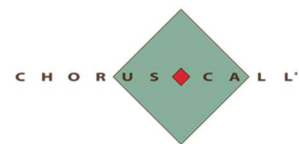




by P. N.Gadgil & Sons

“PNGS Gargi Fashion Jewellery Limited
Q4 and FY '26 Earnings Conference Call”

May 06, 2026



MANAGEMENT: **MR. AMIT MODAK – NON-EXECUTIVE DIRECTOR –
PNGS GARGI FASHION JEWELLERY LIMITED
MR. ADITYA MODAK – CO-FOUNDER AND DIRECTOR –
PNGS GARGI FASHION JEWELLERY LIMITED**

MODERATOR: **MR. OMKAR SAWANT – STELLAR IR**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY '26 Conference Call hosted by PNGS Gargi Fashion Jewellery Limited. 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 touch-tone phone.

I now hand the conference over to Mr. Omkar Sawant from Stellar IR. Thank you, and over to you, Mr. Sawant.

Omkar Sawant: Thank you, Rutuja. Good afternoon, everyone. I, Omkar Sawant on behalf of Stellar Investor Relations, welcome you all to PNGS Gargi Fashion Jewellery Limited's Q4 and FY '26 Earnings Conference Call. We shall be sharing the key operating and financial highlights for fourth quarter and full year ended March 31, 2026.

Today, we have with us the senior management team of PNGS Gargi Fashion Jewellery Limited; Mr. Amit Modak, Non-Executive Director; and Mr. Aditya Modak, Co-Founder and Director.

Before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based on company's beliefs, opinion and expectations as of today. The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties.

The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made. Documents relating to company's financial performance also has been uploaded on the stock exchange and company website. Also, the investor presentation is being uploaded, is getting uploaded. Because of some technical reasons, it got delayed, but it will be uploaded soon.

I now invite Mr. Aditya Modak to share his initial remarks on the company's performance for fourth quarter and full year ended March 31, 2026. Thank you, and over to you, sir.

Aditya Modak: Thank you, Omkar. Hello, everyone. Thank you all for joining this call for our Q4 and full year ended on 31st March 2026. Our Q4 and FY '26 results were announced today, and we are here to explain those and other updates happening around the company and the updates around the industry that we are observing.

Talking about Q4, continuing with the growth momentum that we had, the revenue from the operations grew at a pace of 30.41% Y-o-Y for Q4 and our operating profit for Q4 FY '26 has grown by almost 54% with an operating margin of 46%. Our net profit stood INR5.14 crores in this quarter growing by 25.88% Y-o-Y with a net profit margin of 17.41%.

Due to accelerated retail expansion geographical expansion and the product portfolio that we have, integrated omnichannel ecosystem and enhancing brand equity, the consumer engagement. This is what got resulted into this. Our revenue from operations for the whole year, when we are talking about the whole year stood at INR149.40 crores, which grew by almost 48% Y-o-Y adjusting to the onetime exceptional sales that was included in last year's top line amounting to INR25.74 crores due to change in operational method from FOCO to FOCO in SIS location.

Even without the adjustment, our top line grew by almost 20% Y-o-Y FY '26. Our operating profit for FY '26 has grown by almost 27% and the operating margins of 42.92% is what we have achieved.

Our strong focus on cost discipline and operational efficiency has enabled us to maintain robust margins supported by disciplined cost structure and highly scalable business model that is well positioned to drive sustainable growth. Since inception, the company has delivered consistent profitability, reporting profit every quarter. As on date, we have liquid balance of almost INR78 crores with zero debt on our book...

Moderator: Sorry to interrupt you, sir. We are unable to hear you clearly. Your voice is breaking in between. Can you please check?

Aditya Modak: Now is it okay?

Moderator: Yes, please go ahead.

Aditya Modak: So as on date, we have liquid balance of almost INR78 crores with zero debt on the book, reflecting prudent capital allocation and strong financial discipline that we have. Additionally, the company's asset-light business model enhances capital efficiency, enabling scalable growth with minimal asset base while consistently delivering superior returns on invested capital.

As of FY '26, our retail network expanded to 126 touch points comprising of 38 Exclusive Brand Outlets which were 0 in FY '22, 34 Shop-in-Shop with PNGS grown by almost 17% compared to 29 in FY '22 and 54 SIS formats with Shoppers Shop and other third-party partners compared to 0 in FY '22.

We continue to strengthen our pan-India presence through a multi-format strategy comprising of portfolio expansion, SIS channels and strategic retail partnerships. This positions us as a fast-growing and profitable and capital-efficient player, underpinned by strong unit economics and disciplined growth approach.

During FY '26, we expanded our retail footprint by adding 32 new locations, including 18 store additions in Q4 alone. This took the total point-of-sale count to 126 as on March 31, 2026, further strengthening the pan-India presence across 58 cities and 19 states. Building on this momentum, we remain focused on expansion strategy, and we are targeting additional at least 20 new stores in FY '27, further strengthening our market presence and supporting long-term growth.

With this, we continue to maintain our revenue growth guidance shared in previous quarters, targeting a CAGR of approximately 35% over the next few years. This growth is expected to be driven by strong SSSG, continued retail expansion and supportive industry tailwinds, including double-digit market growth and significant underpenetration of organized segment, which together present a substantial long-term growth opportunity.

Despite strong growth and expansion, we have maintained 100% store retention rate for EBOs and SISs with PNGS since inception, reflecting a disciplined approach to site selection, strong execution capabilities and consistent store level operating performance.

Consumer preferences are increasingly shifting towards innovation, lightweight and personalized jewellery that blends traditional craftsmanship with contemporary designs, particularly among the millennials and Gen Z, who continue to drive the demand for versatile everyday wear jewellery, which is served by us.

We believe that the company is well positioned to capitalize on the opportunity backed by trusted 193+ year legacy of P. N. Gadgil & Sons, which provides strong brand equity, credibility and a structural competitive advantage that is difficult for the emerging brands to replicate.

Our commitment to craftsmanship and product excellence remains central to our value proposition with products crafted using 92.5% certified Sterling Silver and IGI-certified natural diamonds is reflecting our uncompromising focus on quality, authenticity and consistency.

As we continue to expand our retail footprint, profitability and capital discipline remains equally important. We have consistently delivered PAT margins over 20%, among the best in the industry, while maintaining debt-free balance sheet and, funding growth entirely through internal accruals.

Supported by strong cash position and healthy liquidity, we have the financial flexibility to expand at least 25 additional EBOs without debt or equity dilution. Our focus remains on building profitable stores through disciplined and sustainable growth strategy with a long-term value creation at the core of every decision.

With that, I conclude the summary and would like to take your questions. Thanks.

Moderator: Thank you very much. We will now begin the question and answer session.

Amit Modak: I think, we should start because there is a limitation of time. So, there are few questions. So, we will start with them.

Moderator: The first question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Congratulations for a good set of numbers. Sir on, if you can talk about our endeavor of 35% growth that we are targeting next year. So how should we look at the 3 major segments that we have, in-house stores of our parent company, then EBOs and shop-in-stop stores of Shoppers Stop?

So, if you can talk about how should we look at the growth in each of this segment, and for the next year, for FY '27 and FY '28, like 35% growth, how will we drive, how will each of this segment drive the growth for us?

Amit Modak: There is, I'm Amit Modak speaking now. Aditya Modak has delivered you the start speech and the outlook of the company for the past and what it has performing FY '26. Your question regarding the, how we can achieve that 35% growth. So, there is a market shift is happening from unorganized to organized that is giving the major growth potential.

Secondly, the SIS, which are with P.N. Gadgil & Sons are performing well and their SSG is almost around 30%, 32%. And these new EBOs, which we have established just now, those 32

added during the year out of that 18 added in last quarter of the current year. So those will be contributing for the full year in, coming that FY '27 full year.

So, their contribution will come. And generally, these EBOs or the new outlets, which we set up, if those are outside Maharashtra, they start contributing substantially within 8 to 12 months, if out of Maharashtra. Within Maharashtra, they start contributing within 4 to 6 months' time. And that is what we are experiencing right now.

And I'm very happy to say out of 126 now 67 touch points of the outlets are in Maharashtra and remaining almost equal number, near to equal number are outside the Maharashtra. So now it's not a state centric. It is becoming a pan-India in a real sense.

Ankit Gupta:

Sure. That's good. So, let's say, sir, FY '27, '26, we have ended around INR150 crores. And in FY '28, given our guidance of around 35% CAGR. So, let's assume we end somewhere around INR270 crores, INR280 crores. So how do you see the breakup of the 3 segments? Like how much will EBOs contribute in this? How much will shopping or parent company store contribute in this? And how much will Shoppers Stop contribute in this?

Amit Modak:

First of all, that 35% growth for FY '27 from INR149 crores will make around INR190 crores top line. So FY '28 is 24 months down the line from today. So, by that time, it should be around INR260 crores. The main, our aim is to keep lesser dependency on the SIS store of the P.N. Gadgil & Sons and that we are achieving step by step.

By this time, we have achieved it to the level of almost 22% to 78%. 78% is coming from SIS, 22% is coming from others. Now all these others, others, which I'm mentioning, those are the EBOs or the touch point. Mainly other than the P.N. Gadgil & Sons and which are established mainly in last 24 months or the 18 months period time.

So, they will start now contributing at a reasonably higher level. And if we take as a 22% of the current top line, that is INR150 crores around, so almost INR35 crores, that top line was not there in '23 for the whole company. So, the contribution, even though it is looked at 22% to 23% of the total, the total top line itself is growing. So, the amount, absolute amount is also growing very sharply and swiftly. And we expect that dependence on the SIS of the P.N. Gadgil & Sons should come down around 65% by FY '28.

Ankit Gupta:

Okay. And sir, in this, the new showroom that we are planning to open like 20, 25 stores in FY '27. So how many of them will be opened in Maharashtra? How many outside of Maharashtra? And how many of them will be our own stores and how many will be franchise?

Amit Modak:

As on 31st March '24, Maharashtra was 47, and now it is 67. So that growth is slowing within Maharashtra, and it is at a higher speed outside Maharashtra. So Maharashtra is still there, which is untapped. Even if I think of the Pune, I can easily accommodate at least 8 to 10 additional EBOs within Pune itself.

Right now, in PCMC area like we have gone into Pimple Saudagar, then to the Baner, then to the Ravet and Pimpri area. So, in that proximity, we have got accommodation of almost 6 stores.

Now at the Nagar Road side also, which is at the Viman Nagar side, there we have established around 4 stores.

So, there is still scope within Pune or around Pune or the main cities of the Maharashtra like Nagpur, Nashik, Solapur, Aurangabad, these kind of the cities. So, there is a scope within Maharashtra, but we will see that it will be getting equally distributed within Maharashtra outside Maharashtra and moreover, I'm concerned where I can make money.

That is my first choice. If I'm finding more locations suitable to immediately start within Maharashtra, I will prefer that also. I will not stick to my, what I am right now saying 50%, 50%, it may be 80%, 20% because ultimately, what our aim is to create a top line and bottom line. And to achieve that, and to create a wealth for our investors, we need to concentrate on the effective growth that is giving the effective top line growth and effective bottom line growth.

Ankit Gupta: Okay. Okay. And how many franchises are we planning to open or it will be largely FOCO?

Amit Modak: Almost, right now, we are going with the FOCO. Very rarely, we are giving to the third-party franchise because we are very keen that once we open the store, it should not get closed. So, if I go with the third-party franchise on the FOCO basis model, then if that third-party franchise goes back, backs out, then it will be a forceful expansion for me. So, I'm avoiding that, and I'm trying to create more and more FOCOs.

Moderator: The next question is from the line of Taher Hydrabadwala from GrobizFund.

Taher Hydrabadwala: Congrats on the good set of numbers. Sir, I have a question regarding when we plan to expand our, when you say 20 stores per annum we'll expand. So where do we see most of the stores coming in from? Like majority of, if you can break down into 3 parts, EBO, shop-in-shop and franchise would be great to understand in that manner?

Amit Modak: So, Shoppers Stop at initial stage, the growth was fast because we were getting more and more accommodated in their good working stores, or the higher footfall stores. Now as they grow and they expand, we are going with them just like an anchor in the malls, same way we are going with them in their, every new store and they are accommodating us.

Secondly, SIS with P.N. Gadgil & Sons has got limitation because unless they set up their own store, we cannot have SISs with them. So, it depends on their expansion. It's a passive expansion. And the FOCO kind of the stores, which we will be expanding, those will be mainly in north part of the India because that is our strategy, but that doesn't limit us from expanding in the South.

Right now, recently, we have started at Hyderabad and selecting for the Chennai and Bangalore also. But in Bangalore or Chennai, we are there present with the Shoppers Stop, but not on the exclusive basis. But shortly, we will be planning to go in the South also.

Taher Hydrabadwala: Okay. Okay. And sir, one question on the group arrangement. Like when we operate in the our parent company, P.N. Gadgil & Sons. So, we also operate with them in franchise model, right?

So, what are the problems there? So is there any revenue sharing or we get any, we pay rent to them for SIS model? Or do they charge any commission?

Amit Modak: It's a FOCO model, Franchise Operated Franchise Owned. We build them with the markdown and they sell on the tag price. So whatever share is there, they are getting out of their sale, effective sale. And there is option for the exchange of the inventory for them.

So they can exchange the inventory if it is not getting sold at their location or they can interchange within their location at their discretion. There is no specific arrangement for the paying rent or anything because it's a FOCO. So, I'm ultimately giving them markdown sale, so they can make money out of the markdown sale price and the tag price.

Taher Hydrabadwala: Okay. Okay, sir. And sir, one last question. Where do you see more incremental growth coming from? We will focus more on EBO or what will be the structure?

Amit Modak: No, we are more and more concentrating on EBOs. EBOs are in 2 forms, either it will be a kiosk or the stand-alone shop within the malls or on the high street. And growth is coming from the EBOs and this kiosk type of setup. There is no specific that some state is increasing or some state is decreasing because it's the industry.

And when liking is there for the fashion jewellery, it may be getting sold from the SIS or the EBOs or the kiosk or third-party, the franchise or my own COCO type of model. Generally, industry works throughout and equally.

On any, some specific location, if it has got any disqualification or the lower standards due to choice of the location was wrong or anything, then for that location, it may not perform as per the industry. But otherwise, all locations will perform as per the industry standard regarding the growth.

Taher Hydrabadwala: Okay, sir. Okay. And sir, if you can please help me with the unit economics for the model-wise, like what is the capex for SIS? What is the capex we do for FOCO franchise stores? And what is the per store capex we do for EBO?

Amit Modak: Third-party franchises, they need to invest in the capex. That is a fixture and fit-outs and the rented premises. Inventory, they take on the sale or return basis by paying the deposit towards that inventory. So, for that FOCO kind of the model where franchise operates and company own the inventory, approximately, they need to invest around INR30 lakhs to INR50 lakhs depending on the location and depending on their interior and depending on the size of the location.

Otherwise, for inventory 200 to 300 square feet, silver inventory cost them around INR25 lakh deposit, with selling tag price of around INR50 lakh. And for, if they are taking gold and diamond that is a gold 14KT gold studded with the natural diamond, then they need to pay another INR25 lakh deposit.

So overall, if they go with the silver jewellery, diamond ornament and their capex for the infrastructure and rented premises, they need to invest around INR80 lakhs to INR1 crore. And

for COCO, it is the same, but it's for company. And stock is not getting separately billed to the COCO because it's on the books of the company and getting sold on the bill of the company.

And SIS, then it is with P.N. Gadgil & Sons, as it is, we are selling the goods with the markdown; for the Shoppers Stop also, we are selling the goods with the markdown. In case of P.N. Gadgil & Sons, we are getting payment within 2 to 3 weeks from the date of billing. With Shoppers Stop, every month, they send the remittance to the extent whatever they sold out of the stock.

Moderator: The next question is from the line of Kumar Saurabh from Scientific Investing.

Kumar Saurabh: Sir, my question is around the outside Maharashtra stores. What is the time it takes to, for these stores to mature in terms of sales? Is it like 1 year or 2 years? How much time do you feel is good for maturing?

Amit Modak: You are asking for the breakeven or the mature?

Kumar Saurabh: Where you feel that the store has reached the steady state sales, like maybe INR1 crores, INR1.5 crores is the optimum sales you expect in what time line do you expect to reach the optimum...

Amit Modak: I'm not having any upper side limit. But for breakeven point, I can tell you in the month number that it will have breakeven within 15 to 18 months' time, I cannot cap the maximum sale, which that location can do.

Kumar Saurabh: Got it. Got it. And sir, how has been your assessment of Maharashtra versus outside Maharashtra performance? Like if I remember last con call, you mentioned about the Gurgaon store doing, I think, annually INR60 lakhs, INR70 lakh of sales. So I have seen that mall. It's a premium mall where when we look in Maharashtra, some of your stores do INR1 crores, INR1.5 crores of sales. So do you feel there is enough?

Amit Modak: Regarding which mall you are talking about? Regarding which mall.

Kumar Saurabh: This is sir in Gurgaon.

Amit Modak: Elante?

Kumar Saurabh: Yes, yes, Elante. Exactly, sir. Locations.

Amit Modak: It is just 14 months old, one thing. And when we entered that mall, it was just getting started, not even all areas were occupied. And for 1-year period, there was no rent, they were taking only sharing on the sale. So there was no fixed cost for us as far as rentals was concerned. And generally, outside Maharashtra, as I said, 15 to 18 months are required to achieve that breakeven point, BEP level.

And within Maharashtra, it requires around 6 to 9 months' time. So that difference is going to be there. And whenever we choose the location, we choose the location where growth potentials are there. It may not be the immediate. It will have growth potential. So Elante, it is performing INR60 lakh a year in a first year of operation when that mall itself is as old as our location is old.

So once that mall gets good footfall and good traction with the customer, it will take automatically, we will also get that share out of that. And if you have visited that, it is very nicely located. You must have observed that there is one food point food joint. And exactly opposite to that, it is located. So everyone who is entering or exiting from that food point, gets looked to our brand and look to our showroom, and it works very nicely.

Kumar Saurabh: Yes, definitely. And sir, my other question is on social media strategy. So this is my observation. I think wherever we have opened our stores in the city, I think there was initially some influencer, regional influencer-led campaigns, which were there...

Moderator: I'm sorry, Mr. Kumar, we are unable to hear you.

Kumar Saurabh: Am I audible now?

Moderator: Yes, you are.

Kumar Saurabh: Sir, my question is on the social media influencer-based marketing. I think wherever you open the store, some regional social media influencer activity happens. So, is it like a one-time activity or is it a continuous activity? What is our strategy? And how do we pay around it? What is the customer acquisition cost and all?

Amit Modak: No, it depends on influencer to influencer. Some influencers are charging INR1 lakh, some influencers are charging, give me INR5,000 also, I will make influential shoot for you. So, it depends on that influencer costing, one thing.

Secondly, it will be a continuous, but not that continuously, I will keep every location with the influencer presence, throughout the year or throughout 2 years. It will be a break and start, break and start that kind of a thing. One month, there will be campaign, then 15, 20 days, there may not be campaign.

Again, if there is a season before season, after season, and in between the season, there will be campaign. So, we need to study it very thoroughly because it's, I want to keep it cost effective. And if you see my cost of the marketing, which is just 4% to 5% of the top line, which I think it is the lowest in this kind of industry.

Kumar Saurabh: Got it, sir. And sir, do we have any ATL Above the line marketing plan? I'll tell you because whenever I asked my friends in Maharashtra, everybody knew about it. But let's take a Patna like a location. I asked some of my family members the visit. We like the product, but they have never heard about Gargi?

Amit Modak: If you have referred the Patna, Patna has got kiosk, and what business I'm getting from that kiosk is equivalent to the showroom. This means if I have got 200, 300 square feet showroom, that much business is coming from that kiosk. And basically, it's a class of customers who are going to tap our products.

And those are generally visits to the mall. And so more and more concentration is there to market surrounding the mall, or around the mall and the customer base, which is there with the mall.

But I cannot have full-page advertisement or many hoardings in Patna just to create awareness because it will cost almost a few lakhs of rupees for me.

And a few lakhs of rupees if get eroded from write-off from your earnings, then it may cost very heavily to the company. So I need to balance everything because there are no equations working in the business. If I spend INR5 crores on marketing, I will get INR150 crores top line.

If I spend INR10 crores on marketing, I will get INR300 crores in the top line. That kind of equation never work in the business. So there are many permutation and combination work, and we always work on this permutation combination.

Kumar Saurabh: Got it, sir. May I take one more question, sir?

Amit Modak: Yes. Quickly.

Kumar Saurabh: Yes, I think our raw material prices, as they fluctuate silver or gold, we pass it to the customer. But let's say, last one year has been extensive rise in gold and silver prices. Let us say if the gold and silver price is correct by 30%. I know we'll be able to pass it because we charge accordingly. But given our fixed cost, corporate cost remains same, do you think there will be any kind of significant impact on the overall profitability or margins?

Amit Modak: No, it will not vary because we are mainly on the MRP kind of the activity, where we are not selling on the per grammage basis or anything. So, we adjust our prices at least INR30,000 to INR40,000 per kg difference is there in the silver price. Then only we adjust our sale price. Otherwise, it is getting accommodated within that, and we have taken a sufficient cushion for this kind of the movement.

We cannot change every day, every minute the selling price tag. And in case of diamond jewellery, only gold price is calculated on the day's gold price, but that gold is getting replaced on the regular interval.

Moderator: Sorry to interrupt. May we request Mr. Kumar Saurabh to please rejoin the queue? The next question is from the line of Dhwanil Desai from Turtle Capital.

Dhwanil Desai: My first question is, so sir, if we look at historically, we have always delivered more than what we have guided. And I'm sure that you are not going to change your guidance of 35%. But if you can help us understand that what is not baked into that 35%? What are the things if that happens, that 35% number can go higher than that?

Amit Modak: Yes. 35% number going up, I'm very much happy to see that, and that will happen if my EBOs or the new added locations, perform better than my expectation. That is the main area from where I can expect higher than 35%. If they perform within 5 to 6 months' time at the reasonable matured level, then that performance may increase from 35% or more.

But I always try to guide the reasonable numbers. I don't want to create a fancy or the buzz. I want to deliver what I commit. And that's why I say 35% CAGR is possible with 3 things: the

existing business SSG growth, then new EBOs which have recently added their performance. And thirdly, the new EBOs, which will be added during the period, and their performance.

Dhwanil Desai: Got it, sir. So basically, whatever 12 to 18 months breakeven that we are thinking about for the outside Maharashtra EBOs, if that process is shortened, then maybe the growth can be higher is what essentially you are saying?

Amit Modak: Yes, yes, yes.

Dhwanil Desai: Okay. Got it. And sir, second question, sir, we have, so we said that up to additional 25 stores, we don't need any incremental capital debt or equity. But I'm just looking at, because we are not going on an expansion free where we are adding 70, 80 stores. So can we, are we thinking of a model where we are self-sustainable with maybe a little bit of debt and internal cash flows and not raise equity in the future?

Amit Modak: No, it depends because in future, any acquisition possibility comes across to me, which is meaningful and which is not disturbing to my profitability at a large and my ethics and principles at a large, then I may consider that for the faster expansion and faster presence in more location. In normal course of business, I don't require right now any expansion of the equity.

Dhwanil Desai: Okay. So I'm saying inorganic part aside. On the organic growth front, it's possible that without equity raise, we can continue to grow, right?

Amit Modak: Yes, yes.

Moderator: The next question is from the line of Shaurya Yadav from Growthsphere Ventures.

Shaurya Yadav: My question has been answered.

Amit Modak: Okay. Then next, if this question is already answered, then we will go next.

Moderator: We'll move to the next question, which is from the line of Shubhanu Dangal from 3 Head Capital.

Shubhanu Dangal: Sir, can you tell me the segment-wise margin, like if our business store is currently less than 24 months than all our store age, if all business store mature, then how much margin we can expect? Because our current company level margin around PAT level margin around 20%?

Amit Modak: Yes. But it always happens that some becomes mature by that time, some becomes new. So these new stores are always giving the stress on the financials. Like profitability is lower for the new store, and they are getting combined and contributed with the entire entity. So unless I go beyond some 300 kind of the location and keep on adding 20, 25 every year, then that new added store will not have much impact on my profitability.

But till that time, there will be a little bit impact of the new added location because those will be the cost eating and others will be the cost providing. So that balance and so that 20% roundabout PAT margin are likely to be there for the next few days.

And it will keep on going as more and more existing stores get matured and lesser number of stores proportionately or percentage-wise get added. Just I said like 300 I completed and then adding every year, 20 or 25, that means hardly 8% to 9% are getting added. Otherwise, 92% are contributors and only 9% will be the consumer.

Shubhanu Dangal: Yes, sir. But as you said, our currently 80% revenue come from SIS model. And this 80% revenue mix will come down to 65% to 60%. So we can expect margin expansion?

Amit Modak: Margin expansion, why SIS is also margin effective only. SIS are not taking higher profitability from me. So, I will go with the EBOs, there is a cost for the fixed cost. That fixed cost will be there. Even though I will be getting entire margin in my pocket, I need to bear the cost also for the rental, hospitality, advertisement, electricity, everything will be from my pocket.

So ultimately, everyone is doing business, even if SISs are taking at some x minus to the selling price, they must be calculating what is going to cost to them, for running that kind of the business within their shops and how much they should get out of that. So more or less, it will be same profitability, even though it will be, whether it will be SIS or it will be EBOs.

Shubhanu Dangal: That means 20% kind of margin will be maintained?

Amit Modak: I hope so. I expect higher, but it depends on how expansion takes place and how percentage of the addition is going to be lower due to existing higher number of the locations.

Shubhanu Dangal: Yes, I was asking because normally you have high margin. That's why I was asking. Yes, my second question is, can you tell me how much revenue come from 14KT studded jewellery?

Amit Modak: 14KT diamond jewellery. It is around 35%.

Shubhanu Dangal: Around 35%, I understand. But studded jewellery business already have in our Reva segment, if I remember right?

Amit Modak: But they don't have got silver jewellery. They don't have got 14KT. They don't have got the diamond which we are selling in Gargi. In Gargi, we are selling HI color. In Reva, we are selling EF color. Reva is a premium diamond jewellery and exclusive diamond jewellery. This is a pocket-friendly diamond.

Moderator: The next question is from the line of Bijal Shah from RTL Investments.

Bijal Shah: Congratulations on good set of numbers. Sir, I recall from our earlier discussion that you always mentioned that growth will actually go down a bit as we expand more, and you were looking at 10 to 12 stores expansion every year as compared to that guidance which you are giving now is much higher. So as such, I mean, I'm very happy with that. But I want to understand what has changed or why did you choose to accelerate? Are you getting more confident? Is there a change in strategy, if you can throw some light on that?

Amit Modak: Wherever there is opportunity, I'm there. As I said, whether I will expand in Maharashtra or outside Maharashtra, wherever I am likely to make money, I will choose that location. Same

way, I said that I will expand minimum 20 stores in the FY '26, but I have delivered almost 32, including 18 in this quarter because I got good locations, availability of the good location.

Availability of the good location is a problem in this business. Just availability of shops is not sufficient. Availability of shop at good location is more needful thing, because we don't want to shut down our store at any point of the time.

So if opportunity comes in and if I have got liquidity, which is right now there, as we mentioned that minimum 25 FOCO, we can set up out of our own resources, without raising money or without any debt. To that extent, we can expand very easily. And over a period, again, there will be accumulation of the profit, which will enable us to expand further.

Bijal Shah: Okay, sir. And sir, secondly, on the margins, so there has been significant increase in other expense, as expected. I think your more stores have opened and also you increased your advertising spend. How do you see that moving, EBITDA margin moving in F '27 and F '28?

Amit Modak: Should remain in the same range.

Bijal Shah: At EBITDA level also.

Amit Modak: Yes. But as I said, if earlier stores starts contributing at a higher speed, then that EBITDA margin may be at same level or 100 to 150 basis points higher.

Moderator: The next question is from the line of Rahul Kumar Paliwal from Shefa Family Office.

Rahul Kumar Paliwal: So good show for the year. And if I heard you right, you are saying like, did you say like more EBO in Maharashtra than other regions?

Amit Modak: No, no. Somebody was asking me what will be your preferences for the EBOs, whether it will be Maharashtra or outside Maharashtra. I said wherever I will get good location, I will prefer that. I will not see whether it is Maharashtra or outside Maharashtra because ultimately, I want to make a good top line and good bottom line for my investors. So I will work in that direction.

Rahul Kumar Paliwal: Got it. Got it. Okay. So I was thinking like what is the optimized penetration you see in Maharashtra, like, for example, number of stores in terms of number of stores, like say, 100 stores in Maharashtra possible in Tier 1, Tier 2 city, that will be more top line accretive? Or do you think a balance is a good call so far based on your industry?

Amit Modak: No, Maharashtra potential is very high because in Tier 2, Tier 3 city also, the young girls or the ladies or the women are of the nature that they want some standard product, branded product. Instead of traveling to city for getting those products, if they are getting in their town, then they are more happy.

And if there is a known brand, they will definitely opt to that for their branded product requirement. And as far as expansion is concerned, as I said, Maharashtra has got a lot of potential. Even in my earlier one question, I said even within Pune also, I have got another 8 to 10 location minimum additions possible.

So where already there are more than 10 to 12 serving points are already there. I may be mistaken, it may be around 15 points right now in the Pune. So, another 10 points in the Pune are easily accommodatable.

Rahul Kumar Paliwal: Got it. So might be building muscles inside our own region first and then moving to beyond others might be a good study. It depends on you to take the call. So, another question is a couple of data points, if you can share. I'm curious about the raw material cost in inventory, like average landed cost per gram for gold, not per gram, but at least whatever is there. In silver, in your current inventory, if you can disclose that number?

Amit Modak: Do you mean that raw material in form of pure silver and pure gold?

Rahul Kumar Paliwal: Yes, yes. Raw material.

Amit Modak: In gold, the gold which is attached to the ornament because we said 14KT studded diamond jewellery. So that studded is getting done in the 14KT gold on the fine gold basis, that is a triple nine purity basis, approximately 7 kg of gold is there in the inventory.

And for the silver jewellery, it is very difficult once it gets barcoded because it is getting studded with the CZ stones and all these things. But as far as raw material is concerned, around 250 kgs raw silver, is there in the inventory as on 31st March. Regarding cost, it is always at the average purchase cost.

Rahul Kumar Paliwal: Okay. Okay. Interesting. So that might be some margin in place already in place if provided?

Amit Modak: And since government has banned the import of ready silver jewellery, we have started establishing more and more local karigars to manufacture the jewellery with fine finishing who have got good machineries of the like Turkey machinery or Italian machinery, and they are manufacturing for us. And for that purpose, we need to buy silver on the raw basis and give it to them for the manufacturing the jewellery.

Rahul Kumar Paliwal: Is it margin accretive as well, like localizing?

Amit Modak: On the making cost, we will be saving, and that will get reflected in the maintenance of the bottom-line margins, PAT margins irrespective of increasing the cost due to the marketing or due to the higher HR cost.

Rahul Kumar Paliwal: Super. And when it comes to fashion jewellery, churning is needed, so maybe that too, you can leverage it, right?

Amit Modak: Right now, if you see the inventory to turnover, it is almost around 3x stock turn is there.

Rahul Kumar Paliwal: That's quite a good number. And one last, I'm sure we are waiting for presentation also, which you said in the call?

Amit Modak: It is getting uploaded. So, you can go through. And if any one of you have got any questions about it, you can just mail it to our CS or the Compliance Officer, and we will try to expedite and reply it as far as possible with keeping the limitation of the statutory regulators.

- Rahul Kumar Paliwal:** Got it. And one last number, if I can pitch in. EBO vs. not EBO volume and total sales, if you can disclose as per policy, if not, then I'm okay like?
- Amit Modak:** It is around about 75% to 80% is coming from the SIS. I'm not having any precise figure. And around 20%, 25% is coming from non-SIS because SIS, you mean with the P.N. Gadgil & Sons.
- Rahul Kumar Paliwal:** Got it. And for the year, I think we are ending up with INR72 crores cash in books?
- Amit Modak:** INR78 crores.
- Rahul Kumar Paliwal:** Okay. And how we are deploying in coming years?
- Amit Modak:** For the FOCO models expansion.
- Moderator:** The next question is from the line of Ankit Gupta from Bamboo Capital.
- Ankit Gupta:** With the cash in hand of around INR78 crores and our plans of opening 20, 25 new stores, given this roughly INR1 crores cost for opening a new store, including capex and inventory. So that should at least be sufficient for us to keep our growth intact in terms of adding new stores for the next 2 years. And of course, over the next 2 years, we'll generate further cash flows?
- Amit Modak:** Yes, you are right. I always remain very conservative. So, I experienced the corona. We are experiencing a war situation. So, in such situation, if anything comes as a pressure on the profitability or anything cash flows, we are there self-sufficient without borrowing or without increasing the sale price or cutting down our EBOs because the cost is going on and we need to curtail it. So we will be there at any point of time in any situation, because of our availability of the cash surplus.
- Ankit Gupta:** Sure, sure. And last year, we had opened 32 stores and 18 stores we opened just in Q4. So of course, like our internal target will be to open at least this almost, let's say, 30, 32 stores or more?
- Amit Modak:** We generally say not less than, and that is our practice. So once I say not less than, I can say up to 100 also because up to 100 means 1 to 100 anything. But if I say not less than, I'm getting committed to that.
- Ankit Gupta:** But we should, like we should be targeting if we get good locations, we can, this is past numbers?
- Amit Modak:** Cash availability is there for the deployment. So there is no, nothing can pull our legs back.
- Moderator:** The next question -- it's from the line of Kumar Saurabh from Scientific Investing.
- Kumar Saurabh:** Sir, my question is around CRM, Customer Relationship Management. And in our business in gold and all, we have seen there are a lot of schemes and all and some kind of benefits are given to repeat customers. So do we track our CRM data, how many repeat customers we have? Do we have some kind of schemes for them, especially as today you said, our business is the catchment area business, 4, 5 kilometers in the catchment area from where crowd comes. So if you can give more details around it?

Amit Modak: We have got regular schemes as far as discount schemes are there of the rain season, then our anniversary, then Diwali, Dussehra, then Valentine Day, year-end sales, that kind of things are there. For getting connected to the existing customer, there is a Telecalling is continuously and WhatsApp kind of marketing is going on.

So, the existing customers are getting updated through the new scheme, new arrival, new product and all the details about our new thing or the new openings in their proximity, everything is getting updated. And CRM, that data, that same customer, repeat customer and all these things, it is getting expected from our existing ERP. So, on that, the sales guys and marketing guys keep on watch and act accordingly.

Kumar Saurabh: Great. Great. And sir, last question. I think last quarter, you said South market because it's a very gold-driven market, maybe you would not like to get there. But today, I heard you are coming in Bangalore as well as Chennai. So how this good change of stance because I'm there in South. So it's good to see you coming there. But like any change in views compared to last quarter?

Amit Modak: No, no. We are just trying to enter those markets. So right now, we don't know what results are going to be there out of that. So commenting on that is very difficult right now. It's a very initial stage, and there is no sufficient data to analyze and comment on it. But by the next year-end, we may be in a position to comment because our at least 4 or 5 locations will be there in the South on the stand-alone basis. Right now, it is with the Shoppers Stop, but on a stand-alone basis. And on that basis, we can comment about it.

Kumar Saurabh: Got it. How do you pick a location, sir, because you told there is not enough data? So if you can explain your process of how you pick a location?

Amit Modak: No. You call me afterwards, because it's a too long process. I cannot explain right now in limited time.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to management for closing comments.

Amit Modak: Yes. I'm very much thankful to all who joined this conference in such a number. And that at the time, when market is getting close, so everyone is interested in marketing, stock market screen. And I'm really grateful to all and do join us in future also. The story is yet to unfold. Thank you.

Moderator: Thank you. On behalf of PNGS Gargi Fashion Jewellery Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.