak:** There is no hard and fast distribution regarding the year wise thing because getting the location, good location, starting the business and all these things there are subjectivity, but still one store is getting opened in next week, one thing. Secondly, eight store will get open in FY27. So it will be nine and remaining six will be in FY28.
- Disha:** Okay. And we are expecting...
- Amit Modak:** But again, as I said, there may be one or two plus or minus because of the limitation regarding the availability of the space and location.
- Disha:** Right. Okay. Yeah, understood. And you're expecting INR2 crores capex per store, right?
- Amit Modak:** No, no. INR2 crores marketing capex per store. Otherwise capex per store if you go with the average of INR288 crores or INR287 crores something figure, so on that basis capex is around INR19 crores to INR20 crores on average basis.
- Basically stores will have three type of stores small, medium and large. So largest store may have capex of around INR25 crores to INR30 crores, medium size store may have capex of around INR18 crores to INR20 crores or small even have capex of INR15 crores to INR17 crores.
- Disha:** No, no, I was asking about the marketing capex would be INR2 crores, right?
- Amit Modak:** Yes, yes, marketing capex will be INR2 crores and it will be spend from first day to 8 months or 18 months. It will get scattered well. It will not be only a burning of the cash, it will be well settled kind of the marketing.
- Disha:** Okay, okay. And sir, what sort of geographies are we looking at because currently I think majority of our sales come from Maharashtra? So what sort of geographies are we targeting?
- Amit Modak:** Basically there are nowadays jewellery houses in India and two categories are there. One are the regional player or the regional brand and another is the national brand. So as a P N Gadgil brand as such it's a regional brand, Maharashtra centric. But we also have got one in Gujarat, one in Karnataka and in future also almost 60% will be in Maharashtra and 40% will be other than Maharashtra and this other than Maharashtra as I said those will be mainly in the north part of the India.
- Disha:** Okay, okay. And in general, sir, what sort of timeline do we see for these stores to breakeven because these are newer geographies? So what sort of timelines are you seeing for the breakeven of these stores? When are we expecting the break-evens to happen?
- Amit Modak:** If it is within state it will take around 12 to 18 months for getting breakeven. If it is outside Maharashtra it will be somewhere 18 to 24 months.

- Disha:** Okay, okay. That's very clear, sir. And this quarter we are around I think 23% sort of EBITDA margin, but given that we're going to be expanding and that will require a lot of capex and spending on marketing what sort of margins are you seeing going ahead?
- Amit Modak:** For initial period of two or precisely saying 30 months period you can say, there may be that dent to the extent of the marketing cost, but at the same time there will be increasing the business. So on the percentage basis there may be some dent of the 100 or 200 basis point, but otherwise in absolute value or absolute rupee term it will be higher than the current.
- Disha:** Correct, correct. And what sort of growth should we look at for FY27 and FY28?
- Amit Modak:** See, right now I have got no hard and fast comparable figure for the previous period. So once I close the year and I will have Q1, Q2, Q3, Q4 everything done in this present company. I will be more precisely can speak on this question when we will have annual earning call, that will be sometime in May.
- Disha:** Okay, yeah. Sure, sure, fair enough, sir. And so just this quarter because this quarter we are almost at the end, so how has this quarter been in terms of the footfalls and how has the quarter panned out so far?
- Amit Modak:** Q3 I told you that 66% higher as compared to Q2, but again in a jewellery industry I have got more than 25 years experience of this industry. I have seen that this industry is a very seasonality kind of industry and so all Qs are not hard and fast comparable with any other Qs.
- Means Q1 to Q2, Q2 to Q3 or Q3 to Q4, again Q4 to Q1 that kind of chain is not possible because festivals are getting scattered in different quarter. Secondly regarding the current period we are progressing satisfactorily and in line with what we have progressed so far in last 9 months.
- Disha:** Okay, okay. That is it from my side. Thank you so much, sir.
- Amit Modak:** Thank you.
- Moderator:** Thank you. We have the next question from the line of Rajdeep Mehta from Phillip Capital India. Please go ahead.
- Rajdeep Mehta:** Hi, sir. Am I audible?
- Amit Modak:** Yes.
- Rajdeep Mehta:** Sir, I wanted to ask if you could repeat the EBITDA number for Q3 and the PAT number for Q2?
- Amit Modak:** Yes. EBITDA for Q2 is INR19.32 crores and PAT is INR12.70 crores and for Q3, EBITDA is INR33.71 crores and PAT is INR23.11 crores.
- Rajdeep Mehta:** Thank you so much, sir.

**Moderator:** Thank you. We have the next question from the line of Subhanu from 3 Head Capital. Please go ahead.

**Subhanu:** Hello, sir. Hope I'm audible.

**Amit Modak:** Yes, you are audible but there are disturbance. You ask the question. If I don't get, I will ask you.

**Subhanu:** Okay, okay. Sir, currently we are only focusing on studded jewellery. What is our current studded jewellery mix? Hope I -- this will be above 50%?

**Amit Modak:** No, right now studded jewellery is -- total studded jewellery we are handling with. We are not selling gold jewellery and platinum jewellery we are selling but that is less than 5% of our total top line.

**Subhanu:** Okay. Then who are the -- who are our major competitor?

**Amit Modak:** Major competitor are all corporate brands which are there in the market. I have got some limitation so I cannot pronounce the names directly but you know who are they working in the pan India basis. In all malls all those are present so we will be there along with them.

**Subhanu:** I think CaratLane and BlueStone will be our major competitor in this line of business?

**Amit Modak:** No, they have got some product line which is comparable or matching to our product line. But we -- again and again I am saying that, we have got nose pin to necklace and that too bridal necklace kind of thing. So our product range is that kind of thing. It is not only the fast moving. So we have got nose pin which is INR10,000, INR15,000 and necklace which is of INR12 to INR15 lakhs that kind of the thing. So whoever is in this range they are all my competitors.

**Subhanu:** Understood, understood. Sir, my next question is what is our average revenue per COCO store?

**Amit Modak:** COCO store is just now started in last week of the September '25 and in this Q3 result it was operating but it was a newer store and for this one quarter it has performed around INR2.5 crores.

**Subhanu:** INR2.5 crores in one quarter.

**Amit Modak:** It was a first quarter. Okay.

**Subhanu:** But you said average break-even time around 12 to 18 month in Maharashtra. That means are you thinking around INR12 to INR15 crores revenue for break-even?

**Amit Modak:** It is generally linked with the inventory which we are keeping in the stock. Generally in diamond industry, the stock turn is low as compared to the plain gold jewellery. So it depends all how much you invest there, how much inventory you keep there and what is the location and what is the area of servicing to that location? How much population is there, surrounding population but it may be near to what you are expecting in a period of 18 to 24 months.

**Subhanu:** Okay. Thank you, sir. And best of luck.



- Moderator:** Thank you. We have the next question from the line of Sachin Mistry, an individual investor. Please go ahead.
- Sachin Mistry:** Sir, my question is we are operating through the 24 stores, how many stores under the COCO model and FOCO model?
- Amit Modak:** We are operating at present total 35 location as on date but in last quarter for which we are talking we were operating in 33 SIS and one COCO store.
- Sachin Mistry:** Okay, sir. And may I know the margin per store under COCO and FOCO model? Per store margin.
- Amit Modak:** No, per store margin is not separately calculated so it's as a entity margin is calculated on all the FOCO or COCO store which are the SIS. They were in the -- they were in existence when we took over that division or get that carved out business. So those are not new, those are existing. If you refer to our RHP, DRHP you will find that last year total turnover including our two month separately operated and 10 months operated in the earlier entity on that basis that restated things are there which are around INR258 to INR259 crores something. So that was a turnover already which was there. So and there was a profitability of around INR58 crores PAT there. Okay. But...
- Sachin Mistry:** Sir, my another question is, as we are working under the organized player, so the Maharashtra organized market is near about 37% to 38% so the -- we have direct competition by any unorganized player?
- Amit Modak:** No, every corporate or organized player has got competition with unorganized player. Not only us. So entire organized sector has got competition with unorganized but moreover nowadays it is look that organized sector is growing faster. Means if five years back the size of organized sector versus current organized sector.
- So organized sector is growing and disciplined organized sector is major competitor for the unorganized sector. Because quality assurance and service assurance and customer relation and product variety and all these things are better with the corporate and organized player. So they are actually the threat for the unorganized player.
- Sachin Mistry:** Okay, sir. And my another question is yes we are we will open the 15 stores. So, may I know the where we can we will open that store in which state?
- Amit Modak:** It will be around 55% to 60% in Maharashtra and remaining will be in north part of the India. As a business it is very difficult to pronounce outright the locations and all these things because there is a competition and first mover advantage required to everyone. So everyone try to move first in some territory where other competitors have not reached. So it is very difficult to detail about this thing.
- Sachin Mistry:** Okay, sir, yeah. That's from my side. Thank you, sir. And all the best.
- Amit Modak:** Thank you.

- Moderator:** Thank you. We have the next question from the line of Prasshant Shivdas, an Individual Investor. Please go ahead.
- Prasshant Shivdas:** Yeah. Thank you. I would like to know, what is the operating margin that we are trying to look at going forward?
- Amit Modak:** This industry as such has got operating margin of around 30% to 40% kind of the level. And we will be near to that only. That our gross profit margin on the jewellery sale will be around 30% to 32%.
- Prasshant Shivdas:** Okay. Thank you.
- Moderator:** Thank you. We have the next question from the line of Vedant Doshi, an Individual Investor. Please go ahead.
- Vedant Doshi:** Yeah. Hi, sir. So first of all congratulations on a successful listing on the maiden call.
- Amit Modak:** Yes, thank you.
- Vedant Doshi:** Yeah, so most of my questions were answered but some of the basic questions which I would like to get clarity on is can you elaborate on the store expansion strategy? I think we are moving to a COCO model now. So what is the strategy behind this change?
- Amit Modak:** The mainly, if as I said at my earlier statement that if I want to remain with the my corporate promoter and as they grow I will keep on expanding through their shops in a SIS basis, then their expansion has got limitation because that single shop if they want to set up it cost around INR65 crores to INR75 crores then to set up the plain gold jewellery and plain silver and infrastructure capex for the inventory and all these things.
- So it was a limitation for the expansion so we thought it fit to separate out that entity and create a diamond jewellery brand and to cater to the customer through the standalone shop on the COCO basis that company operated company owned and exclusively for the diamond jewellery which require capex in the range of smaller size of the shop around INR18 crores to INR20 crores, medium size shop INR22 crores to INR25 crores and large size shop around INR30 crores. So it require lesser capex and so expansion is likely to be faster as compared to the plain gold jewellery.
- Vedant Doshi:** Okay, okay. And sir, my second question would be on the line of lab grown diamonds. So do we see any impact from this segment? What is the consumer sentiment and demand regarding this?
- Amit Modak:** See, in India we like designs. In India we like designs because we sell mainly the bracelet with many stones studded in it or the even our finger rings are also having studded many smaller stone. We are not using generally studs, that are the what you say solitaire kind of the stones, 30 cents, 50 Cents, 1 carat, 2 carat kind of the thing.

That is a fashion mainly in Europe and US side. And lab grown has impacted that studs or that solitaire kind of the stone rather than the small stones which are getting used for creating designs in the necklace or the bracelet and kangan or the earrings or the finger rings.

In our books also we deal with the designs mainly and book contains almost more than 95% business from the star melee or the smaller kind of the diamond, minus kind of the diamond. So those smaller diamond doesn't have that much threat from the lab grown diamond as that threat is mainly for the pointers or the solitaire.

**Vedant Doshi:** So seeing the healthy performance...

**Moderator:** Sorry to interrupt in between, Vedant your voice is not audible?

**Vedant Doshi:** Yeah. So, sir, considering the healthy quarter or financials which we have reported, what can we take as a sustainable EBITDA margin going ahead?

**Amit Modak:** On a percentage term you are talking or what?

**Vedant Doshi:** On a sustainable basis because, if we see the margin seem to be elevated compared to other jewellery players on a historic trend. Like some of the competitors they report around a higher single digit and we have reported in the line of 20%-odd. So what can we take as a sustainable EBITDA margin going ahead?

**Amit Modak:** If, I means differentiate in quarter-and-quarter. So in Q1 the EBITDA margin was around 22%, Q2 it was around 19%, Q3 it is around 23%. So that also changes with the top line contribution because there are some fixed cost which are getting divided on the top line. Regarding the competitors financial percentage and my financial percentage I said very precisely that we are not cash burning, any cash burn is there for creating awareness to the people regarding our reliability because in diamond business reliability is very much required. In gold you can go and exchange or encash that gold anywhere because it has got fungibility.

Just put it to the keratometer, check the purity, produce the documents of your purchases and you can exchange or encash. But in diamond you need to go to the same jeweller that is a -- who are catering to you for that ornament and he or that entity only can exchange those ornaments for the new purchase or buy-back those ornaments.

And for that you need to be there in market and as I said we are there having 190 plus years legacy and we are there in the market with the USP that we have not shut down any of our shutter after once it is opened. So spending for that reliability there is no spend from our side. New startups who are coming in this business they need to spend because they need to show the people through the spend or the through the more and more locations open irrespective whether they are profitable or not to create awareness to the customer that yes we will be there whenever you will have option for the exchange or buy-back. That spend is not with us and that is improving our margins as compared to the competitors. That is a main difference between us and competitors.

- Vedant Doshi:** Right. And on the seasonality basis, sir, do we have any pref-- means seasonality like H1 or H2 performance or something like that?
- Amit Modak:** Generally H1 will have around 35% and 60% to 65% in H2 as it has got many festivals, India's busiest festival is always in Q3, that is a Navratri and Diwali. Like this year 10 days was in September and remaining days was in October, but generally it is in Q3. And for diamond jewellery industry there is a Christmas, there is a year-end, there is a New Year, there is your Valentine's Day. So these are the added festival in Q3 and Q4, that is a H2. So H2 is always better as compared to the H1.
- Vedant Doshi:** Right. Yes. Thank you, sir. Thank you for the elaborative answers. Most of them got answered. And all the best for the upcoming results. Thank you.
- Amit Modak:** You are most welcome.
- Moderator:** Thank you. We have the next question from the line of Prasshant Shivdas, an individual investor. Please go ahead.
- Prasshant Shivdas:** Yeah, thank you. Just one thing, I wanted to ask like currently the war situation which is going on, do you see any challenges in supply chain or a business model that we are working on?
- Amit Modak:** Generally in diamond industry stock turn is very slow as compared to the plain gold jewellery. Secondly, even though there is a war there is no scarcity in Indian market for the gold and secondly diamond, many diamonds are getting recycled by the manufacturers which they are purchasing from the market or they are importing it and cutting polishing it.
- But right now there is no such kind of scarcity or anything in the market except little bit price upward movement may be there for the diamond due to the exchange rate, rupee-dollar exchange rate. Otherwise base rates are not getting changed just like a gold which is moving every minute, diamond prices are not moving every minute, but yes to the extent of that currency depreciation or appreciation of the USD a very small impact may be there. And scarcity is not there, means availability is not problem.
- Prasshant Shivdas:** Okay. And any change in the footfalls or something like that?
- Amit Modak:** Right now we are not finding anything, but don't know after means escalation of the situation if anything happen on the employment or anything happen on the spend or spends of the people or the availability of the conveyance like scarcity of petrol that's why people are not in position to move or scarcity of the electricity.
- There are many things such kind of the unforeseen circumstance. For that we cannot estimate or imagine something in so much in advance because no one was knowing that war will start. So no one was no one is knowing that when it will cool down or end. So it is very early to say anything about it.
- Prasshant Shivdas:** Yeah, thank you.

**Moderator:** Thank you. We have the next question 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:** Congratulations for great listing. One interesting observation and another question followed by it. It is very interesting that both of the high margin business verticals of PNG Group listed at very early phase of growth like post Gargi which was listed around I think INR25 crores tiny market cap. Now Reva is being listed with just a one COCO store if I'm not wrong.

So that is one store being operated and that too with a peer discount of around 30% plus and just for growth capital, that is another thing not for exit of PE or promoters or something. So is this plan that way or what is your thought process or strategy behind it? That's the question number one?

**Amit Modak:** Yes. And question number two you will follow after first I will reply to your this question, is it okay?

**Rahul Kumar Paliwal:** Yes, sir.

**Amit Modak:** So you have asked me very interesting question and we have got philosophy in our group that instead of PE, the retail and general investors who are coming and responding to our IPO are our means PE, private equity. Instead of giving benefits to private equity participant, we are giving those all benefits to the retail investors or the investors who are participating in the IPO. That is our thought process. Because PE has got limitation as against you people who invest gives us love and affection because we reward you, and in return you love to us and our performance.

And since you have pronounced the name, I will pronounce that name, that Gargi people have got that experience. It was a very tiny INR25 crores market cap. Yes, I do agree that the PE in which discounting we have listed the studded jewellery business, I don't think that any studded jewellery business is there, diamond business is there with such a lower PE at the time of the listing. I hope that market will give the justice in due course and market will get rewarded itself through the justice.

**Rahul Kumar Paliwal:** That's very interesting, because...

**Amit Modak:** And one more line I want to add, sir. You say that only one COCO is there and I came out with the IPO. It is not like that. I am servicing to the 33 SIS at the time when I gone to the IPO or the quarter for which we are discussing. And that time only one COCO is there and we planned COCO in future for the faster expansion. And for that purpose only, this IPO was made to set up the 15 COCO stores.

This model is very interesting model, sir, vanilla kind of the thing. The existing profit-making business is also there and growth business is also there. Growth business takes some time to

generate the profit. But existing this SIS business, which is already profit making keeps organization always a profitable organization. So that is the beauty of this model.

**Rahul Kumar Paliwal:** Fair point. Because that was the entire purpose of equity market otherwise, you know, which right now kind of become encashment tool for PE people actually. So very interesting and congratulations to the entire family and the team for putting value on table for all investors.

My second question is, sir, how are the margin of leader in the segment? And while Reva being in growth phase, will our margin be maintained or will take a little downturn initially and then shoot up as the operating leverage play out when the business scales up in COCO and other model and through the growth capital you are acquiring?

**Amit Modak:** So in earlier question also I said that because of the higher spend on these new upcoming 15 locations for which we have planned INR35 crores. And with this current Ind AS system, we cannot capitalize these revenue expenses. Earlier in GAAP system, we could have capitalized and equally debited in three years' time equated.

But now with Ind AS that is not possible, so it will required to charge to the P&L directly. And due to that charging, there may be some 200, 300 basis point difference in the profit margin. That is what I am estimating. I am not committing something, but that is what I am estimating. But it will be for initial period. Once those COCO gets settled in 24 months' time that pain will also get...

**Rahul Kumar Paliwal:** Got it. I will get back in the queue. All the best.

**Amit Modak:** Thank you.

**Moderator:** Thank you. We have the next follow-up question from the line of Subhanu from 3 Head Capital. Please go ahead.

**Subhanu:** Yeah. Thank you for follow up. Sir, could you help me to understand more about our product category. I am asking this simple question because majority of revenue as of now currently come from SIS model and from our corporate stores. They also have studded jewellery mix and we are also only focusing on studded jewellery. What are the differentiation category of product we are focusing in our store because customer will come our SIS stores when we will offer more different type of product in an affordable range?

**Amit Modak:** See, if you see the product range, it will be same which is there in SIS as well as in COCO model. COCO models are not going to be set up next door to the corporate promoter stores where our SIS is existing. So it's the only thing. Earlier, we were catering to the SIS but it was a just like a full-fledged store, and now we will cater in a store where only diamond jewellery will get store. And our corporate promoter are not at all interested in introducing their own studded jewellery or they are not likely to start any studded jewellery business competing with us.

Secondly, the area of any city is very big. Like in Pune if we see, 30 to 50 square kilometer kind of the radius is there. And for that main corporate entity, it is not possible to tap all the areas of Pune. But with lower capex, we can tap those areas where their plain gold jewellery store is not

there and so COCO model store will be there, and it will cater to the customer because they are believing to our brand but there is no availability for servicing to them because full-fledged store is not in that area.

Same for the other cities as well as North part of India. We cannot go with the full-fledged plain gold jewellery store of the corporate entity that our corporate promoter entity, but we can go on the COCO basis for the studded jewellery store which has got lower capex required.

**Subhanu:** Okay. Understood. Sir, as you said, our average capex per store around INR18 crores to INR30 crores depends on store size. Out of that, how much only used for inventory?

**Amit Modak:** Only for?

**Subhanu:** Inventory.

**Amit Modak:** Inventory. Inventory consists almost 70% of our total capex.

**Subhanu:** 70% of total capex for inventory. Sir, my last question is currently, we have around 34 SIS model. How much store FOFO and how much FOCO?

**Amit Modak:** Only one is FOFO, which is in mall, that is Viman Nagar Phoenix Mall. And other are FOCO which are on the stand-alone high street stores.

**Subhanu:** Okay. Thank you, sir.

**Amit Modak:** Thank you.

**Moderator:** Thank you very much. Ladies and gentlemen, as there are no further questions from the participants, with that concludes the question-and-answer session. I now hand the conference over to Mr. Amit Modak for closing comments.

**Amit Modak:** Thank you for everyone for joining this, our maiden earning call and first interaction with the investors after the listing. I hope you got the clarity about your questions. And we are always open to reply to investors' question, so do keep in touch. And thank you, everyone, and good day and good weekend. 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 with us today and you may now disconnect your lines. Thank you.