



by P. N. Gadgil & Sons

June 14, 2025

To,
The Corporate Relationship Department,
BSE Limited
1st Floor, PJ Towers,
Dalal Street,
Mumbai 400 001

■ Ref: BSE Scrip Code – 543709 Ref: Symbol – GARGI

Sub: Transcript of the Earnings Call with Investors and/ or Analysts held on June 11, 2025

Dear Sir/Madam,

■ Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed herewith the Transcript of Earnings Call held on Wednesday, June 11, 2025.

The transcript along with the audio recording is uploaded on the Company's website <https://www.gargibypng.com/investor-analyst-call/>

Kindly take this on your records please.

Thanking you,

Yours sincerely,
For **PNGS Gargi Fashion Jewellery Limited**

Neha Boid
Company Secretary & Compliance Officer
ICSI M. No. A54111

PNGS GARGI FASHION JEWELLERY LIMITED (w.e.f. 02/11/2022)

CIN: - L36100PN2009PLC133691 (Formerly known as PNGS Gargi Fashion Jewellery Private Limited (from 21/09/2022 to 01/11/2022),
P. N. Gadgil & Sons Gargi Costume Jewellery Private Limited (from 22/09/2021 to 20/09/2022))

● Registered Office : Plot No.8A ,Sr No.37/1 and 37/2, Opposite Maruti Service Centre, Sinhgad Road, Wadgaon Khurd, **Pune** , Maharashtra, 411041

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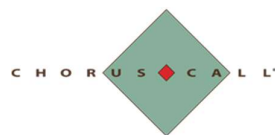
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“PNGS Gargi Fashion Jewellery Limited

Year Ended March 31st, 2025

June 11, 2025



**MANAGEMENT: MR. AMIT MODAK – DIRECTOR – PNGS GARGI
FASHION JEWELLERY LIMITED
MR. VISHWAS HONRAO – CHIEF FINANCIAL OFFICER
– PNGS GARGI FASHION JEWELLERY LIMITED
MS. NEHA BOID – COMPANY SECRETARY AND
COMPLIANCE OFFICER – PNGS GARGI FASHION
JEWELLERY LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the Earnings Call for year ended March 31, 2025, hosted by PNGS Gargi Fashion Jewellery Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Neha Boid, Company Secretary. Thank you, and over to you, ma'am.

Neha Boid:

Thank you, Sejal. Good afternoon, everyone. This is Neha, Company Secretary and Compliance Officer of PNGS Gargi Fashion Jewellery Limited. A very warm welcome to all, this earning call conference. For discussion today, we have here with us Mr. Amit Modak, our Director; and Mr. Vishwas Honrao, our Chief Financial Officer. Welcome, everyone.

We wish to start by qualifying that, during the call we may make some forward-looking statements. PNGS Gargi does not provide any specific revenue earnings guidance. Anything which is said during this call, which may reflect our outlook for the future, or which may be construed as a forward-looking statement must be reviewed in conjunction with the risk that the company faces.

These statements are considering the business environment we see as of today and therefore, there could be risks and uncertainties that could cause actual results to vary materially from what we are discussing on this call today. An audio link and transcript of this call will be shortly available on the Investors section of our website that is www.gargibypng.com. With this, we are now ready to begin with the opening statements and the performance of the company. And post that, we will be available for the question-and-answer section.

I now request Mr. Amit Modak, sir to take over. Over to you, sir. Thank you.

Amit Modak:

Very good evening to everyone. We are meeting almost after every 6 months to take a stock of the situation and conversation and interaction within us. First of all, I would like to comment something on how FY '25 passed and then we will go to the FY '26 outlook and other matters. We're really happy that the question which was repeatedly asked by many investors in earlier meeting that by FY '25 whether we will achieve that INR100 crores magic figure of turnover or not.

And yes, we achieved that and really happy to share that your company turnover grew from INR51.5 crores to INR126.35 crores in FY '25. Posting strong growth of 147% Y-o-Y. PAT also grown from INR8.46 crores to INR28.8 crores. EBITDA margin, excluding other income grew by 22% to 30% due to better product mix and operating leverages.

As you know that during first Q, that is the first quarter of FY '25, we had changed the accounting management and arrangement with PNGSL. We can call them as our master franchisee. The promoters who hold a major stake in that company and beneficiary owner of both the companies are same for the SIS model.

And hence, excluding the onetime inventory sale, actual B2C sales was INR82.44 crores, means if we exclude that onetime sale, our growth was from INR51.5 crores to INR82.44 crores on the B2C sales basis. Because onetime inventory sale is not a B2C, it is a B2B from one organization to other organization. And ultimately, what is reached in the hands of the investor -- customer not investor, customer is INR82.44 crores sale. That also reflects a 62% growth as compared to previous year.

On a number of stores, we added nine stores during the year. And we have got 14 stores at the end of FY '25. Most of these nine added stores are added in the second half of the year. And more precisely, four stores were added in the last quarter. Not only that, last two stores were added in last 45 days and last one store out of that was added just two days before the end of the year. That is the Laxmi Road store from smaller space to larger space.

That smaller space shop is also working and larger space shop, which is almost 1,000 square feet is also started working from 30th March 2025, that is just two days before the year-end. During the year, we had also spent INR3.75 crores on marketing. Most of this was spent in the second half and margin in seasonally weak Q4 were negatively impacted. Those were not negative, negatively impacted, it means lower margins were shown in Q4, due to significant marketing spend of around INR2 crores in that single quarter.

Past 3 years, our B2C revenue has gone from INR28.67 crores to INR82.49 crores. If we compare '23, '24 and '25, it has gone up from INR28.67 crores to INR82.49 crores. That is a CAGR of 69.7% or we can say roughly around 7%, substantially outpacing the industry average growth of 20% to 25%. We can assure you that we would continue to beat the industry growth in the coming years also.

Coming to FY '26. This year, we are focusing on five key initiatives to accelerate our growth in the coming years. We will be establishing footprint in various cities across India, and we intend to open 10 to 15 stores in coming 12 months across India, mainly in metros. As a normal, I always tell you, what is not less than. So here, even though I'm saying 10 to 15 stores, I can commit you, it will be not less than 12 stores.

This year, we have come to quick commerce, that is a Blinkit. This should increase visibility for Gargi product that Blinkit products are made available for less than INR1,000 value and that is mainly from our new range, which is introduced as a Utsaav, for the fast fashion and affordable. We are also launching our app on iOS and Play Store shortly to facilitate easy purchasing of the Gargi products.

It will be the app which is not there. In addition to this, we are exploring the implementing things to increase our online sales through our website and the goal is to reach to the 10% of the sales of the respective year. Presently, it is 4.5% of the total sales. Earlier, it was as low as 2%. So we have achieved substantial growth there. If we calculate 2% to 4%, it is 100%. But yes, I'm not happy with that figure. I want to achieve minimum 10%.

We will be spending this year more on the advertisement, marketing costs. In last two, three consecutive meetings everyone was asking why our marketing cost is low, why we are not

spending on marketing costs. So yes, this year, we are likely to spend around INR7 crores on marketing cost because as it is, we are expanding around not less than 12 stores and those are mainly outside the Maharashtra State, it means minimum out of 12, five to six stores will be out of Maharashtra.

And for there, we need to spend more for creating our awareness about our brand. As compared to INR4 crores, we spent in FY '25, it will be INR7 crores, and this will definitely impact our bottom-line margins also. That also must be kept in the mind. And if it results very well, then margins also will get maintained and our spend also will get absorbed in the higher earnings due to a higher top lines.

We have already invested in human resource in various departments last year to facilitate growth of physical stores, because only opening new stores will not serve the purpose if we do not have machinery to make sure that all these stores will contribute to top line and bottom line right from first year.

Right now, if we see 14 EBOs are there, 31 SIS is there with PNG Sons. So we have got 45 stores right now. We are adding not less than 12 stores, so by end of this year, it will be 47 to 50 stores. So we have created back end, which is capable of handling at least 75 stores in coming 2 years' time and to handle that and cope up with that, we have already made everything in line.

So we are not worried about next 2 years growth as far as our back-end system and its support is concerned. In conclusion, we are expecting organic growth to more than offset the impact of the onetime inventory sales done in FY '25. And I can say that the top line as far as B2C is concerned, it will show the same growth pace means speed, which will definitely beat the market speed, which is normal market growth. If say, it is X, our growth will be something X plus something.

Thank you for listening to me and I'm keeping -- making it open the dias and forum for question and answer. Thank you for joining the meeting. Thank you for showing faith in us and we hope your faith will continue. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rajesh Singla from VTG Capital. Please go ahead.

Rajesh Singla: Sir, how many stores are we likely to add in first half of FY '26 and second half of FY '26, if you can share something on that?

Amit Modak: As I said, it will be not less than 12. I'm thinking of 15, but it will not less than 12 in the full year. And in this first half, that is H1, we are going to add minimum six to seven stores. And out of that four or -- sorry, four no, minimum five will be out of state, means outside the Maharashtra.

Rajesh Singla: Great. Okay. So considering the fact that we added like eight exclusive stores in second half of last year and adding another six, seven stores in the first half of this year, and we are also going ahead with the aggressive marketing and higher gold and silver prices and strong demand for fashion jewellery.

Will it be fair to assume that growth in FY '26 will be -- will more than offset the impact of onetime inventory sale in FY '25, as you mentioned earlier, which means that we can expect FY '26 PAT to be higher than FY '25 PAT?

Amit Modak:

See, giving answer in a precise figure manner, it is very difficult, but whatever you are expecting that it should be higher in the top line as well as on the PAT level basis. Yes, I can say, you will see the same thing on the paper.

Rajesh Singla:

Okay. So just a couple of more questions from my side. So assuming like 15 stores we add in FY '26 and probably another 15 stores or 12 to 15 stores in FY '27, and the substantial marketing spend what we are doing in FY '26 and '27, it looks like we will again grow by around 40%, 50% in FY '27. Is that a fair expectation, because we will be spending a good amount of money in the next couple of years?

Amit Modak:

Yes, marketing is improving by 20% to 25% Y-o-Y. And we have progressed almost 62% in previous 3 years. It will not be a same 62%. But yes, definitely, it will be better than market and what we are expecting, I don't feel that it is difficult to achieve. Because as I explained in my introductory speech itself, I said that four stores are opened in Q4 and even one store which is opened last -- which was only 2 days operating in last year.

And I can tell you very confidently that is the best performing store out of all 14 stores. So I'm thinking that the contribution from last year's store growth will get really reflected in current year's performance. Plus H1 store expansion of the current year will at least give a good number in H2 of the current year for the current year's first H1 six to seven stores which we are adding.

And in current H1, we will get reflected that last year's newly added stores. Because the first year, generally, it is difficult to create a footprint, but I can tell you that all are doing well. And as I said, the best-of-best was only for 2 days in previous year, and that will be for full 365 days in current year.

Rajesh Singla:

Great. Thank you, sir. I will come back in the queue.

Moderator:

Thank you. The next question is from the line of Bibhor who is an Individual Investor. Please go ahead.

Bibhor:

Hi, sir. Thanks for taking my question. Sir my first question is that...

Moderator:

Sorry to interrupt sir, right now, we can't hear you. Are you using your handset?

Bibhor:

Sir, first question is that -- so you said that we will achieve the industry growth numbers. So if I have to ask, now if we have achieved INR88 crores of top line in the current year and approximately INR37 crores, INR38 crores of B2B. So will it be right to assume that we will achieve around 35% to 40% of the top line growth on INR122 crores or on INR80 crores?

Amit Modak:

On B2C growth. That is a onetime inventory sale. It is not going to happen every time. That inventory is getting replaced time to time as it is getting sold by the franchisee.

- Bibhor:** So what you're saying is that, on an overall basis, right, the growth is likely to remain -- the numbers are likely to remain same, INR125 crores to INR130 crores of the top line in FY '26 versus INR122 of the current year?
- Amit Modak:** I'm repeatedly saying that I am commenting on B2C basis. So B2C basis, I have given a separate sheet also in every my quarterly disclosure, which is not statutorily required, but I have given as a transparency for the organization. And I'm committing that B2C growth will be there, which will be passing the industry growth.
- And so, I compared that 62% growth was there in the B2C sale. Otherwise, it was 147% growth, but I don't want to take that 147% as a credit. I want to take credit for that 62% only, because that is ultimate customers have taken and bought that items and taken it to their houses.
- Bibhor:** Understood. So are you saying that we will achieve the same growth of 62% next year on B2C, what we achieved this year?
- Amit Modak:** I have not said same growth. I said better than the industry, but I will definitely -- it will be far better than industry. 62% as precise I can't say because 1 becoming 2 is 100%, 2 becoming 3.5 is 0.75%.
- Bibhor:** And sir, what is the industry growth right now?
- Amit Modak:** Industrial growth is between 20% to 25%.
- Bibhor:** Got it. And sir, what is the reason for the drop in the gross margin in Q4?
- Amit Modak:** In Q4, I said the human resource cost has gone up, that marketing cost we born in Q2 is INR2 crores out of INR3.75 crores in a full year. Marketing costs never gives you an immediate return. On the same quarter, I cannot expect something fantastic sale out of that.
- Bibhor:** Sure, sir. I'm asking about is, on the gross margin. Your gross margin reduced in Q4 versus Q3. So was it a mix issue in some kind of a sale? Or was it anything else?
- Amit Modak:** No. During that period that silver cost has gone up. But as we are working on the MRP basis, the labels which are going in the shops are labelled earlier period rate base and subsequent purchases are a little bit at higher price. You all know that silver prices started jumping in from January onwards. So it is getting matched now again.
- So that kind of event may take place once in a quarter in 2- or 3-years' time because some quarter, it may be that old labels are getting sold and replaced labels are at higher input costs.
- Bibhor:** Got it. And sir, do you expect to maintain the PAT margin or improve from the current year -- this year?
- Amit Modak:** Minimum, it will maintain, but I am thinking that it will improve, because of the scale of operation. Higher scale of operation will absorb certain costs, which are there, constant cost, fixed cost and that will definitely give a positive impact on our PAT margin.

- Bibhor:** Understood. I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Sharad who is an Individual Investor. Please go ahead.
- Sharad:** Yes, sir. Sir, just a couple of questions. The first one being that we have opened a couple of stores outside of Maharashtra. How do you see your product acceptance out of Maharashtra? How is the response as for now?
- Amit Modak:** See, we have opened these stores just 6 to 8 months back from now. And as far as last FY is concerned, it was just 3 to 4 months prior to the closure of the year. So getting exact feedback that whether these stores are doing well, whether our brand is well accepted or not, it takes at least 8 to 12 months' time. But yes, I can tell you that these stores are doing sales, some sale every day and some customers every day.
- That itself is a positive, because we are moving all the line in the market. And we are looking that many stores are not even selling a single item during the day for other brands and their stores are there, but I can say that my -- every store is selling at least some sale, because I cannot figure out precisely here. That's why I'm saying some sales. And some sale is taking place.
- And I am confident that all these stores will do well. And our USP is always there. We never closed down any of our stores. So we will make them viable, profitable and we will create a market for it. We have already started marketing in various places, in various means and medias and mediums, which are giving good feedback, especially Indore, Gurgaon, these are the two places which are outside the Maharashtra state. And we are looking at some -- every day, some or other item is getting sold and amount -- every day, there is a sale.
- Sharad:** Okay, sir. And sir, the same kind of question for the Utsaav Jewellery. How do you see the response from the market?
- Amit Modak:** It has just started marketing only on online. It is not offline. In any of our offline stores, it is not available. It is only for the online store.
- Sharad:** Recently, I think it has been opened for the Pitampura store. And do you plan to plan such operations for other stores as well?
- Amit Modak:** No, Pitampura, it might be that omni kind of thing might have happened there. Something might be called by some customer and that's why sent to you.
- Sharad:** Okay. That's it from my end. Thank you, sir.
- Moderator:** Thank you. The next follow-up question is from the line of Rajesh Singla from VTG Capital. Please go ahead.
- Rajesh Singla:** Thank you sir for taking my question again. Regarding the marketing cost, which you mentioned that there will be increase in marketing cost in FY '26 and FY '27. So can you say that these 2 years, we will have a bit more one-off exceptional marketing spend in these 2 years, which will

basically come down from FY '28, depending upon like how the market performed and how we perform?

Amit Modak:

No, FY '28, it will continue, but top line also will grow. Top line will grow, but it's marketing costs will not grow. So once we start spending, it will not get -- all of a sudden get the break and will come back to the INR3 crores or INR3.5 crores, that kind of thing -- break. It will continue.

But by that time, top line also will increase and that increased top line, increased margin will get absorbed the cost of this -- our additional marketing costs. That would have -- a continuous exercise that will be.

Rajesh Singla:

Sure, sure. This marketing will be on a pan-India basis? Because I think in this year, you are saying we will be opening many stores in the metros outside Maharashtra. So can we expect that this marketing campaign will be more pan-India basis?

Amit Modak:

It will be area-centric, because nowadays, you must be knowing -- observing that social media marketing, like OTT platform, that it may be a Sony Max or Jio and all these things. Those are pincode-based, city-based marketings are taking place. And we are tied up with Jio, entered one agreement also with Jio for spending and that initial spend, we have started spending on that.

Now Pitampura is there, the Indore is there where we are doing that pincode-based marketing, product-based marketing, each area-wide marketing. Various combinations are there available in this social media marketing, and we are opting for that. So these areas will get covered. Whatever areas we will go, we can have that specific cities, specific pincode, specific age group, that kind of marketing.

Rajesh Singla:

And currently, sir, how many stores do we have in your key cities like Pune and maybe other key cities in Maharashtra? And what kind of potential do you see in those cities?

Amit Modak:

In Maharashtra, I see, at least minimum another 20 stores can get accommodated, because there are many tier 2 cities and tier 3 cities where P.N. Gadgil & Sons is not there, but we are going to set up stores just like we have set up one store at Aurangabad, one store at Nagpur, where P.N. Gadgil & Sons is not there.

Their plain gold jewellery is not there. But still, we have set up our fashion jewellery store there and Aurangabad store is really doing well, and Nagpur store is also catching the good interaction with the customers and good sales numbers are coming -- started coming from there also. And it will grow in their generic way plus the marketing efforts which we are taking.

Rajesh Singla:

Right. And given that the marketing is quite interesting thing which you are doing to establish ourselves as a pan-India brand. So can we also expect the increase in number of franchisee stores driven by this marketing spend more -- getting more visibility in rest of India. And are you seeing anything like we have already spent good money in last year. So are you seeing more inquiries for franchisee from Maharashtra or from other part of India?

Amit Modak:

The inquiries are coming. Right now, in first half, there are two stores which are going to open outside Maharashtra. Those are franchisees stores only. Those are in North India. And we are

not offering any ROI-based franchisee. And that's why people who are interested in doing directly as a business if they want to enter, they only can enter. Because on an ROI basis, I'm not interested because I don't have got any shortage of the funds for deploying store on my own or by the master franchisee.

So ROI-based stores are getting developed or getting set by the people who have got shortage of the fund. They are taking that on an ROI basis and establishing franchisees. And so our franchisee -- third-party franchisees speed may be less but that will be a serious franchisee who want to carry out the business rather than just deploying his funds.

Rajesh Singla:

Right. And sir, maybe last question from my side would be like, what kind of -- so we are already in the middle of June, that is the first quarter of FY '26. So what kind of demand environment you are seeing given the higher gold and silver prices? So are you seeing that the fashion jewellery getting benefited from the lower affordability in the gold jewellery segment?

Amit Modak:

Yes. Definitely, it is getting better traction. I can say that Q1 figure will be better as compared to last year's Q1 figure as far as B2C is concerned, don't take that onetime inventory sale into consideration. But B2C sale growth, you will see, which will be an impressive growth, and which will definitely spill out that there is a good demand for the affordable jewellery, fast fashion jewellery.

And I can tell one more thing in connection with the VTG Group question that earlier, we were having a combination of the sale which was depending on the P.N. Gadgil & Sons sales. Earlier, we were selling almost 82% to 85% through their channel. Now it has come down. And at the end of last year, it has come down to 77% to 78%.

That means, we have achieved 10% sale on our own, that is a brand store, plus online sales also has gone up to 4.5%. Then Shoppers Stop store sale also has gone up to 6%. And overall, we are depending not more than 75% on PNGSL. Because that was the always question from the investor side, that whether we are depending only on PNGSL and their stores, there is a automatic footfall is there and that is giving us advantage.

No, we are trying to minimize it or reduce it. And in next 3 years' time, we want to achieve it at least to the 60% level on PNGSL and 40% level on our own.

Moderator:

Thank you. The next question is from the line of Nikhil from Perpetual Capital. Please go ahead.

Nikhil:

Sir, you already answered one of my questions, which was I wanted to know the breakup of sales between franchisee, SIS, and EBO. I think, I got it right. You have around 70%, 75% coming from franchisee, 10% from EBO and the rest from Shoppers Stop and online. Is it possible to know the working capital cycle and gross margins across these three models?

Amit Modak:

No. Those are nearby same margins are there, because where that FOFO type of franchises are there, which are PNGSL franchisees. They are bearing the all other costs like HR and every day equipment, rent -- rentals, and all these things. And so even though, I'd say, I'm giving them certain margins, they are absorbing the costs.

In EBOs, I'm bearing the cost of the rent, electricity, then other fixed expenses of the month plus HR cost. So margins are almost matching to each other. It is not very much difference that in SIS I am getting 45% margin and in other places I am getting 30% margin. That kind of difference is not there.

Nikhil: Okay. So at EBITDA level or maybe EBIT level, more or less the margins across all the models are same?

Amit Modak: Yes.

Nikhil: Okay. And the working capital cycle, I think maybe franchisee, you give some credit to the franchisee versus EBO, because there's only inventory as part of working capital?

Amit Modak: In Shoppers Stop, it is always on the realization basis. Whatever inventory we sell to them and whatever they sell out of that, that sale realization, the remit us almost all after every fortnight on MIS basis. And for PNGSL, we are selling them outright, and that is a credit period is not beyond 15 days to 20 days time.

Nikhil: Okay. So is it fair for me to assume that the trade receivables is purely for the PNG franchisees? And I'm assuming Shoppers Stop is actually...

Amit Modak: And Shoppers Stop. Shoppers Stop also.

Nikhil: Okay. So next question is on, is it possible to know the first five stores that you had? I mean, I wanted to compare the five stores that you had in FY '24, what kind of growth will be in FY '25?

Amit Modak: No, I don't get your question.

Nikhil: So the five own brand stores that you had at the end of FY '24, what kind of growth did those 5 stores see in FY '25, the last year?

Amit Modak: 20%.

Nikhil: And in general, the own brand stores, what is the steady state inventory levels in days that you see stabilizing for the stores maybe over 2, 3 years when the store matures?

Amit Modak: I'm expecting 3x to 3.5x stock turn. And if a very nice performing store is there, it can have even a 4x to 5x stock turn. Just like as I said, that last store which I opened last year, that store will definitely close with 5x stock turn.

Nikhil: Okay. One last question from me is, you may -- I mean, you may have answered this in earlier calls, I have not attended those calls earlier. But is it possible to know the economics of how much do you spend per store to set up a new store in terms of fitment and deposit and the working capital industry?

Amit Modak: No, it is a franchisees cost, that fitment cost is a franchisees cost. Rent is generally paid by the franchisee. If it is myself, the rent depends on the location to location. Fitment is around INR20

lakh to INR25 lakh. And other costs like hardware and other miscellaneous assets, it is INR2 lakh to INR3 lakh.

And inventory-wise, generally 400 square feet -- up to 400 square feet of store is there, inventory requirement is around INR30 lakh level value for the silver jewellery. And for diamond jewellery, it is around INR50 lakh, INR0.50 crores. That is the INR50 lakh. And all I'm talking in the label price. I'm not talking on the possibility.

Nikhil: Okay. And what is the rationale for starting your business on Blinkit? I think you've started Utsaav as a brand. Anything on what made you do that? And what do you expect from this business?

Amit Modak: I've pushed only the item around INR1,000, not beyond that.

Nikhil: Okay. And how is the traction so far?

Amit Modak: It's a fast fashion. And from Blinkit, no one can buy INR20,000, INR25,000 item for 10 minutes delivery or 5 minutes delivery. It's all the gifting, mainly the gifting.

Nikhil: Okay. And how is the traction so far? I mean, are you all getting what you are...

Amit Modak: I just added that Blinkit in last 45 days. It is just added. So I can comment it in the Q2 only, not even Q1.

Nikhil: Okay. No problem, sir. All the best for the quarters. Thank you so much.

Moderator: Thank you. The next question is from the line of Agam Sethiya from Vyom Investments. Please go ahead.

Agam Sethiya: Congratulations on a good set of numbers. I had -- I have been following your company since the last two, three quarters. And in the past, you have clearly mentioned that there is another company in the listed space called PN Gadgil Jewellers that you are not related to them in any matter?

Amit Modak: No. Not at all.

Agam Sethiya: Yes. So my question is that, they are also entering into this lifestyle jewellery by the name of Lifestyle if I'm not wrong. So my question is, do you see any consumer overlap between your brand and their brand since your name are quite similar? And also, sir, the businesses are also similar in a way. So I just wanted to gauge that, do you see any consumer overlap or like a competitive advantage in that space that you have over them?

Amit Modak: They are in every segment where we are doing business, not only in Gargi, they are in diamonds, they are in plain gold, everywhere they are. So if I will keep always in mind that they are entering what will be the mine status. So it will not be fair enough, one thing. Secondly, first more advantage will definitely to me because I have moved first in the fast fashion jewellery. And the store which you are referring that is a lifestyle.

That lifestyle store is mainly for the studded items and the casting jewellery of the plain gold. It is not the 925 silver jewellery. There is one brand from their side, which you have not mentioned, I will mention, it is a SilvoStyle, where they sell the fashion jewellery, and that is similar to our Gargi fashion.

And we are selling diamond jewellery, but it is affordable diamond jewellery. And so that also comes under the precious fashion jewellery and that is with us. I don't -- I have got study about their lifestyle store or their, means, whatever is getting sold there, what are the ticket size and all these things, because I mainly concentrate on my own business.

Agam Sethiya: Sir, my second question is regarding your parent company. Sir, can you shed some light on like, what can be the revenue or the market size you are catering to? And how big is that if you could share that bit of the information with us?

Amit Modak: Regarding which company?

Agam Sethiya: Sir, P.N. Gadgil & Sons.

Amit Modak: No, they have got their own website. You can click there. There is an icon of the investor. There is all balance sheet since 2017 till date, even though it is not statutory requirement for me. I have kept all the balance sheets there. Quarterly results are also there. You can take it from there, because it is not good to comment anything on this call. It's a listed company for which I am addressing.

Agam Sethiya: Right, sir. And sir, I have one more question. I saw that they were also applied for IPO sometimes back, but then...

Amit Modak: 2018.

Agam Sethiya: Yes. So there are no such plans in the coming future, right, for your parent company to come for an IPO in the near future?

Amit Modak: As I said, it's very difficult to talk on this call.

Agam Sethiya: Okay, sir. Thank you, sir. Again, congratulations for good set of numbers. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Nishant Joshi from Equisense Advisors Private Limited. Please go ahead.

Nishant Joshi: Sir, one query. I think we plan to raise some funds of INR15 crores for either private placement or preferential issues. In what time frame is planned? And what could be the usage of those funds if you could share? Because I think, there is enough cash on the balance sheet as of now.

Amit Modak: Yes, that cash balance is there on the balance sheet. It is out of the earlier preferential issue and the accumulated profits over a period. That cash is lying on the balance sheet. That will be mainly for the creating inventory for the forthcoming our expansions and all these things. This fund raise will be exclusively for the marketing cost purpose.

It will be spent on next 2 years' marketing costs, which I have explained in connection with the RTG capital question. That next 2 years, we will be spending over and above our normal marketing cost, around INR5 crores every year. So it will be in between somewhere INR10 crores to INR15 crores that preferential issue will be there.

And it is presently planned for the promoters, because they are saying that for marketing costs, we are ready to contribute and it will be unquestionable subsequently that on marketing, you have spent what is the outcome and all these things. Because they are contributing it. And that too, with matching to the market price, because SEBI's formula is there, so they cannot get exceptional discount or anything on that issue price.

The issue price is also not decided yet. But entire process, I'm expecting to complete before 31st August.

Nishant Joshi: Sir, one more query regarding to this. As we see that company would be increasing the marketing and advertising expenses, which in turn would increase the -- or in fact, which could impact the profitability. In how much time do you expect next profitability jump or the results coming out of such expenses incurred in next 1 or 2 years?

Amit Modak: In VTG capital question, I already replied that even after spending that much on marketing costs, I'm expecting to maintain or improve the PAT in absolute rupee.

Nishant Joshi: Okay, sir. Thank you very much.

Moderator: Thank you. The next question is from the line of Prashant Shivdas, who's an Individual Investor. Please go ahead.

Prashant Shivdas: Yes.

Amit Modak: Your voice is not clear.

Prashant Shivdas: So my question actually was already answered, it was regarding the INR15 crores of funding. So yes, I have no further questions.

Moderator: Thank you. The next question is from the line of Kartik Bhat, who is an Individual Investor. Please go ahead.

Kartik Bhat: Most of my questions have been answered. You mentioned that you are targeting 10% contribution from online. Are we targeting this by the end of FY '26? Is that achievable?

Amit Modak: No, it will be an exercise of minimum 2.5 years. Because my supplying also will keep on growing. So in percentage term if I want to achieve that 10%, it will take time. If I want to commit something in absolute terms, that my online sale will achieve INR2 crores or that kind of thing, then I can commit to you something.

But on the percentage terms, it will be minimum 30 months period, because from going from 4% to 10% in percentage term -- percentage-wise also it is 125% of the current.

- Kartik Bhat:** Okay. And are you planning to go more aggressive in this?
- Amit Modak:** Even though I'm spending on marketing, I'm not burning the cash. Cash burning kind of marketing will not be there, abnormal discounting or putting it on others website and giving hefty discount, and that kind of marketing will not be there. So online sale is depending on that. Once discount goes away, that sales get down -- goes down drastically. I don't want to create that kind of sale.
- Kartik Bhat:** Got it. That's good to hear, sir. Are we planning to be more aggressive in this online space in the coming year through stuff like digital marketing, search engine optimization, etcetera? Because I think, you said zero cash burn, so I think when you mentioned...
- Amit Modak:** Those people ask hefty commission, they are asking a hefty discount, they want to keep on their site and then only they are allowing. So I need to burn my earnings, then only I can go on other sites. We are developing our own app on Google and IOS.
- Kartik Bhat:** Okay. Sure. I joined the call a little late. You were alluding to a senior management hiring during the last quarter's call, I think. Any further update on that?
- Amit Modak:** Yes. Last quarter, we hired it, and it is getting reflected in the higher HR cost. This year, full year, they will be working and they have started working, and their outcome is already on the paper. So we are already located a substantial number of locations for development in the H1 of current year. As I said, minimum, not less than 12 shops will be opened in current year.
- Out of that, six to eight will be in H1 and four to six will be in H2. And all marketing and rigorous finding out the location, doing the surveys and all these things are done by these people. They are managing the inventory. We have increased the back end cost, which will cope up to 60 to 70 shops. Right now, we have got 47.
- Kartik Bhat:** Okay. Sure. So all put together, we have about 80 stores currently. We are likely to have about 120, right, at the end of FY '26?
- Amit Modak:** Yes, but that 80 includes that Shoppers Stop count also.
- Kartik Bhat:** Okay, sure. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Rahul Kumar from Shefa Family Office. Please go ahead.
- Rahul Kumar:** Thanks for the opportunity. My question is about, do we segregate between diamond and non-diamond sales?
- Amit Modak:** Yes. Very much. It is last year, if we wanted to compare last year, that studded jewellery -- diamond studded jewellery percentage was almost more than 45% in total sales.
- Rahul Kumar:** Okay. Any particular target going forward, because of the share ticket size higher sales of the diamond business provided the marketing. expansion..

- Amit Modak:** We have recently included even a INR2 lakh necklaces also in Gargi. And that has got good traction and interaction with the customer. They are liking it. And as we explained in earlier our call, in last FY '24 Valentine period, we introduced one diamond necklace costing less than INR1 lakh, near to INR1 lakh and we sold almost 80 pieces, 80-plus pieces in that season. So higher ticket size is also getting sold in Gargi.
- Rahul Kumar:** So that has been absorbed. That category has been absorbed. So are you thinking seriously about getting into that category in a normal way, like?
- Amit Modak:** But we are keeping it more pocket-friendly rather than going in high price, high value. And as it is margin-wise, inventory carrying cost-wise, it is also that attractive as it is attractive for the lower ticket size.
- Rahul Kumar:** Got it. My other question is about for our investment fraternity. So about business model, like before getting conceptualizing this Gargi business model, have you studied any stable mature business model where the earnings were sustained, business has been expanded, been run for decades and been at scale to many geographies, like, for example, I think I came to know about Lovisa, in Australia.
- So can you give certain data points from that business model if we have studied so or any other which you want to put on table for the investment fraternity to understand, because in India, most of the businesses are cash burning, lesser history of success and so it's tough to compare peer-wise?
- Amit Modak:** See, from day 1 I'm saying, our model is not a cash burning model. And we don't want to create any time red figure in our P&L account. We want to always black figure, no brackets should be there for the profit. And we have maintained it. And if you see my balance sheet side on the issue rate, it was INR27 crores.
- And right now, my PAT is INR28 crores. So from that, you must have understand what is the thought process about the PNGS as a family. And it's a 190-year-old legacy is there for us and that legacy itself is our brand ambassador. And we have never shut down our any of our shops. We have never pulled down any of our name board, and same thing will happen with the PNGS Gargi fashion jewellery also.
- So I have not studied any model. Yes, your question is there, but I have not studied any that kind of model. But I have studied that if I go slowly, steadily, but firmly with the thought process, good thought process and good delivery of the business, to good execution of the business, I will be successful.
- Rahul Kumar:** That's great. Just to put you on table, like Lovisa has been into 35 nations, present in nation across the world. So they have scaled it very well, profitable, sustainable. So as a long-term investor, can we expect the same? Like -- are you trying to...
- Amit Modak:** Basically, our strategy is India strategy. Our plain gold company also, we don't have any overseas. In Gargi also, right now, we are not looking to overseas, because online presence or the app presence make you a global presence.

- Rahul Kumar:** Got it. Got it. And any serene place to avoid the seasonality of the traditional Gargi business model, because more or less, the place holding or the mind holding of the consumer is more related to jewellery when it comes to fashion jewellery. Because we have a jewellery in fashion jewellery world, right? So...
- Amit Modak:** No, I don't get your question. Can you repeat?
- Rahul Kumar:** So we have a seasonality in the business, right? And probably that seasonality...
- Amit Modak:** Seasonality is there.
- Rahul Kumar:** Yes. But we are trying to avoid that seasonality in the business and trying to get away from the traditional jewellery seasonality model?
- Amit Modak:** No. See, in India, at least, festivals are very important. Whether it's a fashion jewellery, whether it's a traditional jewellery, because during the festival season, there is a more gifting. Affordable jewelleries used for the gifting also to sister, brother or the colleagues, friends. And that time, that still takes some push or the Valentine Day that fashion jewellery definitely will have more sales.
- Just like a plain gold jewellery, there is some seasonality to fashion jewellery also. It is not that because it's a fast fashion or the affordable, it can get sold 365 days equally. Q4 and Q3 will be always good for fashion jewellery. Q3 because of that Ghata Sthapana, Diwali and all festival seasons, Shravan and Ganesh Utsav, and all these things. Q4 is for the Christmas, fashion jewellery is there; for New Year, fashion jewellery is there; and Valentine Day, fashion jewellery is there. So in Q4 also, we are getting some better figures as compared to Q1 and Q2.
- Moderator:** Thank you. The next question is from the line of Kiran, who is an Individual Investor. Please go ahead.
- Kiran:** Hello, Amit ji. Just one question. Are we thinking of going main board? Now, I think we have got a couple of years under our....
- Amit Modak:** Yes, we are complaint in every respect. We have got more than sufficient paid-up capital, which is prescribed by the requirement. We have got networth. Everything is there. Only thing it got postponed by 1 year, because the rules were changed from 2 years to 3 years. We are completing 3 years in December '25, and we'll start prepare there on to ship from this SME platform to main board platform.
- Kiran:** Okay. That would be great, because that would throw up on our shares for other smaller investors.
- Amit Modak:** And we are compliant in every respect. We are disclosing quarterly results and everything.
- Kiran:** Yes, I'm aware of that. So from point of view, you don't have to do anything. Okay. Good. That will throw up our shares open to many small investors who are interested to buy. Many of my friends also wanted to, but our ticket size makes them wait a little bit longer, and they were asking me that when our company will come on main board. So I thought let me check with you.

Amit Modak: It will definitely come on main board.

Kiran: Okay. Thank you. That's all from my side.

Moderator: Thank you. The next question is from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Sir, any strategy going only for metro rather than tier 2, tier 3, because you mentioned Indore, there is a lot of demand. So any reason strategy wise?

Amit Modak: In Indore, we are already there.

Ashish Soni: Yes. So, but you said you want to expand in metros, but why not tier 2, tier 3 because of the income and others, I think...

Amit Modak: No. Tier 2 we are already there and metros main expansion we are taking place because fast fashion jewellery is more popular in metros, where that plain gold jewellery has got little traction, because of the limitation of people moving from one place to other place and social safety and all these things.

Then corporate culture. That culture is giving more attraction to the fashion jewellery. So we are first targeting the metros, whenever it is outside Maharashtra. Within Maharashtra, we are moving to Tier 2 cities. We have started in Aurangabad and it is doing very well. Nagpur, it is doing very well. Indore is also that way Tier 2 city only, even though it's a big city. As far as classification, it is a Tier 2 city.

Ashish Soni: And in terms of any new category or new variety you are planning to launch this year, either online only or in certain channels like you mentioned in Blinkit Utsaav, any other thing in pipeline?

Amit Modak: We are trying for 9-carat less than 2 grams weight.

Ashish Soni: And that will be across offline or?

Amit Modak: No, it will be across offline. Because it's a gold, 9-carat gold.

Ashish Soni: Okay. And other thing is, you mentioned your marketing. So how are you checking the yield on marketing only top line? How are you measuring the ROI on the marketing spend, which you are planning? Like what's our internal metrics to measure that? Is it the only top line? Or what - how exactly are we planning to check our marketing spend?

Amit Modak: I don't calculate ROI for the marketing, because calculating ROI on marketing is like counting the birds in the sky. No one can tell you what ROI will be there on the marketing. Once I spend, it is going to be a spend amount. It cannot get recurred. And how much sale will derive from that marketing, it's only estimation. There is nothing beyond that.

So I see that my marketing cost in relation to top line should not exceed 7% to 8% of the top line. That's why I said in the current year, I will spend abnormally over and above that 7% to 8% lock, it may be 10% to 12%.

But calculating ROI being a finance person till date, I am not in position to really understand how ROI can be calculated for marketing. It is very difficult. Because if I spend today INR1 crores and say, if this INR1 crore spend will result into INR10 crores sale, it is some magical imagining.

Ashish Soni: Okay. That's fine. And the last question on the Blinkit. So you want to expand Blinkit across India or again, wherever you are located right now in terms of...

Amit Modak: No. Wherever we are present, there we can provide them the inventory, because delivering inventory to their that dark warehouses is also a task. So wherever we are there in nearby their area, like now we have been there, Delhi, Gurgaon, we are thinking to expand in North India, somewhere in Punjab, Uttar Pradesh. So in that area, we can think about the Blinkit, starting Blinkit tie-up in more aggressively, because that moving the inventory is a very, means task for us.

Ashish Soni: And is it fair to assume you will launch your jewellery in Blinkit across all the stores this year or it will go on to next year for all the locations what you have?

Amit Modak: No, I don't get your question.

Ashish Soni: Is it safe to assume even launch your jewellery range on Blinkit, across all locations where you are currently having the stores in this year, FY '26?

Amit Modak: We have already started talking with them. So we need to understand their requirements and the availability with us. Both things needs to be matched. Right now, it is in Pune and Mumbai.

Ashish Soni: Okay. Thanks and all the best.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Amit Modak for closing comments.

Amit Modak: Thanks everyone, for joining the call and making it a very meaningful call. Whatever we have discussed is a meaningful and value addition for both of us, for you as well as me. I can understand what questions you have got and how I can make them good performing from my results. And thanks once again to everyone who are joining, and I promise you that we will meet in the next H2 also. Thank you.

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