Date: 8th February, 2022

To,

The Manager, Compliance Department **BSE Limited** Corporate Service Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	The Manager, Compliance Department **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051.

Dear Sir / Madam,

Re: **Tribhovandas Bhimji Zaveri Limited. Script Code & ID: 534369 / TBZ**
Sub: **Transcript of Conference Call with the Investors/ Analyst**

The Company had organized a conference call with the Investors / Analysts on Friday, 4th February, 2022 at 4.30 p.m. (IST). A copy of transcript of conference call held with the Investors/ Analysts is enclosed herewith and the same has also been put up on the Company's Website at www.tbztheoriginal.com.

We request you to kindly take the same on record.

Thanking You.

Yours faithfully,
For **Tribhovandas Bhimji Zaveri Limited**

Tribhovandas Bhimji Zaveri Limited Mumbai

Niraj Oza
Head - Legal & Company Secretary

Encl: as above

Tribhovandas Bhimji Zaveri Limited
Q3 and 9M FY22 Earnings Conference Call
January 04, 2022

Moderator: Good evening, ladies and gentlemen. I am Mike, the moderator for this conference. Welcome to Q3 and 9M FY22 earnings conference call of Tribhovandas Bhimji Zaveri Limited organized by Dickenson World IR. At this moment all participants are in the listen-only mode. Later we will conduct a question-and-answer session. At that time if you have a question, please press '*' and '1' on your telephone keypad. Please note this conference is being recorded. I would now like to hand the floor over to Ms. Pushpa Mani. Over to you, ma'am.

Pushpa Mani: Thank you Mike. Good evening, everyone. I welcome you all to the earnings call of TBZ Limited for the third quarter and nine months ended FY22. Today on this call, the management of TBZ Limited will be represented by Ms. Binaisha Zaveri - Wholetime Director, Mr. Saurav Banerjee – Chief Financial Officer. Before we would get started, I would like to remind you that remarks made today might include some forward-looking statements and actual results may differ materially from those contemplated by forward looking statements. Any statement made today on this call is based on our assumptions as on date, and we are under no obligation to update the statement as a result of new information or future events.

I would now invite Ms. Binaisha Zaveri to make the opening remarks. Thank you and over to you, ma'am.

Binaisha Zaveri: Good evening, everyone. I would like to welcome all of you to the earnings call of Tribhovandas Bhimji Zaveri Limited for the third quarter and nine months results of the financial year 2021-2022. All our stores were fully operational during the quarter, and we displayed strong revenue growth of 45% in nine months FY 2022 on the back of continuous improvement in foot falls and improved customer sentiment.

Our constant focus on innovative jewellery design, attractive scheme, and consumer centric behaviour has yielded these results with increase in new customer walking by 55% as compared to Q2 FY 2022. We focused on investing in customer communication, brand building and brand promotion to further strengthen TBZ positioning as the one-stop jewellery destination to cater to all occasions wedding and everyday jewellery. During the quarter, the company ran various community specific and product specific tactical campaigns, which received overwhelming response from customers. Our "friends of bride" campaign was very well received on social media and digital channel with more than 2 crore view. We are fully geared up to reap the benefits of the wedding season with adequate levels of inventory across stores, offering a wide range of products designs across categories.

Our balance sheet remains strong and well leveraged, which gives us enough headroom for growth. Going forward our focus will be on margin improvements, robust revenue generation, customer acquisition, without compromising on cost control measures. Customer preferences for branded jewellery is clearly evident and with our continuous efforts towards product innovation, launch of new collections and brand promotion, the company shall be strongly positioned to gather further momentum in the market field.

I would now like to hand over the call to our CFO, Mr. Saurav Banerjee for a quick overview of the financial performance, thank you and over to you.

Saurav Banerjee: Thank you Ma'am. Good evening, everybody. I shall take you through the key highlights of the third quarter and nine months ended FY 21-22 results. Shall first read out the quarter numbers and followed by the nine-month numbers. Q3 FY 22, total income from operations Rs.762.8 crore vis-à-vis Rs.623.28 crore in Q3 FY21 YoY increase of around 22%. Gross profit Rs.79.64 crore vis-à-vis Rs.99.73 crore a dip of around 20%. Gross margins, 10.44% vis-a-vis 16% . EBITDA Rs.37.13 crore vis-a-vis Rs.68 crore dip of 45%. EBITDA margins 4.87% vis-à-vis 10.9%. PBT Rs.23.49 crore vis-a-vis Rs.52.59 crore. PBT margin 3.08% vis-à-vis 8.44%. PAT at Rs.17.17 crore vis-a-vis Rs.39.49 crore. PAT margins 2.25%, vis-a-vis 6.34%. For the nine months ended FY22, the total income from operations is Rs.1,412.35 crore vis-à-vis Rs.975.92 crore, YoY increase of around 45%. Gross profits at Rs.152.24 crore vis-a-vis Rs.166.53 crore a dip of 8.6%. Gross margins at 10.78% vis-a-vis 17.06%. EBITDA at Rs.56.91 crore vis-a-vis Rs. 100.6 crore. EBITDA margins at 4.03% vis-a-vis 10.31%. PBT Rs.20 crore vis-a-vis Rs.48.91 crore. PBT margin at 1.42% versus 5.0%, PAT at Rs.14.68 crore vis-à-vis Rs.34.49 crore. PAT margin at 1.04% vis-a-vis 3.53%.

We can now begin the Q&A session.

Moderator: Thank you Sir. We have the first question from the line of Mr. Raunak Agarwal from Robo Capital Inc. Please go ahead.

Raunak Agarwal: What are the growth plans going ahead, like is there any revenue guidance, any margins guidance, our margins have dipped year-on-year and quarter-on- quarter basis. What are we expecting going ahead?

Saurav Banerjee: Yes. I can give you some flavour of what we would like to achieve in the near to medium term future. In terms of growth plans, we are looking at opening new stores possibly in the next financial year. We'll try and probably open, one or two stores before this financial year ends. However, for next year, there's a plan for opening about five to eight stores for 22-23, and we are gearing up for the same. We have identified some of the cities and some of the locations where we would like to go ahead with the store openings. In terms of top line, we are currently, as you've seen at a little more than Rs.1,400 crore. Last year we have done Rs.1,341 crore so in nine months we have been able to surpass the last year's top line numbers. While we cannot spell out exact numbers for top line, but in all probabilities, we should be able to end the year very strongly with further growth performance compared to the last year. In terms of margins let me quickly explain that the EBITDA margins have dipped because of the gold prices becoming very soft in the last quarters and last months and also with our strategical inputs in terms of advertising and marketing costs, which we have incurred to garner greater footfalls for greater visibility, clarity in customer communication, and to increase the conversion which results in the higher revenues. It's a constructive kind of an expense that has been done as far as the advertising marketing costs are concerned, and we shall continue to have that kind of outlook. Basically, the EBITDA margins 4.9% for the Quarter 3 can bettered in the forthcoming quarters. Perhaps we can look at something like 6% to 7%, that kind of range we have earlier also spoken of some kind of a steady state of 6% to 7% of EBITDA. We can look at that kind of margins as far as EBITDA is concerned.

Raunak Agarwal: What are the sustainable level of operating cash flows and any comments on the working capital scenario?

Saurav Banerjee: Well, if you have referred to some of the balance sheet items or the presentation that we have circulated, you would have seen that we have been able to very judiciously use our debt and we have kept the debt equity ratio quite favourable. The leveraging is quite strong, and we have been able to actually reduce debt to a great extent in the last one year, one and half years. Cash flow has been fairly strong. It continues to be strong. It is quite adequate, and we are well positioned to gear up for the growth plan for opening new stores. I think that way we are well placed. We have a good balance sheet. We are not heavily dependent on bank borrowings unless there's a specific reason to do so. We have also been able to reign in the finance cost. Overall, I think that way the working capital management has been quite favourable and even the inventory levels have been kept at the right adequate levels. There's no excess inventory, wherever required we have rationalized the inventory as a continuous process, released cash into the system and strengthened our balance sheet overall.

Moderator: We have the next question from the line of Mr. Harish Shah from HIS investment. Please go ahead.

Harish Shah: Please explain the reason for suppressed margins, when can we have them back on track?

Saurav Banerjee: As I was just explaining in the previous question in the answers to the previous question, the margins have suppressed basically because of the gold price, which has become softer compared to what it was on a YoY comparison basis. Last year we have seen that the gold prices were really rocketing and every company, every entity in the retail space has benefited from that, compared to those kinds of prices they have softened. What has happened is that it has resulted in customer sentiments being revived, volume growth has increased, top line has got better because of the lower gold prices, but because of the same reason the blended margin in terms of gross margins have come down to a certain extent, that is why the gross margins have got impacted. Secondly, as I explained that the company has taken a conscious call of investing in advertising and marketing spends, to garnering greater number of footfalls, as we are all aware that COVID and Omicron kind of situations had a major impact on customer sentiments and the markets. It was required that a buoyancy is created in the marketplace for people to come out, understand what they want to buy, have a clear visibility, the communication from the company to the customers in the form of communicating to them about the range of products or the pricing of those products, availability, the collections that we have come forward and offered all those things were necessary to be done. That has also resulted in a higher spend on advertising marketing in compared to what we did last year. These are the two major reasons for the dip in whether it's the gross margins or in EBITDA margins. One of them, obviously, as I explained, is a very constructive move. We are certainly going to benefit out of those in the forthcoming quarters as well.

Harish Shah: You explained about the promotions, on the brand promotion side, going forward, how much percentage of sales that you intend to spend?

Saurav Banerjee: Under normal circumstances, we have been spending in the range of I am giving you a range, say anything between 2% to 2.5% of the revenues that are usually generated. But as I said that there will be exceptional situations as it happened in this quarter and we had taken a conscious call of spending a little more with an eye to the benefits that are going to accrue, which have already accrued in the Q3 and going forward. But as a general, if you take us some kind of a measure, then it's usually in the range of 2% to 2.5% of the top line. It can be a little bit here and there based on how the market plays and how the competition is behaving in the marketplace.

Moderator: We have the next question from the line of Mr. Aryan Sharma from LKP. Please go ahead.

Aryan Sharma: What are the normalised EBITDA margins for the plain gold and studded jewellery?

Saurav Banerjee: Well, in terms of EBITDA margins well, that's probably not the right kind of a measure, maybe we can talk about the gross margin because that's a function of the manner in which the products are sold, the product mix and everything else. Just to explain further gold margins are usually around anything between, depending on the price and the manner in which it is sold, whether plain gold is selling more or studded gold is selling more, or coins are being sold. It can range anything between 10% to 12% to 13%, coins will have a much lower percentage followed by plain gold jewellery, which has a high percentage of margins and followed by studded jewellery within the overall gold category. As far as diamonds are concerned, the range is anything between 30% to 32% approximately. Diamond is a completely separate category in comparison to gold as a thumb rule one can sort of say that it's about three times the margins that one can generate from sale of gold jewellery. The product mix becomes very significantly important, and the company is always striving to ensure that there's a healthy product mix between gold and diamond. The percentage increase in the product mix in favour of diamond helps to increase the margins substantially.

Aryan Sharma: In spite of the increase in sales during this quarter, the margins have substantially reduced. By when can we expect the improvement in margins going ahead and what would be the margins that we are targeting?

Saurav Banerjee: So, I just explained in the previous question as well, and in fact, just down to your first question, that what's the reason for the margins to have dipped. Generally, one can expect relatively higher margins from the sales that we made. As I said gold has been preferred, I would say jewellery option in this year, and we are looking at diamond coming into its own. Diamond is selling well, but gold has sold better in terms of volumes. There are efforts to push up the diamond sales, once that happen the overall margins are likely to improve from what they are as on today. However, if we were to compare purely with last year, then yes, that's not a very, I would say an apple-to-apple kind of comparison, simply because as I explained that the gold prices were really high last year, and lot of windfall benefits have been coming to all the jewellery companies at that point of time.

Aryan Sharma: What would be a strategy to improve the market share or to capture the market share?

Saurav Banerjee: Well, as I said, that we are already working towards it, market share is constantly improving. We have had, as Ms. Binaisha Zaveri has also mentioned that there has been a substantial increase in foot falls, which always results in conversions. Conversion has not been a very big issue, as far as TBZ always had a very high percent of conversion in the range of about 75%, 80%. So, as we have also mentioned in the presentation, 50% new customers acquisition has happened in this quarter, there has been a very huge increase about 55% increase in terms of walk-ins compared to the Q2. We can clearly see that the strategy is working well for us and going forward it will help us gain greater market share plus, as I said, that the company is planning to open new stores in the cities where they are not present or also in the cities where the company is already present, but in pockets where their presence is required. It will help to garner greater market share at a local level, as well as at a national level.

Moderator: We have the next question from the line of Mr. Ravi Kumar, who is an individual investor. Please go ahead, sir.

Ravi Kumar: What’s the fourth quarter outlook from till date? Because one month is already passed from fourth quarter. And second is store opening last second quarter you shared the company has planned new stores opening from fourth quarter. And third one is total debt of company till date.

Saurav Banerjee: In terms of fourth quarter, the first month we are through with January. January has been a steady kind of a month. Compared to quarter three, the fourth quarter is not as buoyant as the quarter three usually is. However, as I said, that January has been a fairly steady month for us. We are expecting an improvement in terms of customer acquisition resulting in higher revenue generation in February and March and things are moving in that direction. We should be able to close the quarter at a satisfactorily reasonably good level, I would say. In terms of opening of new stores, yes, we are planning to open one or two stores, couple of stores, or at least one store by the end of this financial year subject to the environment being friendly and okay. In terms of further growth in the next financial year, we are clearly going ahead with store opening plans. We have the full year ahead of us and we should be able to open, as I said, anything between upward of five to five plus stores in that year, once again depending on how the economic environment is. We are expecting that the things will be quite normal and there will be no further setbacks due to any kind of a virus impact or anything like that. So, that's how we are planning our growth endeavours. In terms of debt, as on 31st December we have a debt of around Rs. 407.6 crores on our books.

Moderator: We have the next question from the line of Mr. Mihir Desai from Desai Investments. Please go ahead.

Mihir Desai: My question revolves around the online business. If you can throw some light on online sales for the quarter?

Saurav Banerjee: See, as far as online sales are concerned, we have explained earlier also that the online presence is not something very significant at this point of time. While we have been present in marketplaces like Flipkart, Amazon, and the likes, but what we are doing is that we are internally gearing up for a much better and greater online presence in terms of TBZ's own, I would say, a platform or its own marketplace. Currently, nothing of significance to really mention in terms of online share in the overall scheme of things. But as I said that the plans are there, and the work is happening internally, and you will get to know sooner than later what exactly we are trying to do and how we are going to launch our online presence in a more significant and visible manner.

Mihir Desai: Just to understand the margins for online sales and for the store, what would be the difference between those.

Saurav Banerjee: Nothing really. No difference in margins in that sense.

Mihir Desai: And one on the competitive intensity. Like what is the competitive intensity which you are facing, or you are seeing for the online channel basically?

Saurav Banerjee: Well, as I said, there are brands who are doing pretty well online and the competitive spirit or the competitive environment is very clearly visible. However, I would hasten to add that online market or marketplace for jewellery in India I think is still a work-in-progress. I would not say that it has really matured. It's a work-in-progress. People are trying to understand that and figuring out how well to perform in the online marketplace. In terms of TBZ's competition. As I said that TBZ's presence is not really much, hence in that sense no real competition because the presence is very-very minuscule I would say at this point of time. Going forward, obviously there will be competition. That's why I said that we shall be well prepared to face that when we finally launch our online presence in a significant manner.

Moderator: We have the next question from the line of Abhishek Kumar from Share Giant. Please go ahead.

Abhishek Kumar: What kind of impact Omicron had on the sales. Also, if you can give a colour what could have been the normalized sales if the impact of Omicron would not have been there in the quarter?

Saurav Banerjee: Well, as we know, COVID and followed by Omicron. Well, Omicron obviously to a certain extent was there and the impact of that has been felt. But I think the impact has been not really much. It has been just a passing kind of an impact after what happened during the first and second wave of COVID. I think the company has learnt very well from the past experiences, wave one, wave two, if I may say so and were very well-prepared to face a wave three. Fortunately, for us the wave three in the form of Omicron has not been as severe or as deadly as the previous two waves. While yes, there would have been some kind of an impact on top line, on customer movements, etc., but it has not been really felt, there's nothing significantly unfortunate which has happened in quarter three due to Omicron which is really very fortunate for us and for everybody else. So, that way I think, one is that we had the good fortune of nothing really very severe happening. Secondly, I think the company was well geared up and well positioned to meet the challenges that would have come up had Omicron been a little more severe kind of an impact.

Abhishek Kumar: What is the gross margin breakup for studded and plain gold jewellery for the quarter and nine months? And how do you see that playing out in the future?

Saurav Banerjee: As I explained a short while earlier, the gross margins depend on the kind of jewellery that is sold. I said that the plain jewellery always has a relatively lower gross margin than a studded jewellery. And the diamond jewellery will have a fairly higher margin than the gold jewellery. Now within that, the nitty-gritties we can probably discuss separately, not right now. But as I clearly said that the gross margins were impacted because certain price related scenarios, let's say, and it's not that this quarter's gross margins have been very-very poor. Obviously, they could have been better through a better product mix, but it's just that last year the margins have been really-really significantly higher because of much higher gold prices. So, in terms of future, I would not really say that there's a big challenge on gross margins. Obviously, volatile gold prices do not help anybody. A steady state always helps both the buyer, and the seller, customers feel more comfortable in a steady state environment. So, I think going forward the challenges will be there, but that will be the normal kind of business scenarios.

Moderator: We have the next question from the line of Neha Sharma from Pearl Global Investment. Please go ahead.

Neha Sharma: As you see the people's preference is changing. They are preferring more light weight jewellery compared to the heavy jewellery. So, will that have an impact on our sales as heavy jewellery sales per unit is more than light weight jewellery in our business?

Saurav Banerjee: Well, TBZ moves with times and changes according to the need of the hour or the preference of the customers, that's one of the reasons why TBZ has always remained as the one of the topmost brands in terms of brand recall. Well, there is a market or if there is a budget or there are customers who would want to go for heavy jewellery, it depends on the occasion also. If it's a wedding, then heavy jewellery or larger kind of grammages of jewellery or caratage of diamonds are what people are looking at generally for weddings and such other significant occasions. But if it's something which is, let's say a daily wear kind of item or a birthday or some such occasion then people are equally willing to buy the lightweight jewellery the smaller pieces which are relatively easier on the pockets. So, as far as the company is concerned, we have a full range of such jewellery whether it is the wedding space which has always been the forte for TBZ. The company has always been known and regarded as the number one player in the wedding jewellery space. Over the last few years, we have also ensured that we are equally adept at offering light weight jewellery to our customers. So, I do not think that a change in kind of generation of top line will happen because whatever sells is there with us, whatever the customer's demand is there with us and we have the entire range, whether it's dependent on a community or it's dependent on an occasion, or it's dependent on individual preferences and budgets, we have that kind of range, we have that kind offering.

Neha Sharma: Do you have any specific plans to target especially for the lightweight jewellery market?

Saurav Banerjee: Well, as I said, we are already having a fair percentage of our overall jewellery, let's say, which is being sold. So, we have a full range of light weight jewellery. Obviously again, as I said, that trends and designs keep on changing, customers' expectations keep on changing from time to time, in fact, faster than what it used to happen earlier. And hence the company keeps pace with that. It's dynamic enough to read the mind of the customer to understand what they are looking at and then come up with newer collections. In the lightweight jewellery space also, the same thing applies.

Neha Sharma: What is the company's strategy for branch expansion going ahead? And also, would you be interested in better penetration in the states where we already exist or are you looking to expand in newer geographies?

Saurav Banerjee: Well, yes. I just explained, and I will just quickly once again explain to you that we are looking at opening new stores in new geographies, new cities, new states, as well as the states or the cities where we are already existing. So, it's a part of the overall strategy. It depends on what markets we want to be in, where we think is the right place, the appropriate market, the appropriate kind of demand generation which is happening for a company like TBZ. So, naturally there will be a top list and then there will be a second list kind of a thing. And we are open, and we are planning to open stores in new cities as well as existing cities. For example, we may wish to open, and we shall probably be opening stores in a city where we are existing like Mumbai or maybe Hyderabad or Kolkata. And we are also looking at opening stores in newer cities, let's say Varanasi, or somewhere in the south or Bhubaneshwar or any other cities in Gujarat or Maharashtra itself. So, it's a two-pronged strategy. One is new markets, and one is existing markets where we want to gown.

Neha Sharma: Any plans on how many numbers of stores are planned to open in next coming one year?

Saurav Banerjee: I just said, maybe in the range of five to eight stores in the coming 365 days, if I may say so.

Neha Sharma: And how much would it be the CAPEX involved in that?

Saurav Banerjee: CAPEX, well not really much. It will be a very small amount actually. Let's say if I open five stores probably about at max Rs. 6 to Rs.7 to Rs.8 crores, something like that.

Moderator: We have the next question from the line of Harish Shah from H S Investments. Please go ahead.

Harish Shah: Just wanted to know how Kalpavruksha scheme is doing currently? Can you mention about the contribution for the Q3 of FY22?

Saurav Banerjee: It's the saving scheme that we have and the instalment scheme which is called the Kalpavruksha scheme. We have been doing quite well in terms of contribution to the overall sales that happens. And also, in terms of garnering more and more customers who are enrolling into the same. For the nine months, we have a contribution of more than Rs.100 crores in terms of sales being generated from KP and the amount continues to grow in terms of number of customers. I don't have exact number right now, but it's an upward graph which we are seeing. What we have done is that we have offered various kinds of products under the overall KP bucket, let's say. There is something which is for the nine months. There's another one which is for a shorter duration of six months to suit everybody's requirements and timelines. So, we have something which is exclusively for diamond jewellery and thereby we have created, products within the KP space itself to suit somebody's needs rather than have a very generalized kind of a KP scheme.

Harish Shah: This might be a bit different but just wanted to know your take. There are a few players these days and these players are now talking about jewellery renting. So, what is your take in that, and do you feel that it has any potential?

Saurav Banerjee: Well, I am not well-versed in that space. I have heard about it. It's a category. It’s another kind of a business. So, we have real estate, which is sold, and which is rented. So, both have their own place. I think this is, I would say, probably relatively new concept. It's very difficult to say how it will really pan out. But as I said, it's a different space and it probably has nothing much to do with jewellery buying.

Moderator: We have the next question from the line of Mihir Desai from Desai Investments. Please go ahead.

Mihir Desai: I am observing that the employee cost has increased. Is there any specific reason for it?

Saurav Banerjee: The employee cost has increased because of the usual normal increments and some of the sales incentives that have been paid out. However, as far as the overall headcount is concerned, there is no increase in headcount. Rather that we have been able to rationalize to a certain extent by way of automation processes and streamline our overall operational processes. The increase is purely on account of normal increments and sales incentives being paid and those kinds of measures.

Mihir Desai: So, we should see these costs coming down in coming quarters, right?

Saurav Banerjee: Once an increment is given then that stays. Incentives also are given at regular intervals because of various exemplary performances and things like that. But as I said, the headcount has not gone up, rather it has come down. Obviously, the company will try to automate further and rationalize processes so that way it should see some improvement actually.

Mihir Desai: What is the ideal inventory turnover which you are targeting for both the diamond jewellery and gold jewellery?

Saurav Banerjee: Inventory turn again depends on what kind of inventory is being sold. Sometime back some of our participants have asked, what kind of jewellery are we selling, plain, studded and all that. So, that also sort of impacts or defines inventory turns. Normally on an overall basis, we would like to target, as I said, overall company level basis about three times turns for gold somewhere in that range. Again, I am talking about range and for diamond a little over one, perhaps. I think those are reasonably good inventory turns to have. But as I said, and one should note that it all depends on exactly what kind of jewellery is being sold.

Mihir Desai: Further to add to this, what would be our strategy towards the inventory basically.

Saurav Banerjee: As I said that, it all finally depends on how well we sell and what we sell. Because inventory is nothing, but it is something that culminates into sale. So, on one hand we must have, and we do have the kind of design, differentiation, and the range of products to suit, as I said, everybody's requirement, everybody's occasions and budget. That ensures that people come into the stores, the walk-ins increase, the communication through advertising and marketing, tactical campaigns and various other communication platforms need to happen and when the walk-in happens it always culminates into some kind of a higher conversion, and then finally results in the top-line being generated. So, I think the strategy is not a simple one-line kind of a strategy. It involves various things, it involves the product, it involves the merchandising effort to identify what is the demand, what kind of jewellery is selling better in which area, India being a vast run country, and then the efforts to communicate rightly to the customer at the right time and generate the revenues accordingly. That pushes up the inventory turns.

Mihir Desai: As an investor, how should we look at the company especially margins are something which gives a little bit of concern.

Saurav Banerjee: Well, as I said, margins is a function of various reasons. Company obviously is always endeavouring to improve those margins and we have been able to do it at various points of time. Going forward, again I have already reiterated that margins are likely to improve. There have been constraints in terms of headwinds, in terms of the overall scenario and the marketplace and it has taken a toll on the overall economic environment itself. Once those things are going away now that we find that gradually things are improving, I think the buying patterns will improve, higher sales will be generated, more kind of jewellery will be purchased, particularly studded and diamonds jewelleries and margins will improve on the back of that.

Mihir Desai: Can you please provide sales in gram terms in nine months in FY22?

Saurav Banerjee: That data I don't have right now. But if you want percentage in terms of volume growth percentage, then I can tell you that for nine months the growth has been approximately about 40% to 50% on an average.

Moderator: We have the next question from the line of Ritu Gupta from Bliss Consulting. Please go ahead.

Ritu Gupta: My first question is how is the competitive intensity?

Saurav Banerjee: Well, retail jewellery space at least in India is really a competitive space. Lot of players, whether they are national brands or regional strong brands or even the mom-and-pop shops. So, it's all there and everybody is trying to vie for market share. So yes, competition is quite strong, very heavy and one has to take that into account, study what they are doing and also strategize to counter the competition. So that is there. The only, I would say, change that is really visible is that the organized market percentage or the share of organized players or organized market is really going up because of the various kinds of regulatory measures that the government has taken, for example, hallmarking and various other measures, GST, and some of the other measures. So, the unorganized sector is under some kind of a stress, and it's really not doing too well and may whittle down to a lower kind of a percentage. Already the organized share has moved up. So that is one significantly important thing. So that way, one can say that competition to a certain extent falling away in terms of the mom-and-pop shops unorganized sector. Within the organized sector, there is quite a stiff competition. And as far as the company is concerned, I have already explained in some of the past answers that company has strategized well enough through its marketing, advertising campaigns, through its offering of new collections and various other such strategies to deal with competition effectively.

Ritu Gupta: My next question is, you just mentioned that gold prices softening has impact on margins. So, could you please elaborate on that?

Saurav Banerjee: Basically, sometimes one can get to see that gold prices really start moving up very rapidly, as it has happened in the past and naturally that contributes to the overall margin in terms of the price itself. And the price volatility can go either way. It can impact the margins positively or adversely as well. But I always maintain that this is part and parcel of the business. These kinds of movements keep on happening and should not be considered from a long-term perspective. Gold is volatile, everybody knows it and we are in this business space, and we need to live with it and that's what everybody does.

Ritu Gupta: The last question is, what is the CAPEX required for opening a single store and how much sales does a store generate in 0 to 3 years?

Saurav Banerjee: CAPEX as far as single store is concerned depends on the size of the store and also to a very lesser extent on where we are opening a store, based on cost of living and various other things, infra cost and all that. But as a general kind of a reference, let's say, if it is a 2,500 to 3,000 square feet of store, then in all probability the CAPEX will be approximately Rs.1.5 crores or thereabout. If it is a smaller store, then it will be closer to Rs. 1 crore or maybe even less than that. In terms of revenues, a store typically takes about three years to really mature. Very difficult to say what kind of revenues will be generated, but the cash breakeven happens within, say about 365 days, maturity usually within three years.

Moderator: There are no further questions. I now hand over the floor to Ms. Pushpa Mani for the closing comments.

Pushpa Mani: Thank you everyone for joining us today for this call. In case of any further queries, you can get back to us on our coordinates provided in the investor presentation. Thank you.

Moderator: Thank you. On behalf of Tribhovandas Bhimji Zaveri Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.