June 3, 2023

To, BSE Limited PhirozeJeejeebhoy Towers, Dalal Street, Mumbai- 400 001. **Scrip Code: 526729**	To, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Mumbai- 400 051. **Scrip Code: GOLDIAM EQ**

Dear Sir/Madam,

Sub: Transcript of Earnings/Conference call on operational and financial performance for Q4 FY 2022-23.

In continuation to our intimation dated May 23, 2023, and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a transcript of the Earnings/Conference Call held on May 30, 2023 to discuss the operational and financial performance for Q4 FY 2022-23.

The transcript is also available on the Company's website at www.goldiam.com

Kindly take the above on record and oblige.

Yours faithfully,
For **Goldiam International Limited**

PANKAJ PARKHIYA

Digitally signed by PANKAJ PARKHIYA
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Pankaj Parkhiya
Company Secretary & Compliance Officer (ACS 30395)

"Goldiam International Q4 FY23 Earnings Conference Call"

May 30, 2023

MANAGEMENT: **MR. RASHESH M. BHANSALI – EXECUTIVE CHAIRMAN, GOLDIAM INTERNATIONAL**
MR. ANMOL RASHESH BHANSALI – WHOLE-TIME DIRECTOR, GOLDIAM INTERNATIONAL

MODERATOR: **MR. RAHUL DANI – MONARCH NETWORTH CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Goldiam International Q4 & FY23 Conference Call hosted by Monarch Networth Capital.

As a reminder, all participant lines will remain 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Dani from Monarch Networth Capital. Thank you and over to you sir.

Rahul Dani: Thank you, Kelvin, and good afternoon to everyone. We're delighted to host the senior management of Goldiam International with us. And we have with us Mr. Rashesh Bhansali – Executive Chairman and Mr. Anmol Bhansali – Whole-Time Director of the Company.

I would now like to invite Mr. Rashesh Bhansali to make his opening remarks, post this we will open the floor for Q&A. Thank you and over to you, sir.

Rashesh M. Bhansali: Thank you, Rahul. Good afternoon, everyone. Thank you all very much for joining Goldiam's Earning Call for Q4 & FY23. I hope everyone is keeping well.

Let me give you a perspective on the industry. As you know, the US is our largest market where we supply fine jewellery to large US retailers. The USA has been witnessing a record high of inflation, coupled with high-interest rates. These factors have resulted in a multifold increase in mortgage payments, lending to a squeeze on discretionary, spending among mid-income segments in the United States. This, along with other geopolitical headwinds affected sales of fine jewelry in FY23.

The second half of FY23 and Q4 particularly saw US retailers undertaking a large-scale destocking Goldiam had to partner with key retailers and inventory realignment exercises by running strategic discount programs. This impacted margins during Q4 FY23. Goldiam was early to respond to the demand headwinds and rework its strategies to minimize any major impact on operations.

A few factors that help us protect and enhance the margins, include the Company's ability to source natural diamonds. Strategically, the increased focus on lab-grown diamonds and our omnichannel business model. The combination helps us achieve 36% gross margins for FY23 as against 31% in FY22 with the Company's FY23 EBITDA margin remaining healthy, growing to 22.5%. Lab-grown diamond jewellery sales have also sizably added, enhancing our Company's overall profile as an integrated jewellery source amongst large retailers. The share of lab-grown jewellery and overall mix stands at 23% in FY23. We are seeing an increasing traction and demand transition to this category with FY24 slated to be a year of specific significance due to strong consumer adaption. While this category has faced some price erosion in FY23, we believe this has bottomed out as of date with Goldiam being well placed to ride growth due to its integrated nature of operation.

Talking about Goldiam's digital business, the online deliveries which helped us in quick working capital days turn around with the advantages of our rapid delivery allowing us to be competitively intense in this category. Our strong delivery mechanism resulted in 200% fulfilment of its on-time deliveries within seven days of all its e-commerce orders.

The Company's balance sheet continues to remain healthy with the current consolidated liquidity position. Cashless investments stand at Rs.256 crores sizably growing in the year. As you know, in FY23, we have already distributed dividends to the tune of Rs.21.5 crores and we have now proposed the buyback of 32.5 crores for 2% of the equity of the Company to be bought back.

As per the outlook, although the economic situation in the USA hasn't completely stabilized, some green shoots are visible. We are looking forward to the upcoming festive season with optimism, with current open orders of close to Rs.100 crores. Goldiam is on a transformational journey. The Company's focus is in transition further into lab-grown diamonds and e-commerce sales, which are healthier and more profitable business models with consumer salience. We remain buoyant on a journey of lab-grown which is becoming more popular among young consumers and the management is evaluating various omni-channel strategies to make an early breakthrough in the domestic market as well.

With this, I would like to open the floor for questions. I now would look forward to having an active interaction with all of you. Thank you for listening.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Harsh Shah from Dimensional Securities. Please go ahead.

Harsh Shah: My first question is more on the book-keeping side. What would be the ticket size of one unit for natural and lab-grown diamonds for the full year FY23?

Anmol R. Bhansali: The value for lab-grown diamond jewelleryjewellery for last year was about $1,100 and for natural diamonds jewelleryjewellery it was $530 per piece.

Harsh Shah: So, LGD is almost twice that of natural diamonds?

Anmol R. Bhansali: That's correct.

Harsh Shah: So, the follow up on this, as you mentioned that you're seeing these macro headwinds are impacting discretionary spending, then what is it that people are still preferring LGDs worth almost twice that of natural diamonds? I mean, we're seeing strong growth there, but not on the natural diamonds side.

Rashesh M. Bhansali: So, I'll tell you what is happening in the industry. People are preferring to buy lab-grown diamond jewelry right now because the natural diamond price of the jewellery for the same styling is 10 times more priced. So, they are preferring to spend less money. But even if they are spending double the amount of natural diamonds, in that scenario of the look, they are getting a lot of strong savings. So, that is why they are preferring lab-grown diamond jewellery.

Anmol R. Bhansali: This is also a phenomenon of Goldiam's strategy within the lab-grown diamonds space where we are growing our centres. So, we can focus on jewellery that is higher end within the lab-grown space on the bridal market as well. This segment was not addressed by us in the natural diamond jewelry space. So, in particular, for Goldiam, lab-grown is a higher ticket item than natural diamond jewelry.

Harsh Shah: And on the competition side, there is this entire chorus, the South Gujarat belt which is involved in growing LGD, and a lot of new players are coming up in the market. So, what kind of competitive scenario are you seeing this? We saw a good sort of 30% price erosion in LGD. So, going ahead, what is the outlook on both competition as well as the pricing part?

Anmol R. Bhansali: There is a lot of capacity that comes up in the growing side of the business in terms of lab-grown growing within the Gujarat and Rajasthan area. For us, we have always historically seen distribution to be the main factor that will determine success in the lab-grown field. In our industry, we think that distribution is the only, only sustainable and long-term key to creating additional value and additional margins within our industry. So, if you see even in our operation, we have focused on doing 100% captive consumption so that we can gain the benefit of additional margin in jewellery, not just that we have focused on selling lab-grown diamond jewellery where all the centres are grown in-house at Goldiam itself, we are focused on selling this not to wholesalers but directly to large retailers in America. This has allowed us to gain prominence, and visibility among these retailers, who now believe that Goldiam is offering an end-to-end product suite within the category of lab-grown diamonds and lab-grown diamond jewellery, and it also helps us from the perspective of additional margins on the lab-grown side of the business, we can capture every margin component in the supply chain from growing right up until jewellery distribution to retailers. So, that is what is going to be the long-term sustainable differentiator for all companies in our industry, and I think that we have always focused on distribution rather than just growing capacities without locked-in sales.

Harsh Shah: A bookkeeping question. Our operating expenses, this line item has grown from 10 crores to almost 19 crores during the quarter. Is there any one off or what would be the reason behind that?

Rashesh M. Bhansali: Let me get back to you on that.

Harsh Shah: And just one small request. It would be helpful if you could give this plate of natural LGD and raw LGD on a quarterly basis. You're giving it on an annual basis.

Anmol R. Bhansali: From Q1 of the next financial year, we'll be giving a quarterly split on lap-grown jewellery versus natural jewellery.

Moderator: Our next question comes from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited. Please go ahead.

Dixit Doshi: My first question is regarding the demand scenario in the US. So, as you have mentioned that over the last quarter, we have seen some of the retailers are looking at discounting the product. So, do you expect it's more or less over or still one or two quarters this phenomena will continue and we can expect some pressure on the margins over the next couple of quarters as well?

Rashesh M. Bhansali: Dixit, I think more or less our partnership with all these retailers is on a continuous basis. We believe that the economy in America is not favoring the sales of diamond jewelry because of all the issues that are there in terms of what I just said in my speech. In case if we do have to partner with them for another quarter or two quarters, we prefer to do so looking at the future post that. We don't believe this is impacting margins dramatically going forward because we've already realigned margins and now we are working towards it. So, I think margins will improve from what we have seen in the last quarter.

Dixit Doshi: On your discussion with your clients, do you foresee that some demand to come back by the time the season starts, say around from September to December?

Rashesh M. Bhansali: Yes, that's always the busiest time for Christmas sales and Thanksgiving sales. So, we definitely believe that a good order book and a healthier order book position will be received by the Company very soon. Currently, we are sitting on Rs.100 crores open order book which we will be delivering in the next three to four months.

Dixit Doshi: And just regarding this order book, do give the notices that we have received the order and all. I understand that we sell to the retailers, and it remains on our inventory, and whenever the end customer purchases from the retailer, we record the sales. So, how do these then orders play out?

Rashesh M. Bhansali: So, that is different from what the order book is all about. The order book is all about asset sales and new test memos that we are doing, which is precisely what you told us. But that is only on 20% to 25% of the order book, where new tests are happening. rest of the Rs.75 crores of that order book is absolutely on 100% buyout.

Dixit Doshi: So, even if it does not get sold at their end, it's recorded in the sales for our side, right?

Rashesh Bhansali: Because it is sold by us.

Dixit Doshi: Now, second question is as you mentioned, that we are evaluating options for lab-grown in India. So, first thing, will we look at the fashion jewelry or focus more onjewellery high-value bridal wear? And secondly, can we expect something in FY24, or may it take some more time to study the market and may happen in FY25?

Rashesh M. Bhansali: I think market studies are currently ongoing, and we're looking at FY24 or the end of FY23 to give you clear information and some concrete showpiece on this thing.

Dixit Doshi: And it will be more fashion jewellery or a high ticket bridal well type of -?

Rashesh M. Bhansali: The interesting thing about lab-grown is that we'll be using solitaire in our presentation to the Indian consumers. Because of the cost of solitaire with our fully backward integration, we will be enhancing our margins when we sell domestically. So, we will be looking at mid-market jewelry segment anywhere from the price point of Rs.25,000 retail all the way to Rs.4,00,000 retail should be a price point.

Dixit Doshi: We are reading articles on some sanctions on Russia like that. So, are we facing any availability issues for the rough diamond on the natural side?

Rashesh M. Bhansali: Yes, absolutely. That has been another vital reason with this geopolitical risk and sanctions on Russia and dollar payments to Russia. So, the ALROSA, the largest trading and mining Company, will distribute rough diamonds to all Indian quarters, and holders are unable to sell their rough to India or anywhere else in the world coming to India due to these dollar payment issues. So, because of this, there has been non-availability of enough rough diamonds for the market, right, which has increased prices of natural diamond polishes, and because of this also, retailers have slowed down their issuing orders because they believe that this pricing not could be more sustainable.

Moderator: The next question comes from Kaustav Das, an Individual investor, please go ahead.

Kaustav Das: So, I just wanted to know what would be the growth approximately one year down the line from the US? And my second question would be… I just joined a bit late, so for the Indian market, are you trying to go through your own stores, or would you be partnering with the big brands of India?

Rashesh M. Bhansali: Currently, the business is in a consolidation phase. So, we are looking to consolidate margins and improve that even with a temporary slowdown in business. But next year onwards, once the direction of lab-grown diamond jewellery versus natural diamond jewellery and the geopolitical risk is down, we believe that business will return to its growth trajectory post next year onwards.

Kaustav Das: So, you mean around 20% revenue growth?

Rashesh M. Bhansali: Right now, it's too early to predict the revenue growth. I only firmly believe that we'll get back on our growth trajectory.

Kaustav Das: And on the India front, could you just answer that?

Anmol R. Bhansali: We're still in discussions. So, it's preliminary in what to answer. So we'll be able to get back to all analysts and all investors in a Q2 conference call, but in terms of specifically to your question, we're considering setting up retail ourselves.

Moderator: The next question comes from Nikhil from Perpetual Investment Advisors. Please go ahead.

Nikhil: So, I have two questions. See, why it is the US witnessing some slow down that might last for a while? And looking at India signing trade agreements with many countries now, are you looking at other geographies which could be sizable or quite sizable for Goldiam going forward?

Rashesh M. Bhansali: Nikhil, we understand the slowdown, and business consolidation, and we understand the need to increase geographies for the Company. We are looking right now at a couple of new geographies; one is the UAE, and the other one is Australia.

Nikhil: And are these markets in terms of consumption improve to US per capita, or which would be more natural versus lab-grown?

Rashesh M. Bhansali: The UAE market is an entirely natural diamond jewellery market. Lab-grown has yet to get stronger in that area. While Australia, the lab-grown has started kicking in, we will have to go there and get some plans and start that business very soon.

Nikhil: And like many participants asked earlier, while there are several manufacturers of lab-grown diamonds within India and outside India, is there a way to differentiate in terms of the manufacturing process?

Rashesh M. Bhansali: There are two processes of manufacturing lab-grown diamonds. Most large diamonds, which… when I say large, I mean one carat and larger; most diamonds of that size are grown via the CVD process, which is the same process that we use at Goldiam. Within that, there is no way to differentiate diamonds in terms of the formula for growing any such thing. Some manufacturers may be producing poorer quality and not have great consistency with their production. So we have reached a stage where we are going to very well commercialized US quality diamonds and we're very happy with our production at Goldiam regardingcommercialised,pleased diamond growth.

Nikhil: So, I meant in terms of yield per machine and in whatever way you calculate may be carried per month or -

Anmol R. Bhansali: Sure, sure. So, not really it all works out to this; it all works out to the same level. Some people may be growing faster, but that comes at the cost of weaker colors and weaker production growth. So, , we focus on consistently high quality diamond growth and try experiments to push the yield per machine per month upward as much as we can. So, at the moment there is no significant difference in terms of yield per machine.

Nikhil: And so inventory days have moved up quite significantly, and you answered that in some of the earlier questions. But when do we see them normalizing again like over what period just for the sake of modeling?

Rashesh M. Bhansali: I think we look at next year to be a stronger year for the Company and because it will take two to three quarters to play out the consolidation phase.

Nikhil: So, we see inventory moving back to somewhere between two to three months over the next one year?

Rashesh M. Bhansali: Yes. I think the focus that we'll personally have to do this year is to reduce inventory and then move forward. But also, you see the Company's lab-grown diamond business has been relatively a newer business since the last two years, right, it is impacting and it's been showing in the balance sheet that it has a stronger and better business to come in. Now, when you see the inventory numbers, you have also to understand that when we are growing our stones and when we are doing e-commerce businesses, we have to have inventory ready in the Company to deliver between five to seven working days and as Mr Anmol pointed out to one of the answers to the earlier question that our ticket size in natural diamond jewellery was $500 and lab-grown is $1,100, also that's another reason why inventory seems to be increased because your ticket sizes have increased as well.

Nikhil: Current order book, the break up is 20%, 25%, and maybe 75% would be your buyout. How has This trended historically?

Rashesh M. Bhansali: It's been on similar lines historically.

Nikhil: One last question is on the tax rate. So, it has varied from 30% to close to 28% now. Any guidance on what can it be going forward?

Rashesh Bhansali: The corporate tax of the country is what we are.

Nikhil: So, it's 25 and 25.2 or 25.4, but for the last few years, it has been higher. That's primarily why I'm asking what we can expect going forward.

Rashesh M. Bhansali: No, you'll see around 25% going forward.

Nikhil: So, another question is, why is the plan for the domestic market? It may be in the works here, but anything on the size of investment that would be required for this?

Anmol R. Bhansali: similarly on the same lines we will be evaluating and getting back to you on that in the Q2 call for us. At the moment, we're considering the mode of entry, and beyond that, we will have to get back to you after a quarter or two.

Moderator: The next question comes from Dixit Doshi from Whitestone Financial Advisors Private Limited. Please go ahead.

Dixit Doshi: Can you elaborate slightly on the response on the Jewel Fleet?

Rashesh M. Bhansali: Sorry, could you repeat that?

Dixit Doshi: Response from the Jewel Fleet we launched last year for the pompom-and-pop stores.

Anmol R. Bhansali: So, sure, correct. So, we are working with one particular wholesaler to distribute orders through the website. They've taken it on, and between they are using it both to order and showing it as a catalogue to retailers and ordering offline from the website. The requirement for learning has been for mom and pop for independent jewellers, there is a vital requirement for terms and pricing terms, which of course, the website cannot offer but is being offered offline by our wholesale partner. So, we're working with them and growing that business steadily. Moving forward, we are not investing any capital in developing the website further and just adding styles to help them display and sell more products.

Dixit Doshi: So, we'll more or less be growing there through the wholesaler model where the wholesaler will be –

Anmol R. Bhansali: This will be more like a sales tool to help the wholesaler sell more of Goldiam products.

Dixit Doshi: Just one thought. So, we are present in the US, and currently, most of our sales comes through directly with the retailer and our sales in absolute terms in the natural side is around Rs.400 crores. So, if I look at the size of the US market, it will be billions of dollars. So, over the next four years, five years, do we see that despite the slowdown in the US market, we have a tremendous opportunity to grow? So, our growth rate should be similar to the economy of the US given the size of opportunities, extensiveand we are a very small player in that?

Rashesh M. Bhansali: Our growth rate actually really doesn't depend on the size of the opportunity out there, the growth rate depends on what is selling in the consumer showcases and what the retailers expect Goldiam to partner with them and make the design. So, we have a competent design development team. We keep making designs , and when the retailers choose those designs, the growth comes in. We also expect the economy to improve for more and more people to have confidence and extra incomes or discretionary spending to go up. Currently, as you are well aware, these discretionary spends are not happening in America, and are hurting us. So, going forward,, once these things are settled, things will get back to normalisation.

Dixit Doshi: Is there a scope for adding more retailers or increasing our wallet share with the same retailers?

Rashesh M. Bhansali: Yes, we believe that increasing wallet shares with existing customers is the best way to grow. Just by adding more and more retailers, we will be creating competition in our design between the two retail organisations. So, we prefer to be working with the top five or six retailers in

America, and we will be looking forward to growing our wallet size with them, whether it's natural diamonds, whether it's lab-grown diamonds, whether it's bridal jewellery or whether it's fashion jewellery or bands or tennis bracelets. So, we will be looking to increase our wallet size with each retailer, right, as well as the ticket size with each retailer.

Dixit Doshi: And last question, some other participant has also asked, the additional expenses has gone up from Rs.10 crores to almost Rs.19.5 crores this quarter. So, if you can answer that?

Rashesh M. Bhansali: I will get back to you ASAP on that.

Dixit Doshi: Is there a thing like whenever we offer a discount, the discount comes in that line item?

Rashesh M. Bhansali: No, let me get back to you. I don't want to give you a reply which may not be the reality or the truth.

Moderator: The next question comes from Kaustav Das, an individual investor, please go ahead.

Kaustav Das: Hey, this is a follow-up to the original question that I asked:follow-up, how would you expand in the retail market in India? I was just having this thought that, like any other prominent place in India like Tarakeswar, they would also be able to produce lab-grown diamonds as also beI remember you sometimes are told that the machines are not that expensive. So, is there any mode that will help us protect ourselves when we try to explore the Indian market, or is it going to be the distribution network that is going to help us, like is there any mode that you think will help you to expand in the Indian market?

Anmol R. Bhansali: ,of course machinery has an end-to-end capability, direct to retail is something that is very exciting. In the long term,, however, this is why we are considering India as the destination in which to sell diamonds. We think the opportunity size is huge just from the strategic standpoint of the country, the way the incomes are growing and the price points at which people are buying studded jewellery, evaluating competitors that are also currently already in the landscape within the natural diamond jewellery section, whether there are brick and mortar only companies or omni channel companies with a significant online presence. So we see there to be some scope and a sizable opportunity available for us not just to compete but also for an ecosystem or a market to grow with multiple such distributions for lab-grown diamond jewellery in the country. So that's the current opportunity.

Kaustav Das: So, how do the big companies, in the case of lab-grown diamonds. Today, do they have customers like you from where they retrieve the products and or do they produce that in-house like, if you have any idea?

Rashesh M. Bhansali: If you can explain what you mean by big customers?

Kaustav Das: So, suppose the likes of TanishQ or suppose the likes of PC Chandra in West Bengal they are big on like jewellery or diamonds. So, if they want to sell lab-grown diamonds, how are they procuring it or are they creating it in-house, just like you guys are?

Anmol R. Bhansali: So, a good question. moment currently, there are only a few large organised retailers in our country that sellssizeable lab-grown diamond jewellery. They are only selling natural diamond jewelry, and in terms of lab-grown, there is no sizeable organized player with a Pan India presence that is in the market at the moment.

Moderator: Next question comes from the line of Yatin, an individual investor. Please go ahead.

Yatin: So, my question would be, which is ,partially already answered in terms of high inventory this year. But is it because of the currency USD issue also that we see that impacted them? And the next question would be, do we have any other use case in terms of lab-grown diamonds, as of now, we are just looking at jewellery and so do we have any other use case or maybe an example which could be used in other items like maybe in phone or perhaps any other use cases want to know if you could throw some light on that?

Anmol R. Bhansali: Let me address your second question first. So, we are growing gem-quality lab-grown diamonds . Our technology and machines can theoretically be used in other applications also, but none of this is available on a commercial scale and research and development is still ,many years away. So, our focus is to address the opportunity in front of us, which is within the gem and jewelry usedjewellery for lab-grown diamonds. And sorry, if you could repeat your first question, we could also answer that.

Yatin: So, my first was in terms of inventory, what's the reason for higher list? I guess partially you've answered this because of lab-grown diamonds kept for the online business, but does it also include USD dollar impact?

Anmol R. Bhansali: I think the main reason for the higher inventory, as was mentioned by the chairman was the inventory held for e-commerce as one requirement and also the requirement to consign a certain amount of lab-grown diamonds with retailers in the US as this new industry category gets pushed into their stores. So, these are the two main reasons for the high inventory this year.

Yatin: But, can you tell me can you also tell how much the online versus offline sales of total what we have in the year?

Anmol R. Bhansali: Offline; for the previous year, about 74% of our sales were installed, and the balance 26% was online.

Yatin: What more things are we baking in to make sure that we can increase our online? What strategy do we have for the next year? Anything you have in particular?

Anmol R. Bhansali: We're very focused on increasing our online business. We find it a robust moth and a strong cash flow generator for the Company. So, ,we've come off two very, very strong years of the business online, growing very fast. To give an idea, I think just two to three years ago, this was in the low single digits as a percentage of our overall Company revenue, and I think the consumer adoption… thanks to COVID, for fine diamond jewellery and purchasing fine diamond jewellery online has been very significant. I think this year we should be looking to maintain and slightly grow that mix of online versus offline, hopefully with the overall price stabilising and growing from here. Our focus will also be to increase more and more assortments for lab-grown diamonds online, thanks to the AUR being higher for Goldiam as for lab-grown diamonds as a category as a whole. Naturally, the online segment will also pick up in the total sales mix between online and offline,.

Yatin: Which brand name are we selling online, is it Goldiam only, or we have made a specific brand for online?

Anmol R. Bhansali: All our online sales are B2B online sales, so we sell through our retailer's website, so for example, some of our large retailers, like brands of Cigna Jewelers, Walmart, JCPenney, etc., on their websites, we list our products and sales on those is what is counted over here.

Moderator: The next question comes from the line of Vineet Gala from Xylem Investments, please go ahead.

Vineet Gala: Sir, just a follow-up on what the previous participant had asked with respect to inventory. So, what would be the quantum of our list at the client stores, and in your experience, what is the agent that we see in this inventory in the slack sale that is before Q3?

Anmol R. Bhansali: Thank you, Vineet. The detail we can get back to you after the call, we'll pull the numbers out of our inventory at stores and the agent for the same and we can e-mail it over to you without a problem.

Vineet Gala: So, just the ballpark number of the Rs.250 crores of inventory that we have, what proportion would that be like?

Anmol R. Bhansali: Approximately think (+85%) would be sitting in the store.

Vineet Gala: Sir, could you articulate on the supply side capacities with respect to this like who are the largest players, how do we source, what are the pricing trend recently? Thatconcerningmost prominentand is would be helpful.

Anmol R. Bhansali: This is the raw material for growing lab-grown diamonds. We are sourcing our diamond seeds entirely from companies abroad. We have suppliers in Japan, Turkey and Germany as well. These are the large companies from which are supplying well-calibrated laser cut diamond seeds. The pricing has been stable, and we've seen about a 15% to 20% drop in diamond seed pricing over the last four months in line with our expectations and through long term contract negotiations toover the previouslong-term.

Vineet Gala: So, for a new player, is it easy to source these seeds? How does that work out for any new player coming out with LGD manufacturing capacity?

Anmol R. Bhansali: There's no constraint with regard to sourcing LGD.

Vineet Gala: Sir, I just wanted clarificationdo we sell loose LGD?

Anmol R. Bhansali: We don't. Almost 99% of our products would be completely integrated and sold in jewellery to US markets.

Vineet Gala: No, what is the capacity utilisation in our LGD manufacturing part?

Anmol R. Bhansali: All machines are operational 100%, and we're utilising at full capacity.

Moderator: The next question comes from Drashti from Think Wealth Managers, please go ahead.

Drasti: Sir, I'm relatively new in this Company. So, when I look at page 17 of your presentation, you've given the breakup of your product portfolio on your region sales and your customer breakup, and your EBITDA margins in each product. So , is this gross margins or EBITDA margins? Ourarethese? Because EBITDA margins are lower if I have to look at these EBITDA margins, and the number comes very high. So, these are the gross margins that we've mentioned.

Anmol R. Bhansali: I'd love to get back to you after reviewing the corporate profile again. We are in the process of updating it for the new financial year. If you e-mail us at the Company, we'll be able to give you the actual breakup and details.

Drasti: And also, in our sales channel, I wanted to understand are our margins way different in the traditional versus the e-commerce channel.

Anmol R. Bhansali: No, the margins between traditional and e-commerce would be similar. We get slightly more for e-commerce, but that's marginal. The main difference is that the working capital required for the e-commerce business is far lower. So, from the perspective of return on capital invested and ROCE focusing on e-commerce is always much better. An E-Commerce business is going to be a net working capital negative business. So, we get paid first and then our payments for raw materials are due in the market.

Drasti: And in terms of product portfolio, could you give me some sense of the gross margin, because it's mentioned it's not tallying to our actual number?

Anmol R. Bhansali: If you could e-mail me the specifics, we'll get back to you and break it down by product category and distribution category with the exact FY23 numbers.

Rashesh Bhansali: So, to give you a little bit on the gross margin, the Company has achieved 35%, and 36% gross margins.

Moderator: The next question comes from Kushal Shah, an individual investor. Please go ahead.

Kushal Shah: I just saw that last year's budget has been speaking about the lab-grown diamonds, and has announced some benefits for the import of this particular raw material for the lab-grown diamonds. So, are we planning to reap any benefits out of that?

Anmol R. Bhansali: This is regardregarding what was announced by the government. So, what the government has announced is a duty reduction on diamond seeds, which is a raw material for the diamond growing process. As our diamond developing laboratory is located in an SEZ, we have historically not paid duty on importing diamond seeds because everything effectively is exported. So, there's no net change or net effect for our Company.

Kushal Shah: The second question is regarding these sales particularly coming from the USA. So, I was looking at the presentation. So, are we very much dependent on the USA and are we looking to explore more of the territory?

Anmol R. Bhansali: That's a great question. So, the US is the largest market for jewellery in the world, more than anything else, just about its size of the opportunity, but on a per piece and per unit basis, they consume more diamonds than any other region in the world. Even in terms of the structure of the market, most of the market or most entirely now the market sits very firmly with organized retailers, about 40% to 45% is with independent mom and pops, and we serve that market through wholesalers and the balance is with large corporate retailers in America. So, it's a very well-structured market regarding the customer base. The per unit profitability, and per unit margins, will be higher because thethe diamond component is higher per piece compared to the rest of the world. And overall, the market size is the largest among any other region in the world. So, these are the reasons which make the US one of the most attractive and lucrative markets for a Company like ours. Of course , though, we certainly understand your question on diversification and as mentioned by the the chairman, we'll be evaluating options in other regions this year as well.

Kushal Shah: My last question is regarding the buyback price, which the Company has announced. So, last year it was also a surprised and this year, is also a surprise. But any reasons for the steep drop in the buyback price?

Anmol R. Bhansali: Sorry, could you repeat that question?

Kushal Shah: It's regarding the buyback side. So, last year the buyback price that was announcedwas also surprising and this year is also a surprise. So, any specific reason for the steep drop in the buyback price?

Rashesh Bhansali: Well, you see, the Company continues to buyback virtually every year or two years, right? And the buyback price is decided by the board, right? And the committee feels that we can buy back 2% of the equity very easily at that price, and that is the reason why the buyback price is determined with a particular exercise, the average pricing in the last six months, as per some rules and norms of which have been laid out.

Kushal Shah: Last year, it was valued at under 20% premium and this time, it's just valued at a 2% premium to the market price. So, that was the specific reason for asking this question.

Rashesh Bhansali: Well, I believe since it's the phase of consolidation for the Company, right, so the Company should be able to conserve some more cash for future expansions and continue to give out good dividends and do buybacks virtually every year or two years.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Rashesh M. Bhansali: Thank you, everyone, for joining in this call. We look forward to your continued participation. If you have any further queries, please contact our Investor Relations team. I want to thank the Monarch team for hosting this call and a very good evening to all of you.

Anmol R. Bhansali: Thank you so much. Thank you to the Monarch team and all participants.

Moderator: On behalf of Monarch Networth Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.