



February 19, 2025

To,

BSE Limited
Corporate Relationship Dept.
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001.
Ref: Scrip Code. 543995

National Stock Exchange of India Limited
The Listing Department
Exchange Plaza Plot No. C/1, G Block,
Bandra – Kurla Complex Bandra (East),
Mumbai – 400 051
Ref: NSE Symbol – MVGJL

Sub: Transcript of the Conference Call held to discuss the results of Q3 FY 2024-25 as required under Regulation 30 of SEBI (LODR) Regulations, 2015.

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir/Madam,

With reference to the above-mentioned subject, we wish to inform that,

- i) The copy of the Transcript of the Conference call held on Wednesday, February 12, 2025 to discuss the results of the third quarter and nine months ended for the financial year 2024-25 is enclosed herewith.
- ii) The Transcript is also uploaded on the Company's Website and the web-link for the same is: <https://vaibhavjewellers.com/pub/media/manojvaibhavtranscript.pdf>
- iii) The List of Management attendees is stated in the transcript.
- iv) No Unpublished Price Sensitive Information was shared/discussed in the call.

This is for your information and necessary records.

Thanking you,

Yours Sincerely,

For **Manoj Vaibhav Gems 'N' Jewellers Limited**

Bandari Shiva Krishna
Company Secretary & Compliance Officer
M.No. F11172

MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED

Regd. Office: #47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam, Andhra Pradesh India, 530016
Corporate Office: # 47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam - 530 016, Andhra Pradesh, India, Phone: +91 891 663 7777
E mail: info@vaibhavjewellers.in; Website: www.vaibhavjewellers.com. CIN: L55101AP1989PLC009734



“Manoj Vaibhav Gems ‘N’ Jewellers Limited
Q3 FY’25 Earnings Conference Call”

February 12, 2025



**MANAGEMENT: MR. RAKHAL GONTLA – CHIEF OPERATING OFFICER –
MANOJ VAIBHAV GEMS ‘N’ JEWELLERS LIMITED
MR. P.R.N.V. PRASADA RAO, GENERAL MANAGER,
FINANCE & ACCOUNTS – MANOJ VAIBHAV GEMS ‘N’
JEWELLERS LIMITED
MR. BANDARI SHIVA KRISHNA – COMPANY
SECRETARY & COMPLIANCE OFFICER – MANOJ
VAIBHAV GEMS ‘N’ JEWELLERS LIMITED
MR. P. S. RAO – PRACTICING COMPANY SECRETARY
AND SECRETARIAL AUDITORS OF THE COMPANY –
MANOJ VAIBHAV GEMS ‘N’ JEWELLERS LIMITED
MR. GANDHI VITTAL – PRACTICING CHARTERED
ACCOUNTANT, CONSULTANT**

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY25 Earnings Conference call of Manoj Vaibhav Gems 'N' Jewellers Limited. From the management, we have with us today, Mr. Rakhil Gontla, Chief Operating Officer (COO), Mr. P.R.N.V. Prasada Rao, General Manager, Finance and Accounts, Mr. Bandari Shiva Krishna, Company Secretary and Compliance Officer, Mr. P. S. Rao, Practicing Company Secretary and Secretarial Auditors of the Company, Mr. Grandhi Vittal, Practicing Chartered Accountant.

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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rakhil Gontla, COO. Thank you and over to you, sir.

Rakhil Gontla: Good Morning everyone, this is Rakhil Gontla, COO of Manoj Vaibhav Gems 'N' Jewellers Limited. So I would welcome all of you for the Q3 earnings call. So I would just want to give a brief about our company and after that we will be taking on the Q&A thing.

So just to give an introduction about the company, what we are doing and how it has been a growth journey. So I would like to start with, the company was started in early 90s. The late Founder, Chairman, Mr. Manoj Kumar Grandhi has started this company. So the company was started with 800 square feet. It has been eventually growing, every day there has been kind of challenge in the initial days and it has been a great journey for the family and the Company.

So, over the next 10 years, all the hard work of the family and the entire team, Company was able to achieve one of the best showrooms back then. It was certified as one of the largest first ISO certified back then and company has launched its first flagship showroom in 2007 with a space of 30,000 square feet. So we are basically into gems, jewellery and all kinds of precious things.

So we -- Manoj Vaibhav, as a company, we started targeting cities of two, three and four and we have been expanding in those areas. So in 2007 after a flagship showroom, so we started expanding and we started doing the markets of Andhra Pradesh and Telangana. So in an unfortunate incident, we lost our Founder in 2012. So after that, company and family has taken a couple of years to consolidate things and everybody came together. It was a great journey after that.

So in 2014, company has started growing. One of the first showrooms was in Rajahmundry and Kakinada region. After that, we have been opening one or two showrooms every year and it has been a great journey there.

And if we talk about one of our major strengths, so we have been known as a good design company; where we were able to give a better design ahead of the market, even though we come from a smaller regional places like Vishakhapatnam, but we evolved as one of the best design company where we try getting the designs ahead of anyone in the other markets. So that

has been one of our strengths, that's why if you see our Tagline; it's Relationships by Design. So we are known for that.

And so we, as I was mentioning, we keep expanding. We tried expanding in 2, 3, and 4 and we have been quite successful in these areas. So, one of the reasons being -- so we tried getting first more advantage before someone comes into those markets. We tried grabbing the market share and we tried getting a good chunk of business and we were able to get that kind of trust factor because being in jewellery industry, trust has become a most important thing, as everybody knows, because it's more of a value-oriented thing. So we were able to get those kind of trust factor connected to the company from these kind of tier cities and we have been doing good there.

And slowly we have been expanding to Telangana in 2017-18. So when it was combined Andhra Pradesh and later after divided, we started expanding even in Telangana. And we do have different kind of product mix. We do cater to all kinds of categories. We have something called a Premium Brand, called "Visesha" where we cater to H&I, High Net Worth Individuals.

And we have a college going crowd where, you know, a value of 50,000 and 1 lakh, we cater under the brand name of Myra. And we do have the regular jewellery showrooms, we keep, you know, on the brand name Vaibhav Jewellers. So we have the three different sections, depending on the crowd, we keep targeting and market in those areas.

And we started our e-commerce in 2019-20. So we tried that and we got a very good response from across the globe and we are doing well in e-commerce as well. And if I'm not wrong, we are doing close to 2% of our turnover from e-commerce platform. We started putting as much as designs and as much as we tried putting a lot of technology in e-commerce, which is helping people to get connected. We tried digitalizing things and we tried doing best for people who are not able to come to showroom due to the other restrictions, what they're having.

And we do a very unique kind of marketing. We try doing focused group kitty parties. So, you know, we try calling people to our showrooms, we try connecting them. So when we are expanding in these 2, 3 and 4, we always feel trust and loyalty is the most important when it comes to jewellery industry.

Just to stay connected with all the people, whenever we open showrooms and eventually what we do is, so every alternate day or whatever, like 20-30 group of women, we call to the showroom, we try connecting them, games, some kind of entertainment, so that they are more connected to us, so that we try conducting some puzzles, quizzes about gems, jewellery and awareness programs and some kind of education programs in the showroom.

So it helps us, -- it helps, the manager, the branch manager and team, entire team to get connected with the -- all the kitty party people who come to the showroom. So it helps us to grow in a grassroot level in each and every market. So even though they won't have a requirement on the day when they're coming to showroom, eventually next 10 days, 15 days,

20 days or one month, whenever something comes into their mind about jewellery, so first thing we want them to think of it is Vaibhav Jewellers.

So that has been one of our very strong, quite marketing where we reach to people, we invite them, so we're doing good in that kind of things and as I was mentioning, we are particular about design and we try getting our designs a little better than everything. So one of the thing is what we do, we have a very strong supply chain management team. So when we call it designs, it doesn't have to be something where it is out of the world or where you're not getting somewhere. We always focus on what exactly a town or a place requires. So in India, we all understand it's completely diverse.

Every place or every house, every region has different culture, religion and different kind of traditions, what they follow in the town or village. So we try getting into those levels and we try tapping the market and we try getting what exactly that showroom wants. So to give a backdrop to this, so before opening a showroom, we try doing 6 to 8 exhibitions and at least in 2 years into those areas, we keep marketing, we try knowing is that market enough for a showroom or how good it is, what is the acceptance level for a jewellery and what is the income level.

So all these questions will be answered for us during our 1.5 years, 2 years of journey in that particular area through different kinds of exhibitions. So it helps us to take a decision if we have to open a showroom there or it needs another 5 months to 6 months or 1 year to evolve in a different infrastructure wise. So keeping that in mind, we try getting all the information we gather, information and we get to the showroom and we open it.

And yes, again, coming back to design, even though if our showrooms are 100, 150 kilometers away, our product mix is different from each and every showroom. So we do not operate in a way where you get X number of kgs or X number of designs to our corporate office and you distribute to the number of showrooms there. So we would go into the levels what exactly each and every showroom wants.

So which really helps us to know the market, what they wanted, rather than me putting and pushing the product, what I am having. So I am making sure the customer is satisfied, giving those kind of particular designs what exactly they want. And when it comes to the number of showrooms and all, we have opened our 18th showroom two days back. It is in Yellamanchili, which is in the state of Andhra Pradesh.

So out of 8 showrooms after the IPO proceeds, we have opened 5 showrooms, just 3 more are left and we will be opening in due course of time. All the plans are ready and everything is on place. So we are just waiting for the right things to happen. And we even try getting 90% of people from the local places. So it helps us to get more deep into the market. So the local employees help us get a lot of customers or that kind of network they form. So we try doing that kind of employment rather than pushing everybody from corporate company and giving employment there. And when it comes to jewellery, we have designs from all over India and we try introducing different kind of concept or a karigar, workmanship every 3 to 4 months.

So we have something called as Turkish jewellery, we have something called as **court** jewellery. So, somebody from our teams, they go to the place and we try getting the local karigars and all. We try asking them to design according to our region or our customs tradition, what exactly these places want. So it helps us. And we try marketing our customers as a brand ambassador. So every 3, 4 months, we try putting our customers who have been traveling with us 20 years, 15 years, 30 years, whatever number who has been supporting us.

So we try putting them as our brand ambassadors on the hoardings and as advertisement thing what we do. So, they feel special that a common person has been put on a hoarding. So we try doing those kind of things where we are recognizing people who have been there, in a way it helps us to even get more business from that particular area. They also feel that every person is recognized in a particular region.

So that is and we have -- adding to it, we have a very strong KMP. So they give us synergy for exponential growth, and it has been a great journey with all of us and they come from different backgrounds. And we have a very strong team who helps us grow and who helps us know what showroom or what place, how we have to plan, how we have to grow.

So we are close to, I mean, if I just had to come to the numbers, so we did close to INR1,679 crores for three quarters with a PAT of 73 and with 18 showrooms in place and 3 more showrooms will be open by March this year.

So this is a little bit brief about the company. So I would request the finance GM, Mr. Ram Prasada to give a little more detail about the Q3 numbers.

PRNV Prasada:

Thank you, sir. Good morning, all. This is Ram Prasad, General Manager-Finance and Accounts. I welcome you all to the earnings call for the October business quarter. Gold prices has remained volatile and has been rising. Despite the challenging environment, the company has been able to perform well. It achieved a turnover of INR497.63 crores for the third quarter of '24- '25, as compared to INR475.10 crores for the corresponding quarter of the previous year, thereby registering a 4.74% growth.

The EBITDA stands at INR41.07 crores, registering 6.20% increase with respect to the corresponding quarter. Whereas with respect to profit before tax, it is INR28.78 crores, registering a 15.15% growth with respect to the current quarter.

And profit after tax is INR25.24 crores, registering a INR33.17 crores with respect to the corresponding quarter. And come to the YTD figure, the company has achieved a turnover of INR1,678.92 crores, as compared to INR1,603.22 crores for the corresponding nine-month period of the previous year, thereby registering a growth of 4.72%.

And with respect to EBITDA, it is INR129.97 crores, reaching 7.94% increase with respect to the corresponding nine-months period. And profit before tax is INR93.49 crores, registering 15.96% increase corresponding nine-month period.

And finally, the PAT, it is INR73.67 crores, as against INR60.36 crores for the corresponding nine-month period of the previous year. Accordingly, it reached a 72.06% growth.

We bring to the attention of all the participants of this conference call that this is the first investor conference call. The management of the company is adapting it. Hence, any questions or points should be of prospective nature only.

Now, I open the floor for the questions. Thank you.

Moderator: Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of Raaj from Arjav Partners. Please go ahead.

Raaj: Sir, as on date, how many stores do we have?

Management: We have 18 showrooms, sir.

Raaj: 18 showrooms? And how many stores are we expected to open for FY25, FY26 and FY27?

Management: Sorry, FY?

Raaj: How many additional stores are we expected to open in the next 2 years' time?

Management: So, we have plans. So, once we finalize the proper location, we would be able to give the right number. But we have different category of stores, plans, what we are doing. It's in a planning stage. So, once we finalize the exact location, we would be able to give the number.

Raaj: All right. Then how much would be the capex per store?

Management: So, the existing stores, what we are opening, they're more of a smaller store, which is 2,000-2,500 square feet. So, the capex is close to INR1.5 crore. So, again, everything depends on what type of store we are opening.

If it's a bigger store, probably capex will be more. But the source existing, what we are opening is close to INR1.5 crores will be the capex.

Raaj: And how much would be our inventory per store?

Management: So, these kind of two, three will be around INR20 crores, INR25 crores. Again, completely depending on the region, we have to do less or more. If it's a city, it's a little bigger, we might have to push in up to INR30 crores, INR35 crores. If it's a smaller thing, INR20 crores, INR25 crores would be a starting thing.

Raaj: And will it be company-owned store?

Management: All the existing showrooms are company-owned. The next three showrooms are company-owned showrooms. And we are looking for options in franchise as well as expansion. So, once we are speaking with 3, 4 different families and people who are interested in this, so once we

get a concrete decision from them, and once we agree to terms, probably we'll be able to give the franchise numbers as well.

Raaj: How much would be our average bill size?

Management: Vittal garu, you just want to add on the details.

Raaj: Sorry?

Management: Sure. Hello, can you repeat the question please?

Raaj: Hello, my question was how much is the average bill size?

Management: Bill size will be around 65,000 plus.

Raaj: Sorry?

Management: 65,000 plus.

Raaj: Alright. And so, how should an investor look at the company for next 2 years? How much growth are we anticipating for the next 2 to 3 years' time?

Management: Yes, we're expecting a good growth in the jewellery industry. But at this point, we are finalizing various locations and various formats of stores. It is very early to share the data at this moment.

Raaj: Understood. And sir, are we also expecting an improvement in our margin?

Management: Yes, we are confident and prospectively, we are in the same progressing stage. All right.

Raaj: So, I think, sir, when at the time of IPO, you had indicated around 15% of growth. So, are we sticking to that?

Management: Yes, we are confident of achieving it further.

Raaj: Alright. Thank you all the best.

Moderator: Thank you. We'll take the next question from the line of Yash Dantewadia from Dante Equity. Please go ahead.

Yash Dantewadia: Congratulations on a decent set of numbers. Just have a couple of questions. What is the trend of our same store sales growth right now? And compared to the industry, why was it on the lower end? Is it because of a geographical sort of a reason? Or is it something else? Because sales store growth for the industry was at around 18%. Whatever numbers have come till now, in general, most of the jewellery brands had a same store sales growth of 18%. But our sales growth was just 4% year on year. Could you elaborate on that, please?

- Management:** So, just adding to that, probably, I mean, I wouldn't be able to comment on the other thing. So, one thing what we have been doing is we tried putting on a lot of this semi-precious or the studded jewellery, which helps us to get that kind of margins.
- Yash Dantewadia:** Yes, you have mentioned the margins. There's no doubt about that,
- Management:** Yes. So, that has been one of the things. So, one reason is definitely that. So, if you look at our last showrooms, so we just opened all our showrooms just like in the last year or before year. So, probably, they will take at least 1-1.5 year to get those kind of numbers what we are talking.
- So, if you look at the majority of showrooms, we just opened in last 2 to 3 years at least 6 showrooms or 7 showrooms. So, that has been one of the reasons.
- Yash Dantewadia:** So, I was only talking about same-store sales growth. I was not talking about the new showrooms. Could you throw some light on by your same-store sales growth? What was your same-store sales growth number approximately? Year on year?
- Management:** I will add a few points in this. As of now, the same SSE is around 1.2%. The reason we focus these high-margin products we are pushing to sale. And it leads me. The increase in PAT divided by increase in sales is much more than 15%, which has been translated in terms of PBT as well as the PAT. Not just in the top line.
- We would like to have a growth in the bottom line, which contributes high profitability, high line items. We are focusing on it. So, even though the top line has not been...I mean, apparently not grown, the growth has been articulated in terms of PBT and PAT.
- Yash Dantewadia:** Right. See, whatever stores you're opening now, the 2,000-2,500 square foot with whatever market research that I've done in your Andhra Pradesh market, that gives me a number of INR30 lakhs per day, your average sales that you can actually pull through in the tier 2, tier 3 cities in Andhra Pradesh. Is that number right? Or do I need to tone it down? What kind of numbers can you pull up in the 2,500 square foot store per day in terms of sales?
- Management:** With reference to approximately what we've taken as the ideal number 2,500, it will be anywhere between INR12 lakhs to INR13 lakhs per day, which can be taken as the average per day sales.
- Yash Dantewadia:** INR12 lakhs to INR13 lakhs?
- Management:** Yes
- Yash Dantewadia:** No, I have actually got a number of INR25 lakhs to INR30 lakhs is possible, post maturing. Is that true? On an average throughout the year, including the festival season and everything?
- Management:** No, we didn't.

- Management:** We are up around INR12 lakhs to INR13 lakhs will be our number.
- Yash Dantewadia:** Right. And how many stores are you going to open this year?
- Management:** Additional three stores in the pipeline, we're optimistic to open before March '25.
- Yash Dantewadia:** Before March '25. That basically means within 1.5 month, you're going to open 3 stores?
- Management:** Yes. Because all are in the pipeline.
- Yash Dantewadia:** Great. Great.
- Management:** We're optimistic to open all three stores.
- Yash Dantewadia:** Sorry?
- Management:** We're optimistic to open all 3 stores before March '25.
- Yash Dantewadia:** Also, can you just highlight how you manage your gold inventory? Do you hedge it or do you not hedge it? Are those gains visible? I just want to understand how you manage your whole gold inventory part. Now, gold prices are up month on month, right? So, what are we going to see on your books? How much are you hedging it? What percentage of your inventory is hedged, etc? Could you just make me understand how you manage your gold inventory?
- Management:** Definitely. The hedging policy of the company bifurcates into one is operational hedging and second is inventory what we have moved on hold hedging. With reference to the operational hedging, whatever we sold on everyday basis will be recorded at the same rate the operational hedging has been taken care of.
- The second, inventory part is something that we value. We take a weighted average method, which is at least 20% less than the work market value. Some companies are confident of even the last 44 years, if you take it, the 9% is the CAGR for increasing price. Even though there are three or four instances where the rate is down, in the next year itself, whatever the down has been absorbed and the growth is registered.
- So the company doesn't have any hedging on the inventory on hold, which is already naturally hedging of around more than 15% with reference to the market value to the carrying cost of the inventory.
- Yash Dantewadia:** Right. So basically the impact is not very heightened when gold prices go down or go up?
- Management:** Yes, because as a going concern, we never see any getting down the prices in the future. Even the past history shows the same.
- Yash Dantewadia:** And one last question, if you will. I've just seen a trend in most of the other jewellery companies, you pull up Kalyan, you pull up any other jewellery company, right? They peak in the December quarter, but you guys in terms of sales, but you guys always peak in the

September quarter in terms of sales. Is that a geographical reason again, like because of local Andhra festivals?

Management: Yes. And the festivals are also the marriages, wedding dates also will have an impact.

Yash Dantewadia: Yes, so that is normal for Andhra, right?

Management: Yes, it's more of a regional thing, because even in region, we have different coastal Andhra, the southern Andhra. So probably we generally look at the sales on complete or whatever the mahurat comes or the auspicious days for complete year. Sometimes it might come in Q2 or Q3. Sometimes the majority of everything falls on Q4. So it completely depends on the regional thing.

Yash Dantewadia: And could you give some guidance for next year?

Management: Not sure if we can put any numbers across, but we are very positive that we are going to do well and we have all plans and other type of formats also in plan. So we'll be showing it right across and not sure if I can give any numbers.

Yash Dantewadia: But based on the industry trends, if you can share any -- any number that you think you personally think is possible based on your last 10 years, 15 years of experience. I mean, I'm not telling you to, I mean, I'm not going to hold you to the guidance regardless, because we both know that, gold is ever changing, the prices change, the demand changes every year, etc. And there are a lot of macro reasons also.

But based on the macro performance of Andhra Pradesh in general, what you're seeing, what you're hearing, what kind of demand are you expecting for the next year? At least if you can give me an idea on the demand uptick for next year, that would be great. Don't give me a guidance. But what kind of demand growth are you seeing in Andhra Pradesh regional jewellery market for the next year? How are you optimistic? Are you not optimistic? Whatever, whatever you can share.

Management: So to add upon that, so generally in South, the sentiment for jewellery is pretty strong. So they go, I mean, generally in South, we go as per the muhurthams or the marriages and all. Yes, there are very good muhurthams compared to this year, next year. And more than that, irrespective of the gold price, where people in Andhra, Telangana are part of Tamil Nadu and Kerala. So it's more of a sentiment driven.

So people look gold as a need than a luxury. So different parts of India has different kind of perceptions. If it comes to Andhra and Telangana, if we speak, it's more of a need than luxury. So because there will be a lot of marriages, there will be a lot of people getting different functions. So every function, nobody looks jewellery or gold, mainly in the Southern states or Andhra, Telangana as a luxury. So it's always a need.

So keeping those things in mind, definitely the demand is going to go up. And we expected like a lot of marriages than this year. There are a lot of better muhurthams, which is happening

in 2025-2026. So keeping that in mind, definitely we are going to see a very good positive growth in the jewellery industry.

Yash Dantewadia: Okay. Thank you. I'll just come back in queue. Thank you for taking all my questions. I'll just come back in queue. I have more questions. Thank you.

Moderator: Thank you. We'll take the next question from the line of Subash B from Value Investments. Please go ahead.

Subash B: Congratulations on the decent set of numbers. Could you explain, I think you already explained about the muhurtams and the festive seasons in Andhra Pradesh. Is that the reason why year-on-year growth is decent, but the quarter-on-quarter there is a drop because Q2 had more festive season?

Management: Yes. Q2 has a festive than this thing. We had a lot of muhurthams and we call something called a Sravanamasam in Andhra. So it happened in Q2. It's when that season comes to complete 1.5 month is a complete seasonal thing. So definitely in this year, when you compare Q2 is a complete muhurtham or auspicious day which happened.

Subash B: Got it. Thank you. And also, since this is the first investor call that you have organized, thank you very much for that. Can we expect investor presentation also from the next quarter? So that I think you gave wonderful details at the beginning of the call, like how your company started, what are the categories that you have. And I couldn't capture all the categories that you had when you described on the call, but will we be seeing any investor presentation going forward from the next quarter?

Management: This quarter onwards, we'll be having definitely investor calls and we'll be having every interaction possible and every question will be addressed. And as you were mentioning about the investor presentation, we have that thing also in pipeline, but it will be ready and we'll definitely share it with all the investors in the due course of time.

Subash B: So if you could just repeat the categories that you described in the beginning of the call, you said that you target HNIs and also the college going youth. And could you name those categories that you have?

Management: One is the premium category is called Vissha. And the second thing is the category name is MYRA, where we have those kind of small shopping shop outlets inside our existing showrooms where we cater like a 50,000, a lakh or one and a half lakhs range what we keep doing. And we have different kind of category in silver in our existing showrooms.

And we have the regular thing on name of Vaibhav Jewellers.

Subash B: Okay. So, all the showrooms that you're opening, that's not every showroom is called Vaibhav Jewellers?

- Management:** So every showroom is Vaibhav Jewellers. I'm telling like the different categories, the premium will be Vishesha and the regular college will be MYRA and the regular jewellery, we call it as the Vaibhav Jewellers, that's it.
- Subash B:** Got it. So when you said that you are opening the small stores right now, are those MYRA or Vaibhav Jewellers? I think those are Vaibhav Jewellers, right?
- Management:** All the tier 2, 3, 4 will be what we are opening at Vaibhav Jewellers only. We are exploring other options in other categories. We are trying to see the markets trying to open different stores with these other brands also. We are positive on those things.
- Subash B:** Got it. And also you mentioned that you do a lot of research before opening a store, like you conduct surveys, you organize some events also and you take the data from the local region. So based on that, I'm asking like, do you have any plans on opening any stores outside of Telangana and Andhra Pradesh? Because if you have plans, you might be already working on those surveys and the pre-opening work that you usually do, right? So do you have any pipeline already or do you have plans to expand only in Andhra Pradesh right now and Telangana?
- Management:** Yes, what we do is we try opening stores in more of an organic pattern. So if you see our every showroom, it's like connected or different things. So there are two, three things which helps us. One thing it helps us to cut down our marketing costs. For example, I'm doing a marketing campaign in Visakhapatnam. I have two more showrooms in Visakhapatnam district. So which helps -- so one newspaper advertisement, it helps me -- it's divided by three.
- So in the same way, we keep growing. But yes, we are actually touching parts of Orissa where we are opening, we are opening a showroom in Palasa next month. So which is like kind of bordering to Orissa. So we start exploring markets of bordering Orissa and we -- it helps us to grow in that way so that we are more stronger in a grassroot level. So in the neighbouring states, we are definitely, one neighbouring state is Orissa. Probably one thing we would want to do is slowly grow that side also.
- Subash B:** Okay, that's great. So out of the 3 upcoming stores, 1 will be in Orissa, right, the border of Orissa?
- Management:** No, no, it is in Andhra. It is bordering Orissa. So that existing, that next store, it will help me to get more information about the bordering part of Orissa. So it helps us to grow easily in the next store there.
- Subash B:** Okay, got it. So I think to Andhra, there are neighboring states like Karnataka also, right? So even there are you planning anything?
- Management:** In Telangana, if you look at one of our showroom, we are located in Mancherial. From there, it's like 50, 70 kilometers. It touches one side Maharashtra and other side is Karnataka. So when I'm talking Maharashtra, it is like the south western part of Maharashtra, Chandrapur and

all those small, small districts there and parts of Karnataka also. So we opened a showroom in Telangana, which will help me to do a lot of exhibitions in bordering Karnataka and Maharashtra. Then we'll see a viable option we have to enter into Karnataka or Maharashtra. Then we would take a call. So that showroom helps us to do the exhibitions in those areas.

Subash B: Okay, got it. So since you guided 15% growth in your IPO details, that's 15% CAGR every year, right? So is that accounting from the existing stores business or you have accounted even the new openings that you had in pipeline and you guided 15% growth?

Management: Vittal garu, do you want to just add to that?

Grandhi Vittal: That 15% growth what we, I mean, projected is after factoring the all showrooms, the IPO stores opened on annual basis.

Subash B: Okay, so including the new stores then. So in the existing stores, how much of sales growth do you see every year? So let's say that you have 18 stores, right? So from the 18 stores every year, how much growth do you see?

Grandhi Vittal: We are confident of achieving around 6% to 7% conservative.

Subash B: Okay, that's all I have for now. If you have any questions, I'll fall back into the queue. Thank you so much for all the details, all the very best.

Moderator: Thank you, sir. We'll take the next question from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Yes, thank you so much. A couple of questions. So if I look at your store opening, be it Mancherial, Amalapuram, Anantapuram, Yelamanchili and Rajam, they're all population of around 50,000 to 1 lakh. So I just want to understand, how do you look at it from a catchment area point of view? Is it a strategy that you would go for smaller districts? And what is the broad thought process here? I would love to understand your thoughts.

Management: So when it comes to these places, so when you're talking 50,000 a 1 lakh, so it's generally about that particular town, probably if you're talking Amalapuram. Amalapuram town might be having a 1 lakh or a 1.5.

But when we consider the entire Amalapuram district, the radius of 100 kilometers or so, so we'll be catering to at least 4 to 5 lakhs of people. And generally, all these districts, the villages or the areas of the district, the other places in the district, they always come to district headquarters. So all these people are directly, indirectly, they depend on the district only.

Same way in Anantapuram, if you see, so the population, the town population will be around 2 lakhs or 2 and a half lakhs. Whereas if you consider the other places surrounding, it will be again 5 lakhs or 6 lakhs because we have a lot of towns or regions surrounding that. So we are trying to focus on that kind of strategy where we would set up a place which is in those district headquarters, which helps us to cater to all the places there.

And these kind of district headquarters are operation cost or the rental and all because 2, 3 and 4 are better than any other tier 1. So it helps us to, you know, add up on the margins also because my operational cost is less, but my margin in tier 1 and tier 4 is same. So it helps us to grow even in that way.

So that has been one of our strategy and we have been doing well. If you look at our other showrooms in Parvathupur and Gobili, so when we started, they were very small. But over the period, even the district grows, the population grows, infrastructure grows. In 2, 3 years, there will be more stronger districts. So we are trying to get before they become stronger. So it is helping.

Lakshminarayanan: And if I look at your sales, I mean, what I understand is that Visakhapatnam alone was around, 65%-70% of your sales. And if you look at Visakhapatnam, Kakinada, Rajahmundry and Gopalapatnam would be around 82% of sales. So just want to understand what has been the grammage growth if you actually put these top 5 stores on a year-on-year basis and compare to FY24 or maybe 9 months FY24 to this.

I just want to understand at least from the top 5 stores which is contributing to 80% of your revenues at the time of IPO, what has been the grammage growth and what has been the sales growth. If you are unable to get the top 5, at least if you can just give me Visakhapatnam at the outskirts. You have 2 showrooms. Just want to understand grammage and growth 9 months basis.

Management: We'd like to reserve our comments on this. And if you can share me exact query through our mail, we can revert to you in the best possible manner.

Lakshminarayanan: Okay. Now the other question is that if I look at your total employee count, it's almost 1100 and you have close to around 15 stores. I mean maybe 18 stores. Am I right?

Management: Correct. 18 showrooms.

Lakshminarayanan: In 18 stores, you have around approximately 1100 people. So can you just tell me how many people are actually in the stores? Because if I compare to other jewellery companies, looks like per store, the number of people seems to be higher. Or if you can actually say how many people are in the stores, how many are actually in the corporate, some kind of a breakup. What is that? Just want to understand that part.

Management: So out of the entire thing, probably if you divide by store, probably it will be a bigger number. Our flagship showroom, as I mentioned, is close to 30,000 square feet. So we have close to around 250, 300, 350 people just working for the parent showroom, the flagship showroom.

So the majority of the chunk has been there. And we have a back office of close to 100 people or 150 people because we have e-commerce team, we have supply chain team, because we have close to 60 people of supply chain and back office, finance, HR, marketing. So all those people put together around 150.

So the remaining of the smaller stores, we ideally have 20 to 25 people with the vigilance, security, and the salesman, the branch manager. The bigger stores will be around 30. And because it's a flagship store, we are around 300, 350 plus employees there.

Lakshminarayanan: Okay. Okay. When you say how many bigger stores are there for you?

Management: So biggest stores, our flagship store is the biggest where we are. And we have the second category is Rajahmundry, Kakinada. And we have two showrooms in Hyderabad. They are around close to 5,000, 6,000 square feet size. And the remaining are around 2,500 to 3,000 thing.

Lakshminarayanan: Okay. So Gopalpatnam is part of...

Management: Yes, it's a little smaller thing. It's not a bigger thing. It's, you know, we, that Gopalpatnam would be around 2,000, 3,000 square feet or 2,800 BS.

Lakshminarayanan: So in the bigger stores you have along the --what, around the 50 people? Yes, the bigger stores would be around 40, 45 people. Because directly would be, sales would be around 25, 30, 35 people. We have audit, appraisal, and we have marketing. So we, all those people put together, another 8 to 10 back office people for every showroom.

Lakshminarayanan: And if I just look at your mix of sales, how much comes through recycling where people come and give back? It was close to around one fourth of your sales were coming from recycling. Can you just help me understand what is that now? How much is adding -- addition of new customers coming in? What is the recycling and what is the mix?

Management: So the numbers is probably, but so the same customers, it's becoming, it's a little difficult for us to track because every time there'll be a different number, because if there are five, six people in the family, they'll be giving one number one time and second number other time. So it's very difficult for us to track the exact thing. So we have a good customer base who have been loyal to us for quite some time.

So that we are able to capture some kind of thing because a lot of people who have been working there for quite some time. So they know every employee might be connected to 30, 40, 50 families. So we know through that kind of connect that, these people have been there, these people are coming back to us. And with numbers, there is probably, it's very difficult for us to put it across that.

Lakshminarayanan: Yes. I mean, as per your DRHP, you had mentioned that recycling gold is around the 25% of your in-work purchases.

Grandhi Vittal It varies from 30% to 35% based on the up-pricing also.

Lakshminarayanan: Okay. Okay. So it has moved up significantly because as per the DRHP, it was around 26% of your in-work purchases are recycled. So you're saying that it has actually moved to 35%?

- Management:** Yes. It will be around 35%.
- Lakshminarayanan:** Perfect. And if I just look at your inventory terms per store, it is a tad lower than the industry average. So I just want to understand two things. What is the mix of plain jewellery and studded? And how it has actually moved in the last nine months? And then also trying to understand what is your inventory turn target you have and where are we now? That would be helpful.
- Management:** Once again, I request you to please put the exact query in the email, we will mail with the relevant data.
- Lakshminarayanan:** Got it. Which is the email address I need to send these queries to?
- Management:** Please, you can send it to cs@vaibhavjewellers.com
- Lakshminarayanan:** Thank you so much, sir. I'll get back in queue.
- Moderator:** Thank you. The next question is from the line of Piyush Bangar from Vijit Global Securities Pvt Ltd. Please go ahead.
- Piyush Bangar:** Thank you for the opportunity. My first question is what's the quantity of gold and silver sold in kilograms in Q3 FY25, Q3 FY24, and nine months in FY25 and FY24?
- Piyush Bangar:** Am I audible?
- Moderator:** Yes, sir, you are audible
- Piyush Bangar:** Okay. So my first question is what was the quantity of gold and silver sold in Q3 FY25, Q3 FY24, and nine months -- nine months FY25 and nine months FY24?
- Grandhi Vittal:** Sir, I request to you please put your query through mail, so that we can provide you the relevant data.
- Piyush Bangar:** My next question is about the contribution of the two stores which we have opened in March '24, the Rajam and Mancherial one? So out of the total sales of INR498 crores of Q3 FY25, what was the contribution from these 2 stores? If you can please elaborate.
- Management:** If you don't mind, can you repeat the question once again, please?
- Piyush Bangar:** So basically, what was the contribution of the 2 stores you have opened in March '24, the Rajam and Mancherial to the total sales of INR498 crores in Q3 FY25 and in nine months FY25?
- Management:** So that breakup, exactly, we don't have it handled. So we'll be getting back with that exact breakup. So, Shiva Krishna, can you just write down that thing where we'll give the breakup to.

- Piyush Bangar:** Okay. And just my next question, as of 31st March 2024, the company had INR228 crores of customer advances, right?
- Management:** Yes, please continue. Yes, 228 crores as of 31st of March '24.
- Piyush Bangar:** Yes, yes. So I just want to know the number of customers associated with these advances.
- Management:** Okay. We'll share it through mail. Yes, please put it down. Yes, number of customers required. Yes, sure.
- Moderator:** Mr. Bangar, any further questions from your end?
- Piyush Bangar:** Yes. My next question is, what was the total value and volume in kg of inventory held by the company as of 31st December 2024?
- Grandhi Vittal:** So we request you to post this quantitative related data through mail so that we can provide you the data.
- Piyush Bangar:** Just my last question. It's pretty much a descriptive one. Due to sudden increase in gold price in the last 2 months, is there any like declining customer footfalls or something?
- Management:** Generally, when it comes to things, as you told, our markets are driven of more of a, the sentiments and muhurtham. If there is a marriage, probably the buying won't come down. So if they have, example, a 10 lakhs of budget, probably 10 lakhs would be purchased. So when the gold price, they might be getting 100 grams before now, they might be getting 95 grams. So the sales rate, it shouldn't be much of impact. But when the price is going up and down, that 2-3 days will be little, you know, skeptical.
- We have to go today or tomorrow and all. It's just a week's time where, again, it falls in place because it is necessary for the marriage or any function here. So we don't see that kind of any drastic thing which happens when the price goes up.
- Piyush Bangar:** Okay. Okay. Thank you for that. Just a last question. Can you please explain your hedging mechanism with respect to gold, which you have already elaborated, but I just want it in detail. The hedging mechanism in respect to gold.
- Grandhi Vittal:** With reference to hedging, as I already explained in previous question, as far as the carrying cost is less than 20% to the market value. And as of the past, our last 44 years, there is a CAGR of 9% being a growing concern. We are not taking any hedging policy. I mean, we are hedging tools for the carrying inventory.
- Piyush Bangar:** Thank you. Thank you for the question.
- Moderator:** Thank you. The next question is from the line of Manan Shah from Moneybee. Please go ahead.

- Manan Shah:** Hi. Thanks for the opportunity and thank you so much for keeping this call. My question was, can you highlight some store unit level economics? Like what sort of sales are you able to generate per month? And what sort of cost structures do you have in these stores and the newer stores that you have opened? If you can just highlight about that.
- Grandhi Vittal:** For the new stores opening for the around 2,500 stores, we are targeting at a rate of INR4 lakhs to INR13 lakhs per day, which will translate around INR45 crores per annum. But it may take a year or so to reach this. Initially, we are confident of going at INR10 lakhs at least.
- Manan Shah:** Okay. So you've been able to achieve this INR10 lakhs sort of a number in the newer stores that you've opened so far in this year?
- Grandhi Vittal:** Yes.
- Manan Shah:** Yes. Understood. My second question was that you said that you were sticking to your guidance of 15% for this year. However, in the nine months, what we have achieved is around 5%. So that would mean that in Q4, you are looking at 650-700 crores sort of a number. So I wanted to understand where you are getting this confidence from, or is it that you are already seeing that sort of traction in the current quarter that you are confident of achieving this sort of a number?
- Grandhi Vittal:** Yes, because this quarter has a full of wedding days and we are confident of achieving whatever we promised. Optimistically, we are confident.
- Manan Shah:** No, I'm trying to understand that what is giving you this sort of confidence, because in the first nine months, we've only achieved like 5% sort of a growth.
- Grandhi Vittal:** Wedding days prevailing this quarter. There are so many wedding days. In the event February and March, cumulatively, it is more than 30 wedding days.
- Manan Shah:** Okay. So you are seeing that sort of traction and footfall currently in your store in the current quarter?
- Grandhi Vittal:** Yes.
- Manan Shah:** Understood. My next question was towards Rakhil sir. I understand that you've not yet finalized on the locations to give any store guidance, but just want to understand that from a 3-5-year perspective, where do you want to take the company, I mean, any sort of internal targets or aspirational targets that you have, that will help us to get a sense of which way you want to take the company forward.
- By the end of this year, we'll be at 21 stores. So going forward, do you want to --what we may achieve is a totally different thing, but at least some aspirational target or internal target that the company has, which way the company wants to go, what format of stores that the company wants to open? So that will help us assess the company from a 3-5-year perspective.

Management: Correct. So I mean, to that question, so I would say like, we would be looking, if I'm looking at the 5-year target or 8-year target, 10-year target. So in 5 years, we are looking at least to be accessible to every district in Andhra and Telangana and parts of the southern parts of Orissa and Karnataka, because we feel there's a lot of potential existing, we feel there's a lot of untouched markets still over here, because so Andhra and Telangana put together, we have close to around 50-55 districts together.

So we would be present in like around 15 or 18 districts. So we have 30-35 districts untouched and untapped. So we are directly or indirectly known. So it's easy for us to expand here and grow in this market. So we definitely want to touch these markets at first stage and simultaneously, touch the southern parts of Orissa and little eastern parts of Karnataka and southwestern parts of Maharashtra, where it's easy for us to penetrate.

So I would say 5 years, given a chance, we would want to definitely be accessible to every possible customer in Andhra and Telangana. And when it comes to the category of stores, yes, depending on every region or every city, we would be looking at that particular thing and we would be branding in that way. So yes, we are looking to be there in every possible place in next 5 years or 7 years, we can list mainly Andhra and Telangana and parts of Orissa.

Manan Shah: Understood. So you are saying that currently we are present in say around 18 districts and from a 5-year perspective, you want to reach anywhere between 35 to 40 districts, assuming one store per district is something that you are targeting.

Management: It could be again one store or depending two districts to be one store or one district.

Manan Shah: Yes, at least one store per district so that you are accessible to that. Understood. And secondly, you highlighted a couple of times that you are contemplating to open a different format of store. So if you can just elaborate a little bit to what format of stores are you targeting and which geography are you targeting? I understand that you are still in the works, but just some qualitative data or qualitative information if you can share over here will be helpful.

Management: Sure. So as I was mentioning, we have 3 different formats. This Vaibhav Jewellers, we are trying to put in 2, 3 and 4. When it comes to tier 1, probably we will be putting it as Vissha brand. And the second thing is we are positive on looking at the aspect of a brand called MYRA, where we have in our existing showrooms. So we would want to look at those kind of categories in tier 1. So which helps us to -- those categories are more of a revenue, profit margin, high revenue margins where we get it. And because we are doing in 2, 3, 4, we would not want to be left out in tier 1 as a brand. So whereas we are planning to get these kind of showrooms in tier 1.

So these 2 are in our pipeline. So we are evaluating different options how to, because we would not want to just be stick to 2, 3 or 4. We would want to be present in tier 1 cities also. But different kind of brand presence, different kind of customer targets we will be looking. So the exact brand name would not be anything, but we are looking for something like high margin jewellery where a college going crowd or an office going crowd.

- Manan Shah:** Which cities are you targeting to open these stores and over what time frame? I mean, should we see this happening over the next 1 year or this will happen over the next 2, 3 years? I mean, anything that is going to happen immediate over here?
- Management:** Not sure if I can put anything across, but we have few plans in the pipeline. We are in the process of designing and location. We even with the local agents to look out for places and all those things in pipeline. So exact timelines I would not be able to comment, but we are positive.
- Manan Shah:** I am not asking for a specific timeline. I am asking whether this will be immediate or it will from a medium term perspective?
- Management:** This plan would be an immediate plan where we are starting this post-March.
- Manan Shah:** Right. And any target cities in your mind where you want to?
- Management:** Generally in South, probably we would want to look at first options as Hyderabad, Bangalore because Hyderabad we are already having 2 showrooms. It is getting into those markets with existing brand presence will help. And second option would be Bangalore. It is touching -- it is neighbouring to Andhra. Eventually, we might look at Bhubaneswar and we are bordering even Visakhapatnam there. So these 3 would be as the first target.
- Manan Shah:** Got it. Just humble request sir, whenever you upload the presentation, please try and include the quantitative data that was requested because I think a lot of the investors would want to refer to those data. So if it is already there upon the exchange, it will be accessible to everyone rather than to follow up with the company. So it will be very helpful if you can include the quantitative data in the presentation and have it with every quarter. That will be very helpful in assessing the performance of the company. Thank you and all the best.
- Management:** Thank you, sir. Definitely that point is noted. We will get the investor presentation with the required data as soon as possible.
- Moderator:** Thank you. We will take the next question from the line of Rajiv Jain from C Bridge Capital. Please go ahead.
- Rajiv Jain:** Yes, hi. Like for the nine months end date, initial year '24, we did a sales of around INR1,700 crores. So my question is, in the INR1,700 crores, how much is the gold jewellery and how much is the studded jewellery or other imitation jewellery if you do that? So what's the percentage, like a bifurcation of the revenue?
- Grandhi Vittal:** The studded composition is around 29% to 31% in quarter -- quarter to quarter.
- Rajiv Jain:** That's a gold composition, the studded, 29% to 30% percentage. Okay. And do you think that this ratio will remain same in the future as well?

- Grandhi Vittal:** Yes, we are exploring various ways to increase the percentage so that the bottom line will be more healthier.
- Rajiv Jain:** Okay. Okay, great. And what is the market share in Andhra Pradesh, do you guys have?
- Management:** So based on a couple of reports, we are looking somewhere around 10% if I'm not wrong in the organised sector.
- Rajiv Jain:** So 10% in Andhra Pradesh. So, okay. So I think in the prospectus, you mentioned somewhere around 5% or something. And right now, maybe around 10%.
- Management:** That would be like 5% in probably Andhra, Telangana put together. But yes, after these showrooms and all, when we did the recent thing, we are somewhere close to that in organised sector.
- Rajiv Jain:** Okay. Okay. And my other question is, like the pace of growth, which I see, I mean, any jewellery company you take it, the pace of the growth which they are having, we are not having the same. What's the reason for it? And is there anything new which will happen in the future, where the growth will come like, say 15% or something? So can you please throw some light on this?
- Management:** So when it comes to growth perspectives, so we have been always targeting and being consistent on the performance of the store. Yes, we do have plans, opening new stores, expanding to new regions. So we are very much concerned about our existing showrooms and how profitable they are. So rather than just -- the more the number of showrooms, we would like, enjoy the bottom line or the top line and how healthy we can make, how better we can improve.
- So because of the probably you can see little -- the growth, if you look at the other peers, if that's what you're mentioning, but we are positive that we keep -- even though we are opening our next showrooms and next plans, we are very positive that we would want to be more concerned with the existing showroom, because we would want a better margin, we would want a better turnover, because even the existing showrooms need a lot of that kind of attention and that kind of detailing. So keeping those things in mind, we would keep expanding the new showrooms and we are looking at new regions and we wanted to be a...
- Rajiv Jain:** Yes, that's the thing I'm thinking that I think, and as per my assessment, I think you guys are more focused on some existing showrooms, like say, for example, your flagship store, Vizag, I think it represents around 70% of your sales, if I'm correct?
- Management:** I think if I'm not wrong, it's around 55%.
- Rajiv Jain:** 55% is the range that showroom is contributing. And I think on the street, it gives a representation that on execution front, you guys are a little slow. Am I correct? Or you can prove me wrong, I mean, with the explanation.

- Management:** So execution in the sense, opening a new showroom is what you mean?
- Rajiv Jain:** Opening a new store, like many other companies are also...
- Management:** One of the reasons being probably, I mean, rather than calling it slow, probably we are trying to be more careful. See, probably opening showroom is easy, but making it successful and running is the most, the best part in the business. So even if you look at flagship store, today, we are able to talk about this, where we are doing good in that.
- Even though we have each and every PAN India player next to the flagship store, because of the effort which has been put in, we can say that any competition comes, we can definitely withstand. And now if you look at the flagship store area, every possible player is there, even though we are doing good.
- So all the markets where we're going, where there's no competition, we are trying to make it as strong as possible, even if some kind of competition comes next 5 years, 10 years, we shouldn't look back. You know, but if somebody is coming, what will happen to my sale? So probably, I mean, we would call it in this way, rather than putting it as slow.
- Moderator:** I'm sorry to interrupt you, sir. There are others waiting for their turn. I would request you to rejoin the queue for follow-up questions, please.
- Rajiv Jain:** Okay.
- Moderator:** Thank you, Mr. Jain. The next question is from the line of Nihal from Nihal Consultancy. Please go ahead. Mr. Nihal, I have unmuted your line. Please proceed.
- Nihal:** So I had a question regarding the related party transactions we had with our one of our promoters worth INR147 crores. Can we have a clarification for that?
- Grandhi Vittal:** Yes, previously, we used to run this purchase plan through a related party. Now, in the previous years, we discontinued the practice and we are running the purchase plans in the same company. So in the next year, it will almost be nil and nothing from the next year onwards. This will be the year, the last year.
- Nihal:** Okay. So in the past nine months of FY25, we have a related party transaction.
- Management:** This is related to only the running scheme. What we have already enrolled customers at the related party entity. Once the transactions come in the queue and it is clear, therefore, we enforce the normal transactions there.
- Nihal:** Okay. Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Vishal, an individual investor. Please go ahead.
- Vishal:** Hey, can you hear me okay?

- Moderator:** Vishal, we are unable to hear you. Please proceed with your question. As the current participant is not answering, we'll move on to the next question, which is from the line of Aniket Gupta, an individual investor. Please go ahead.
- Aniket Gupta:** Yes. Hi, sir. My question is regarding the e-com sales. So I just wanted to understand what is the percentage sales that you're doing through e-com and what do the margins look like for e-com sales? Are the margins higher than the offline stores that you're doing?
- Grandhi Vittal:** At this moment, the e-commerce percentage towards the sale is around 2% and the margins are at par with the offline stores.
- Aniket Gupta:** Okay. And on the overall margin front, you guys are doing like around 7% of margins and in fact, in Q3, you have done even better. So do we expect the margins to... Will you be able to maintain these margins going ahead?
- Grandhi Vittal:** Optimistically, we are confident of managing the same margins.
- Aniket Gupta:** Okay. So we can expect the margins to remain in 7% range, right?
- Grandhi Vittal:** Yes, we are optimistic.
- Aniket Gupta:** Great. Great. Thanks. Thank you.
- Moderator:** Thank you. The next question is from the line of Rishabh, an individual investor. Please go ahead.
- Rishabh:** Yes. Actually, if I see your numbers from 2022, 2023, and GPM, the revenue growth is around INR150 crores to INR200 crores. And if you see the gold price in itself is appreciated by that amount. So I feel that we are not growing in terms of volume. Is that understanding correct? Or you have some other explanation for the same?
- Grandhi Vittal:** Yes, I would like to add a point here. Now, the purchase in terms from the end of the customer is thinking about the fixing in rupees, not in terms of quantity. They are coming and for the store to buy a INR1 lakh worth of or INR10 lakhs worth of with respect of the grams they would like to get it.
- Previously, it used to be 10 grams, 12 grams. In that way, they used to think of. But at this moment --I mean, the perception of the customer is will buy this worth INR1 lakh or INR1.5 lakhs. In terms of money, I mean, come to the store rather than the quantity basis purchase.
- Rishabh:** So you are saying that the customer has a set budget and whatever gold that they are able to purchase is that they are purchasing. So my understanding is correct in terms of volume that they are not growing in terms of volume. Is that right?
- Grandhi Vittal:** Yes, because the disposable incomes won't increase in the way the price goes.

- Rishabh:** But sir, if you see, your IPO came in 2022 and by that time you have opened 8 more new stores. So aren't these stores contributing or what is the amount that they are contributing as of now? And once these stores get matured, what kind of revenue can we see from an individual store wise on an average level?
- Grandhi Vittal:** The new stores contribute around INR10 lakhs per month as of now. And when it is matured in 2 to 3 years, then it will be targeted at INR12 to INR13 lakhs per day.
- Rishabh:** And one more thing, sir, are we continue to be a regional player or are we going to expand in another state or something in near future or maybe in a medium term to long term?
- Management:** So we are definitely looking at other Southern parts. So the reason we are looking initially at these places because we are known, so it's easy for us to get into those markets first rather than waiting for anything else. So eventually, as I was mentioning, we do exhibitions even in parts of Karnataka and existing we have been doing in parts of Orissa. So in next one year, we will know the exact potential and what kind of stock is. Meanwhile, if we finish these few showrooms to reach to those, then we will definitely be getting into the other states also.
- Rishabh:** Okay. Thank you. And just one thing, if you upload the presentation, please put the volume data in that section. That's all from my side. All the very best.
- Moderator:** Thank you. We'll take the next question from the line of Sanika from Sapphire Capital. Please go ahead.
- Sanika:** Hi, sir. I just have one question. So we have said that we've opened most of the shows in the last 2 years. And as they mature, can we see the EBITDA margins increasing from the current run rate of 7% to 8% to about 9% to 10% next year?
- Grandhi Vittal:** If you don't mind, can you repeat the question once again, please?
- Sanika:** Yes. So we've said that a majority of our stores, around 6 to 7 stores, have been opened in the last 2 years, one and a 1.5-2 years. So as these stores mature, can we see the EBITDA margins to increase from a current run rate of 7% to 8% to about 9% to 10% next year?
- Grandhi Vittal:** Hi. Actually, these stores have contributed to more than 8%. But I mean, leveraging the common corporate cost, the average comes to around 7% only. Being these stores contribute a minimal contribution to the overall composition, even though the stores yield better than the average, the average comes to this.
- Sanika:** So next year, can we expect some increase in the EBITDA margins from a current rate of 7% to 8%?
- Management:** Optimistically, we are confident to continue the same and there will be growth as well.
- Sanika:** Okay. And just one last question. We've said that we're looking at 15% growth this year. So we are confident of doing a 60% to 70% growth on a YoY basis in Q4 of this year, right?

- Grandhi Vittal:** The voice is very much feeble. Can you repeat it once, please?
- Sanika:** Yes, so we've said that we're looking at a 15% growth this year, which means that our Q4 is going to be roughly around 60% to 70% growth on a YoY basis. So we're confident of doing that, right?
- Grandhi Vittal:** So we're unable to understand the exact question. If you can put in the mail so that we can provide you the relevant data.
- Sanika:** Okay, sure. Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Yash Dantewadia from Dante Equity. Please go ahead.
- Yash Dantewadia:** Yes. Hi. I just want to know by when do you think are we going to go for another flagship store kind of a deal? Do we need another flagship store whenever we are entering new cities like the cities that are the size of the Visakhapatnam, for example? Are we planning to open a new flagship store that can boost the sales and profitability by a huge margin? Because when you enter these kind of cities, people really care about the size and the format of the stores, right?
- In large cities, people don't prefer going to small stores and buying. Generally, people want the posh kind of vibe that goes in generally with larger cities. So when we enter larger cities, right, are we going to go for another flagship store? How long will it take you to set up another flagship store? Could you just throw some light on that?
- Management:** So, I mean, if we are looking something like a flagship store, it will generally take 1-1.5-2 years to even to get that kind of infrastructure to be ready. So immediately we would want to, because there's a lot of capex and a lot of inventory, at least if you're looking at flagship store and bigger cities, we'll be looking around INR300 crores, INR400 crores of a minimum thing.
- So probably, we'll be looking at eventually, but as an immediate thing, we would want to target these things. So because these are easy to expand, fast to grow and better margins and better capex and better operational, we have very less operational thing.
- Yash Dantewadia:** But why did you say better margins? I believe that larger store formats also throw very good margins.
- Management:** No, the reason is my operational cost is less when it compared to that, the largest store, and we have a better edge where, you don't have to get to that. Where I'm a smaller store, I'm operating with 20, 25 people. For a little flagship store, I need at least 200, 250 people. So these turnaround time is also very, the break-even time is also very faster when you compare to those stores.

So that doesn't mean that we are not looking at anything, probably eventually we'll be looking depending on right time, maybe depending on the area and market, we'll be looking at those aspects as well.

Yash Dantewadia: Right. And last question, since you're already almost done with, we are halfway through quarter four, right? I want you to elaborate a little bit on how the first half of this quarter four has gone. And could you reiterate on the sales guidance for this quarter?

I think you gave the previous question, I think a number of around INR650 crores, if I'm not mistaken, for quarter four. Could you just elaborate on that? And based on, I mean, we're halfway through, so you should be able to, give us a sort of guidance for quarter four, at least, if not next year.

Management: I'm not sure if we can put across the numbers, I mean, the INR650 crores is not from the company side, probably it is from the investor thing, but we are very positive that we'll be growing. Q4 definitely has better days than Q3. So, yes, I mean, going halfway through out of --I mean, out of total 90 days, we had almost 35, 34-- I mean, 30, 35 or 40 days of good auspicious days. So definitely, it will be a good quarter.

Yash Dantewadia: But year on year, quarter four, year on year, are we going to see at least double digit, higher double digit sort of growth? I mean, anything that you can help as I understand for quarter four, because I'm pretty sure you know that quarter three was quite disappointing in terms of revenue growth. And I think everybody on the call wants to know how quarter four is going and we're halfway through. So I mean, you should be able to give us some sort of guidance, right?

Management: Correct. I mean, I'm not sure exactly when guidance and what aspect, I don't know if I can put any kind of number or how it goes.

Yash Dantewadia: You can just give us a percentage over last quarter four. Last quarter four, you did approximately INR546 crores. You can just tell us what percentage of growth you're expecting year on year. That's it. And you can give me a range, you don't have to be precise.

Management: With reference to the Q4 growth, we can optimistically say that it will be in double digit, higher double digit?

Yash Dantewadia: Perfect. Perfect. That's all. That's all. Have a great day. And also, please, if you could, please with the larger format stores, if you could when you're expanding into newer cities, especially tier one and above, right? I think the largest or at least medium format stores would be the ones that would do well there, because people want pomp when they're buying jewellery in those kind of cities, tier one plus, right?

So if you could, if you have any plans regarding that, or if you want to go with something like that, because right now you're very profitable. You're doing INR100 crores of PAT every year.

I think you're at the run rate of INR100 crores PAT a year. So you, if you're looking for expanding, it would be great if in the next con call, you would give us any update on that.

If you're, if you're expecting to sort of come up with larger format stores or medium, medium to large sort of format stores on the next con call, right? Because right now you're told that before March, you're coming up with three stores, but all three are the 2,500 square feet kind of stores. So next con call, we are definitely expecting to hear more about your plans. So it would be great if you're able to update us next time.

You know that we're planning this, we're planning that. That would be great to hear from you. And you're doing a great job running. I think your margins are the best in class. There's no doubt about that. And see, revenue growth is fine, but I think if you're able to grow your profit in double digits, that's a great job too. So congratulations. Please keep us updated with the new format stores, larger format stores next time on whatever your plans are. Thank you so much.

Moderator: Thank you. The next question is from the line of Lakshminarayanan from Tunga Investments. Please go ahead. As the current participant is not answering, we'll move on to the next question, which is from the line of Rajiv Jain from C Bridge Capital. Please go ahead.

Rajiv Jain: Hi, I was asking about the designs, like your designs and all. How does it separate you from other organized players?

Management: So when it comes to design, so the major goal, we play getting the exact requirement. So we have two different things when we come today. We have a premium brand called as Visesha where we have curators, where we curate and we do a lot of designs and a lot of feedback. So we try getting some exceptional designs, especially for Vaibhav.

And second part, when it comes to design, whether it could be a plain chain, but when it comes to the exact customer or region, for example, in Visakhapatnam, we are selling a chain of 10 grams on a regular way, whereas in Kakinada, the regular weightage would be at least 12, 13 grams. And the design, this might be having some holes that might not be having one.

But if you look in with the naked eyes, it's just a plain chain. So we get into that kind of detail, even though it's just 200 kilometers away, but people in Kakinada would require that kind of design and that kind of detailing. They wouldn't enjoy the same design what is going in Visakhapatnam.

So we go through those kind of categories and parameters and we try getting the exact designs when compared to the region. So we feel we are getting to those grassroot levels, which helps us grow in cycle design as well.

Rajiv Jain: All designs are manufactured in-house or do you outsource?

Management: Sorry?

Rajiv Jain: The design, you manufacture in-house or do you outsource to some other parties?

- Management:** It's always outsourced. We don't have any in-house manufacturing.
- Rajiv Jain:** So everything is outsourced?
- Management:** Correct.
- Rajiv Jain:** Okay. And just in terms of designs and the market data and all, my just simple question to you is, from the last 2 years, you guys are gaining market share or you guys are losing market share to the national teams like Titan or Kalyan or like that?
- Management:** No, we definitely, you can say we are gaining market share. One reason being the places where we are expanding, there is no any national player as of today. If you look at with our 18 showrooms, at least I would say in 7 showrooms or 8 showrooms, there are no national players because we started moving there first. Probably eventually in 5 years, 7 years, they might be coming. So as of now, probably we are only one of the corporate company or whatever listed company in those areas.
- So these 3, 4 years will help us to build a lot of the stress factor and loyalty thing with the customer. If somebody comes also, we wouldn't be in a position that we are losing our market share.
- Rajiv Jain:** Sure. And in terms of hedging, suppose like you have INR100 rupees of gold today. Suppose tomorrow the price goes to INR105 or INR95. Does it affect your profit and loss account?
- Grandhi Vittal:** It will be a positive to the profit and loss account because every VA is calculated based on the price, whereas the VA paid from us already fixed.
- Rajiv Jain:** So it's like a hedged, I mean, the price of the gold, if it doesn't influence your profit and loss account.
- Grandhi Vittal:** Yes.
- Rajiv Jain:** Okay. And just one last question in terms of volume growth, as compared to like financial year 23, 24 until now, like what is the shot of volume growth you guys are having?
- Grandhi Vittal:** It will be in consonant with the price increase, more or less.
- Rajiv Jain:** No, like suppose you sold a hundred chains and financial year 2004. In 9 months, you sold how many chains? Just quantity to quantity comparison, nothing related to the sales value per se, but the quantity, like how was -- how many, what was the volume which got up?
- Grandhi Vittal:** Yes. Please put your queries through mail so that we can respond.
- Rajiv Jain:** No, it's simple. It's simple. It's simple. The volume growth, that's it. Nothing much to ask for.
- Grandhi Vittal:** Yes. As you said, the relative chains, numbers and all, we are not standing at this moment. So just please put a query so that it is given the mail.

- Rajiv Jain:** This is just a volume question. Like suppose your sales value is reflecting in the result itself. My question is only regarding to the volume. That's all. Like you said, okay, this type of volume you did this time, another time, like a comparable period, what is the volume growth?
- Grandhi Vittal:** That's all. So we reserve this on this number. I request you to put a mail, any quantitative details so that we can reply you.
- Rajiv Jain:** Okay, great. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we'll take last two questions for today. We'll take the next question from the line of Lakshminarayanan from Tunga Investments. Please go ahead.
- Lakshminarayanan:** Yes, thank you. You had actually mentioned in your RHP that your gold sales is around 90% and that studded is around 4%. But in the call, you mentioned that the studded jewellery sales is actually 31%. So is this some kind of reclassification or basically the entire sales have actually changed so much? That's the first question.
- Second is, if you can just give us a mix of what is the bridal wear, fashion wear, and the daily wear jewellery, in case you try to classify it in that way. I think these are the two questions. Thank you so much.
- Grandhi Vittal:** Yes, please. We'll take the first question. The efforts we put into the increase of studded gold has been already resulted in the increase in GP, EBITDA, and as well as the PAT. And with respect to the second question, please put a mail, being it is also with reference to the quantity, we'll provide you the data for that.
- Lakshminarayanan:** Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Manan Shah from Moneybee. Please go ahead.
- Manan Shah:** Hi. Thanks for the follow-up. I wanted to understand in your older stores, or say your flagship store and the other older stores, what are the strategies that you're doing to improve the sales of those stores? And secondly, was on your inventory turnover, I believe you are doing around two times of inventory turnover. So, are we looking to enhance this? And if so, what things are we doing to enhance our inventory turnover? Thank you.
- Management:** So, your first question is the strategies, what we are doing to the existing stores?
- Manan Shah:** In your older stores, what are you doing to drive sales or profitability of your older stores?
- Management:** So, what we generally do is once the store is matured, like up to 3 years of the older stores, we try pushing the scattered jewellery to the existing customers. So, we have a very better margin. So, that has been a very prime focus that we want to increase on the margin. So, we do a lot of in-house campaigns, a lot of these kind of offers where, for existing customers, or we do campaigns for 7 days, 10 days.

During seasons, we have some kind of exhibitions also in different, different apartments where they are like 500 flats, 1000 flats. So, with the existing showroom, we try doing activities around that showroom, we try, gaining some kind of momentum there, some kind of buzz, we try putting some kind of offer. So, it helps that some kind of activity going throughout.

And as I was mentioning, we do a lot of activities, we call a lot of people in house, we do some kind of event. So, because the showroom opens at 11, we call all 20-30 women at 10 o'clock or 10:15, you know, keep them engaged. So, there's different, different activities, we keep doing it. And sorry, your second question is?

Manan Shah: My second question was on the inventory terms. I believe we are currently around two times. So, do we look to improve? And if so, what are you planning to do to improve your inventory terms?

Management: Correct. So, we are definitely constantly looking at that where we can improve. So, one of the reasons you can see that number is, because we have more, we are trying to push more of a studded kind of thing, which helps us to gain more margin. So, we need that kind of stock to push it. So, if it's a plain chain, probably you do not need that kind of inventory when you looking for a studded when somebody is investing on a stone, where we also as a company get better margin. So, we need that kind of spread and designs across to people.

So, in a way, it is helping us to gain more profit. So, but keeping that in mind, we would want to see how we can do even in the slowly the studded jewellery, how we can improve the inventory terms or on. So, probably one of the thing what we are trying to do is, we are trying to offer a little more, a better discount if we can rotate in a more way. So, there are different strategies where we are trying to do.

Manan Shah: So, yes. Is 2.5 times something that we can target from a medium term perspective?

Management: We are positive that we will be looking at those numbers. Eventually, we would want to go there with a studded jewellery doing that will be a very, it will be adding a very good thing to the bottom line. So, there has been a prime focus. So, we will definitely be there. So, okay.

Manan Shah: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as a last question for today. I would now like to hand the conference over to Mr. Rakhil Gontla for closing comments. Over to you, sir.

Management: Thank you all. It was a very good interaction with all the investors. And we are very happy to interact with each one of you. So, all the questions, whichever have been in different number point of view, any mails, if you can send it across, we will be more than happy to address.

And as a company, we are very positive and we are very strategically growing and we want to be more stronger in a grassroot level. That has been a main strategy. So, we will be looking forward to grow along with all of you. Thank you for being a part of our company as a family. Really appreciate for your time. Thank you.



*Manoj Vaibhav Gems N Jewellers Limited
February 12, 2025*

Moderator:

Thank you, members of the management. On behalf of Manoj Vaibhav gems N Jewellers Ltd, that concludes this conference. We thank you for joining us and you may now disconnect your lines.