Goldiam International Ltd

MANUFACTURERS & EXPORTERS OF DIAMONDS & JEWELLERY

CIN:L36912MH1986PLC041203

May 29, 2025

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 call on Audited Financial Results (Consolidated and Standalone) for the quarter and year ended March 31, 2025 held on May 27, 2025 at 03.30 pm.

In continuation of our letter dated May 21 & 27, 2025 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a transcript of the Earnings Call held on May 27, 2025 on Audited Financial Results (Consolidated and Standalone) of the Company for the quarter and year ended March 31, 2025.

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 Limited Q4 FY-25 Earnings Conference Call"

May 27, 2025

MANAGEMENT:	**MR. RASHESH BHANSALI – EXECUTIVE CHAIRMAN, GOLDIAM INTERNATIONAL LIMITED**
	MR. ANMOL BHANSALI – MANAGING DIRECTOR, GOLDIAM INTERNATIONAL LIMITED
MODERATORS:	**MR. RAHUL DANI – MONARCH NETWORTH CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Goldiam International Q4 FY '25 Earnings Conference Call, hosted by Monarch Networth Capital Limited.

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

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

Rahul Dani: Yes. Hi. Thank you, everyone. Good afternoon, everyone. On behalf of Monarch Networth Capital, we are delighted to host the senior management of Goldiam International. We have with us Mr. Rashesh Bhansali – Executive Chairman; and Anmol Bhansali – Managing Director of the Company.

We will start the call with opening remarks, and then move to Q&A. Thank you, and over to you, sir.

Rashesh Bhansali: Thank you, Rahul. Good evening, and welcome to Goldiam's Q4 and FY '25 Earnings Call. I would like to thank the Monarch Team for hosting this Call.

Financial Year 2025 was a landmark year for Goldiam from the financial performance point of view, as we posted strong top-line and bottom-line growth with robust operating margins. We also crossed INR 1 billion mark in profits.

Let me give you a quick summary of our financial performance:

Q4 consolidated revenue at INR 2,018.4 million grew by 33% Y-o-Y, whereas revenue for 12 months for FY '25 at INR 8,006.40 million grew by 30%. EBITDA for Q4 at INR 395 million increased by 44.2% Y-o-Y, and EBITDA for full year at INR 1,792 million grew by 40%.

FY 2025 EBITDA margin remained strong at 22.4%. Profit after tax for Q4 FY '25 at INR 232 million was also up by 30% and profit after tax for FY 2025 at INR 1,171 million was up by 29%.

Lab-grown diamond jewelry exports contributed 81.8% to the overall export sales mix during Q4 FY '25 compared to 54% in Q4 FY '24. Online revenue accounted for 29.5% of the revenue during Q4 FY '25. About 73% of the inventory as on March 31, 2025, is with customers as finished stock of jewelry to be sold in subsequent months to their customers.

Goldiam's order book position as on March 31, 2025, was at about INR 1,400 million. The Board recommended INR 1 as final dividend for FY '25 over and above the 2 interim dividends, INR 1 each distributed during the year already. Cash and cash equivalents, including investments were at the tune of INR 2,883.7 million as on March 31.

Financial Year 2025 was also significant as it marked our entry into Indian retail business of lab-grown diamond jewelry under the brand name ORIGEM. Goldiam now has 6 operational ORIGEM stores in the key micro markets across Mumbai, while our flagship store at an important jewelry hub on Turner Road, Bandra West. We will continue to expand ORIGEM's presence now in the national capital region, followed by the Southern region, Bengaluru.

As you may be aware, recently, the Board of Goldiam has passed an enabling resolution for raising of funds not exceeding INR 4 billion. The proposed fundraise is aimed at propelling a faster expansion of ORIGEM brand across India.

With that overview, I am happy to open the floor for questions. Thank you.

Moderator: Thank you very much. The first question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking. Please go ahead.

Bhavya Gandhi: Yes. Hi. Thank you for the opportunity. And congratulations to Management on a very good set of numbers. Sir, my first question is regarding the EBITDA and gross margin guidance for next 2 years, FY '26 and '27.

Anmol Bhansali: Hi, Bhavya. This is Anmol Bhansali, here. I will take that first part of your question. I also wanted to, before I answer, introduce Mrs. Darshana Patel, CFO of Goldiam. She's on the line with us as well.

Darshana Patel: Hello, sir.

Anmol Bhansali: Wonderful. So I will just start with that. So EBITDA and gross margin guidance. So, on the EBITDA side, we have always maintained approximately 18% to 22% as a broad range of EBITDA guidance. We continue to have our business geared towards this range of EBITDA guidance. We may see a slight softness in Q1, and potentially Q2 only in this financial year due to the lag of passing over the price change due to the tariffs in the U.S., which, as we know, is an incremental 10% that's been added on. We are in the process of passing this over, and we have already started splitting it with customers 5% each.

Now I would like all the participants on the call to also understand that this is a situation that has been an unforeseen event and not in control of Goldiam management. However, we are mitigating it as best as we possibly can. Some things we are doing include passing on as much of the tariff slowly and steadily to our customers.

I think within another quarter, this should entirely be passed on to our customers, mitigating with costs and pushing down on our raw material cost prices, especially on the diamond side with some of our suppliers as well as maintaining stricter cost controls in our management and operating expenses. So that's some of the things we are doing.

We see Q1 potentially slightly Q2 to be a little bit softer by only 2 to 3 percentage points, not more. Beyond that, and in general, and again, this is just to share, this is just something that is not very much in our control. But beyond that, we definitely see that we will have our business continue to be geared on our EBITDA guided range of 18% to 22%

Bhavya Gandhi: Fair enough. Thank you so much for the elaborate answer. And with respect to gross margin, because historically, it has been in the range of 30% to 33%. But this year not exceptional, extraordinary, I would say, 34.5% is something what we have delivered. So for next few years, what should be the gross margin range one should walk out with?

Anmol Bhansali: Sure. Thanks for the question, Bhavya. I think the gross margins will naturally tend slightly upwards. On the B2B side, we are aided by stronger buying power, especially in lab-grown diamonds.

Today, Goldiam would be probably among the top or certainly among the top 5 buyers of lab-grown loose diamonds from the growing and supply side of the pipeline. We are also aided by, of course, the gold price continuing to move upwards, which is a helpful benefit.

And as ORIGEM, which is our B2C arm in India, our domestic brand in India, as that also naturally grows, ORIGEM is currently selling jewelry at a 42% to 45% gross margin. So as that also incrementally grows, we should see gross margins slowly but steadily slightly inching up higher.

Bhavya Gandhi: Fair enough. Just 1 more question, if I can squeeze in. With respect to the retail operations, what would be the guidance for '26 and '27 with respect to store openings as well as revenue?

Anmol Bhansali: Thanks for the question, Bhavya. So what I can share is, we currently, as mentioned by our Chairman in the introductory remarks, we have 6 stores opened, making us the largest COCO retailer of lab-grown diamond jewelry in the Mumbai Metro region. We hope to now expand this playbook in Delhi, NCR as well as Bangalore, Hyderabad and a few other markets.

We are expecting in this current financial year to have around 20 to 25 stores as per the current flow of plans. Post that, we will reevaluate unless, of course, any other change happens in terms of the store opening schedules.

Bhavya Gandhi: Fair enough. But at least can we expect like INR 2 crore per store revenue from the stores that you opened maybe in the last 6, 8 months, if you were to bake in?

Anmol Bhansali: Absolutely. I think what we are seeing is we are hoping to even cross that number.

Bhavya Gandhi: Fair enough. Thank you so much. I will get back in the queue. Really helpful. Thank you.

Anmol Bhansali: Thank you, Bhavya.

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

Dixit Doshi: Thanks for the opportunity. First, a slight clarification. So as of 31st March, our order book was INR 140 crores. And on 5th May, we have given a notice of INR 80 crores fresh order. So let's say, it's around INR 220 crores to be executed over the next 3 to 4 months?

Anmol Bhansali: I will have to double check and get back, but I think that should be correct. It would be including some deliveries would be pushed out, but approximately it should be a ballpark correct.

Dixit Doshi: Yes. So basically, the INR 140 crores as of 31, March does not include this INR 80 crores we received in this quarter?

Anmol Bhansali: That's correct.

Dixit Doshi: Okay. Secondly, in terms of the questions regarding the tariff. So some of the things you have already mentioned. But just to understand more better. So let's say, as of 31 March, we would be having around INR 140 crores order book. So all of this will have 10% additional tariff. So will there be some pass on this? Or on this order book, we will have to bear it. And from next order onwards, we are charging it to the client. So how does it work?

Anmol Bhansali: Sure. Thanks for the question, Mr. Doshi. So, let me put it this way. As soon as the tariffs got announced, there was a 2-week lead time before implementation of the tariffs. In those 10 days to 2 weeks, Goldiam worked extra hard, and I have to credit our production teams.

We pushed out as much as we possibly could so that there was no tariff impact on the orders in hand. Certain orders that could not be done in hand, we have gone back to the customer to start discussions on reevaluating the prices and giving us an increment for the due prices. There is no 1 answer.

Customer-to-customer, it differs. While on some customers, we have passed on half, 50%, so 5% each. Some smaller customers, we have even managed to pass on the entire tariff increment on to them. I think it's a challenge that is a moving challenge, as and when time progresses. And if in case this is the new reality, all customers, small to large are realizing that they are going to have to accept the full brunt of tariffs in due course of time. So we are in the pipeline of doing that.

So in that sense, I hope that answers your question in terms of the process of how we are passing on tariffs, and regarding the order book as on 31, March. Some of it has gone without tariffs, some of it, we will have a small tariff hit. But again, it's incremental and it is only transitory. It is not part of our business model, and not a long-term structural change to our business model distribution or strength of our margin profile.

Dixit Doshi: Yes. And this 2%, 3% impact we are expecting in margins due to this, so that will be for the Q1 and Q2. And for the entire year, the impact will be lower, right?

Anmol Bhansali: That's correct.

Dixit Doshi: Okay. Now 1 more question is in terms of demand, how do you see, let's say, pre-tariff, post-tariff? Or is it a non-event over there?

Anmol Bhansali: Yes. So I think as soon as tariffs hit, I think it was definitely a little bit of a shock to both retail as well as wholesale vendors like us at Goldiam. So we had a little bit of a lull period for about 2 to 3 weeks where retailers were hoping these tariffs would be phased out quickly.

Also readjusting the prices seeing how their markups are. Most retailers have a 3x to 5x markup on fine jewelry in the U.S. So for them, it's mainly a matter of adjusting their discounting level in order to not really make large changes and start consuming up these tariffs as part of their cost of goods.

So I think there was a 2-to-3-week lull period in terms of demand when the tariffs hit. As of today, we are seeing a very good order flow. A lot of customers are very bullish. Again, thanks to our design strength and our focus on lab-grown diamond jewelry, any incremental market share gain for lab-grown versus natural is in an outsized manner coming to Goldiam.

So I think in that sense, we are positioned very well to supply jewelry into the U.S. mid-chain, certainly an enviable position in our industry at the moment. And demand is, at the moment, not so much impacted. As I mentioned, it was probably a 2-to-3-week sort of lull period.

Dixit Doshi: Okay. And my last question on this one. So you mentioned that for FY '26, we are planning, say, 20 additional stores, because we are already 6 stores. So let's say, 20 or 25 additional store expansion. So a related question is, we have taken this approval of INR 400 crores fund raise. So is it fair to assume that this is just a resolution, and we may or may not raise this fund because 20 store expansion and we are sitting on INR 288 crores of cash with INR 100 crores PAT.

Anmol Bhansali: Absolutely. Thank you, Mr. Doshi. Very clear. No. So we are expecting, as I mentioned, to have about 20 to 25 stores by end of this fiscal year. This is without looking at evaluating the fund raise and evaluating any fundraise. That will be the basis on what opportunity is available to us and whether we want to enhance the growth engine of ORIGEM and speed up the store expansion faster.

So this definitely does not include the outcome of any fund raise that we may do. The Board resolution was an enabling resolution on a higher side to allow us a fund raise up to INR 400 crores. It's at the moment, an enabling resolution to allow management to react faster as and when we see fit.

Dixit Doshi: Okay. So till 25 stores, we may not require funds, but let's say, in 2, 3 quarters, we plan for aggressive expansion, then we may look for this fund raise?

Anmol Bhansali: So yes, I will put it this way. It depends on the speed at which the expansion rollout needs to happen.

Dixit Doshi: Okay. That's it from my side. Thank you.

Anmol Bhansali: Thank you Mr. Doshi.

Moderator: Thank you. The next question is from the line of Shrut Bhayani from Areeza India. Please go ahead.

Shrut Bhayani: Hi. Sir, so for your D2C and ORIGEM retail channels, like what are the customer acquisition costs? And how do these compare to the retention costs for your B2B retailer partnerships?

Anmol Bhansali: Sure. So thanks for the question, Mr. Bhayani. It's tough to answer, because we are predominantly brick-and-mortar retailer. We, of course, have our online presence, but we have not focused on it in terms of large funding into digital ads to propel customer acquisition online.

In that sense, since ORIGEM is made as an omnichannel or rather brick-and-mortar retailer first, it's hard to calculate a customer acquisition cost. I would like to defer this question hopefully, maybe 2 quarters out, when one of our first stores would have 2 or 3 quarters out.

When our first store would have completed an entire year of operations, we will be able to perhaps better answer the costs incurred in the stall, in terms of marketing activities, launch activities, guest listing, society visits, etc., that are more neighborhood-centric costs and related to that, what flow-through of actual billed customers have come in. So perhaps we can postpone this question to 2 or 3 quarters out.

Shrut Bhayani: Surely, sir. Also sir, can you explain about the working capital intensity and what steps are you taking to improve it?

Anmol Bhansali: Sure. So on the ORIGEM side, as you know, we are probably one of the, if not the only retailer in the world that has the ability to grow our own diamonds, manufacture diamonds, if not grown, then buy every single stone ourselves and make the jewelry ourselves. So we currently have a complete overview of jewelry items which are sold at ORIGEM, with every single part of the supply chain being done in-house. As a result of that, of course, there is a larger inventory that comes in into the mix at ORIGEM as we set up more stores.

We are looking at ways to mitigate that by partially adding on some vendor-financed inventory also. We are using gold metal loans that, that process will continue as well as we open more stores in the future. It's a work-in-progress. The idea certainly is to reduce the upfront investment of inventory within a store opening, so that we can generate better return on capital as we expand stores down the road.

Shrut Bhayani: All right, sir. Just last question from me. Sir, what is the average revenue per unit for your lab-grown diamonds and also natural diamond jewelry?

Anmol Bhansali: Yes. So for lab-grown diamonds, I think we put this in our presentation as well. I believe on Page 6 of our corporate deck, you will see the average realization for Q4 FY '25 for lab-grown diamond jewelry, that was $742 per unit. For mined diamond jewelry, that was about $467 per unit.

Shrut Bhayani: All right, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity. So my first question is on the U.S. business. So we have seen a significant growth in our LGD volumes in the U.S., in the export business, but the realizations as you know of LGD have fallen quite a lot over the past 3 to 4 years. And even if you look at our overall natural diamond volumes have fallen quite a bit, and our proportion of lab-grown diamonds is around 82% now and 18% is of natural diamonds in our Q4 revenues.

So is it safe to assume that we have reached a level where the volume growth which has been stupendous in the lab-grown diamonds over the past 2, 3 years will now start reflecting more in our revenue numbers, and we should start seeing at least 25% to 30% growth in our U.S. business, notwithstanding the breakup that we are seeing in the past 2 years in the past, in the next 2 quarters. So should we start assuming our growth in U.S. market can be upwards of 25%, 30%?

Anmol Bhansali: Sure. So thank you for the question, Mr. Gupta. Let me answer the first part at least regarding lab-grown diamond realizations. We at Goldiam, even the data we release on our corporate deck is we look at our realizations on a per jewelry piece basis because we sell jewelry. We don't look at realizations on a per carat basis, because we don't sell loose diamonds. So even the numbers I shared earlier to Mr. Bhayani were a per jewelry piece basis.

You would appreciate that over the last year or so, Goldiam has been able to maintain, in fact, actually grow our average realization of lab-grown diamond jewelry, because we have been able to increase the portion of our business in lab-grown that comes from higher karatage. So as an example, just anecdotally, whereas last year, we may have sold 1.5 or 1 carat of diamonds per ring, this year, we may be selling between 2 to 2.5 carats of diamonds per ring on average. So that's helped us to maintain the average realization as well as provide revenue growth.

Coming to your question of now seeing that we see lab-grown diamonds pricing on the diamond side hitting a base. Yes, any incremental volume growth that comes to the Company will very visibly show up in revenue directly, because there will not be a hit in terms of a value reduction on a per carat basis on the piece of jewelry.

Regarding growth rates, we have already shared that we see Q1 being a bit soft. So post that, I think as tariffs, because of this unforeseen transitory event that's happened as it gets digested and moves into U.S. retail completely, we will be back to our long-term growth rates for the U.S. business. And yes, any volume growth will incrementally also add on to that directly to our revenue.

Ankit Gupta: So Anmol, let me ask you directly, can we double our revenues in our existing business in the next 3 years, 3 to 4 years?

Anmol Bhansali: Yes, absolutely. I think that's always the goal. We hope to do that. On a larger picture, this is helpful for all participants also. Some of our largest customers have buying power of between $500 million to $2 billion of buying, which is an addressable market to Goldiam.

At our FY '25 numbers, which was our all-time high of INR 800 crores, we were approximately, we have completed about $90 million of sales for the year, $90-plus million of sales for the year. There is certainly a possibility and visibility, and that is the aim to double our sales over the next 3 to 4 years in our core B2B business, provided we don't have macroeconomic issues that are truly out of our control.

Ankit Gupta: So the second question was on the retail foray that we have done, and we have been doing pretty well on the store expansion and store economics front. So on a medium-to longer-term basis, we have an advantage of being an earlier entrant and with backward integration into manufacturing our own diamonds and designing our own jewelry, that is okay. But let's say, we have been hearing some of our larger peers on the natural diamond side are also planning to enter into lab-grown diamond jewelry.

And some of these guys operate at lower gross margins of, let's say, 25%, 30% in their base category of natural diamonds, while we are currently looking to generate 40%, 45% gross margins. So do you see when some of these larger players enter the industry and with competitive intensity increases, our target gross margins can come down to, let's say, 30% levels? And how will that impact the store economics going forward?

Anmol Bhansali: Sure. Thank you for the question, Ankit. It's a very valid question. I, in fact, think our gross margins are already extremely low. See, we have a strong cost advantage by being among the largest buyers of lab-grown loose diamonds from our suppliers and from the wholesale trade. That is a key and immediate advantage to Goldiam. We have an additional cost advantage by producing jewelry, both manufacturing it in-house as well as designing it in-house. That saves us money on making charges that would otherwise be leaked out to vendors and suppliers for another retailer.

And more than anything else, we believe that given the category of lab-grown diamond jewelry, any entrant also, even an established large jewelry retail chain in India, I totally can imagine who you are referring to. I think they too would like to see and enter this category only with a higher gross margin than the existing distribution and existing brands in natural diamonds.

Our largest omnichannel fine jewelry brand in the country, which started off on websites and now has crossed, I guess, north of 300, 350 stores, they operate between 30%, 35% gross margin. There's no reason why I think if that retail Company moves into lab-grown and as they do, they won't want to replicate the same, if not even exceed the gross margins of those brands.

So we are fairly happy with our pricing. We don't see pricing pressure at all. In fact, if anything, just to share anecdotally, and actually to share the facts of the figures, ORIGEM is the lowest-priced lab-grown retailer compared to all start-up competition.

There's a bunch of these start-ups that have opened lab-grown retail stores in various cities, Mumbai, Bangalore, Kolkata, et cetera. We have done deep pricing studies of their pricing metrics versus ours at ORIGEM. And truly, we are the lowest price competitor compared to any of the current competition out there. And that is also despite being at a 42% to 45% gross margin. So we are fairly happy.

Long story short, we don't think we will be facing a pressure even as organized large jewelry retail enters the lab-grown segment in India.

Ankit Gupta: Sure. And my last question was on our fundraising and expansion plan. Normally, in retail segment, you have seen that when you want to open a store, it takes quite a bit of time to evaluate the location, discuss about rentals with the owners and then decide about the location of the store. But let's say, if we want to expand, won't we be entailing the risk of like expanding too fast and diluting some of the checks that we normally retailers should do before opening a new store and risking the store economics?

Anmol Bhansali: No. Fair question, Ankit. We are very conservative in the places we open. We are not opening in any locations that large competition on the everyday fine jewelry side, or the wedding day jewelry side is not already present. So from the standpoint of location metrics, the idea is pretty simple that we want to replicate and have presence in some of the key locations, where our largest peers on the natural diamond side are already there. So that sort of answers the question and reduces the worry.

Yes, there is, of course, the other worry that in the desire to expand fast, will you pay above market rents or anything like that? That's not our philosophy. We are happy to let go of a location or review it again in the following year or the following few months. We would rather do that than pay the above market rents.

And I think there is also some degree of learning, which will 100% be there. We are trying to mitigate it by having some of our team join us with people who have multi-decade years of experience in the retail side of the business.

And on the longer picture, larger picture scheme of things, I think the idea is to not change the playbook so much. Just because we have higher gross margins does not mean we will be paying higher than market rents as example. So if it comes down to that, which I hope it won't and I am sure it won't. I think we are happy to then take a more prudent approach as time goes by.

Ankit Gupta: Thank you and wish you all the best.

Anmol Bhansali: Thanks. Thank you, Ankit.

Moderator: Thank you. The next question is from the line of Saurabh Kumar from Scientific Investing. Please go ahead.

Saurabh Kumar: My question is on the ORIGEM side. So if we look at the traditional jewelry retail stores, usually, they breakeven somewhere between 8 to 15 months depending on their capabilities and their work on 7% EBITDA margin. And I know in previous calls, you have given a number of INR 2.5 crores to INR 3 crores, depending on type of store and monthly INR 3 crores to INR 3.5 crores revenue expected. But in terms of store economics, 1, based on your experience of running these 4, 5 stores, plus looking at how historically the traditional jewelry players operate in terms of breakeven period and margin. Is our ORIGEM business something similar? Or is there something which is different which you would like to highlight?

Anmol Bhansali: So thank you for the question, Mr. Saurabh. I will address the breakeven directly. The benefit of building a business in the lab-grown diamond segment, especially for us at Goldiam, given our deep integration into a supply chain is the higher gross margin we can deliver. That directly allows us to have a lower breakeven revenue, and thus a faster breakeven time frame to achieving store level breakeven.

So the 4, 5 stores, I am happy to share learnings. We have some stores of ours that have broken even in the first month itself and continue to break even on a store level basis. Some stores where, as an example, yes, there's 1 or 2 stores where we have a slightly higher rent. We are flirting with a breakeven over there with a few months where we have broken even, few where we are slightly under.

I think in general, the time frame will be shorter than our mined-diamond large retail peers. We are further to that, we are also looking at how we can reduce or maintain a low level of OPEX in a store, through the cost of sales and the cost of sales teams that are in the store as well. This is pretty much the plan, and we believe that we will be able to have breakeven on a store level basis faster than the 10 to 15 months that you shared, that is achieved by other retailers.

Saurabh Kumar: That's great to hear. Just 1 or 2 questions related to the same. So we also have a plan to raise money around INR 400 crores. And I think INR 1.5 crores is the inventory required. So also, we have an aspiration to open 150, 200 stores in the next 4, 5 years. So is this the plan where the money is going to be deployed primarily into inventory, so that once the store economics is clear, we can have a rapid scale up?

Anmol Bhansali: So 2 quick things, Mr. Saurabh. One, as I mentioned, this is an enabling resolution. It has not been confirmed yet. It's been set in the Board meeting and approved by the Board to allow us as management to be able to deploy funds faster, if and when we see the opportunity. Hopefully, as it arises, when we will be able to pick up.

And if we believe it's the right opportunity, we will be coming to the market for that. Though this is a very high watermark level of funding, which we just went ahead and took approval for as it's an enabling resolution.

And one more thing I would like to re-clarify, you mentioned the inventory of INR 1.5 crores per store. Actual inventory plans, as we have shared, I think you might have mistaken it from somewhere else. The inventory per store that is being built at ORIGEM is between INR 2 crores to INR 2.5 crores on average. So it's higher than the stated figure.

Saurabh Kumar: Sure. Noted. Last question, who are our closest competitors? Like we operate around INR 40,000-plus price band. Do we compete only with our type of premium LGD players? Or do we compete also with natural diamond peers?

Anmol Bhansali: Yes. So I think if you see the customer occasion to buy jewelry between INR 25,000 per piece of jewelry to INR 1 lakh, INR 1.5 lakh is basically non-wedding jewelry. Its diamond studded, it's occasion-led such as birthday, anniversary, gifting purposes. In that sense, on the natural side, of course, there are some very prominent companies like CaratLane, BlueStone, etc., on the Mia by Tanishq, these are the brands that are built in to serve this market.

On the lab-grown side, there are quite a few start-ups that have opened up, but all of them address the same larger price point and this same occasion of the customer, which is to buy jewelry for non-wedding day purpose.

In general, we believe that as the country develops further, the reason to buy jewelry or rather the occasion-led jewelry purchase, the gifting-led jewelry purchase as a segment will definitely grow much faster, because people will have a rising disposable income. And hopefully, our designs will deliver the desire to come and buy the jewelry at the ORIGEM.

Saurabh Kumar: Great. That was very insightful. And thanks for the great set of results and wish you all the best for next quarters.

Anmol Bhansali: Thank you, Mr. Saurabh.

Moderator: Thank you. The next question is from the line of Ganesh Rao from Rupani Capital. Please go ahead.

Ganesh Rao: Thank you. I know you touched on this briefly. Just to clarify, looking at the last 5 years, right, our receivable days have reduced, and our inventory days have expanded significantly. So can you please elaborate what is your strategy being around these to tackle them?

Anmol Bhansali: Sure. Thank you for the question, Mr. Ganesh. So inventory, as we stated also, inventory is part and parcel of business growth for us at Goldiam. On the B2B side, every new design or a new style needs to be tested on consignment by large U.S. retailers. As a result, that inventory sits on our books. We don't record that sale on our consolidated balance sheet and our consolidated P&L until it is reported as sold by our retailers.

Again, the way the business cycle works is these retailers see the monthly sales of new designs. And for designs which have exceeded a certain percentage of sales, they will then go out and expand that merchandise, and expand that design in all their stores on a paid-for purchase order basis, which is a direct buyer seller relationship then.

However, in order to even get there, as I mentioned, for new designs and new style testing, there is a requirement for us on the vendor side to invest in inventory. That's usually what we see that on our balance sheet, and the reason for higher inventory on our balance sheet over a longer duration. And I believe as we hope to, over the next 3, 4 years, a further increase scale of our B2B business, inventory will proportionately also increase accordingly as a percentage of sales.

On the receivables side, again, it's just working with our retailers and the push to moving into dot-com, which has helped to bring down the overall receivables. As we post this data out in our Investor Presentation as well.

On Page 5, you will see dot-com or online sales as a percentage of our overall revenue for Q4 was about 30% in value terms. Now this effectively is a negative working capital segment of a business for us, because the receivables from online sales come to Goldiam within 10 to 30 days. Its growth in this segment has dramatically helped to bring down the overall receivables and increase health of the Company's B2B business.

So that's the 2 main reasons to share why as a trend line over 3 to 5 years, why receivables have come down and inventory has gone up. This is what we see and how it's happening for our B2B business. As B2C goes up, we should further and ORIGEM also scales over time. We should further see overall receivables on a blended basis continue to go up and inventory hopefully to stay stable or maybe slightly increase.

Ganesh Rao: Sure. Thank you for the very elaborate answer. Just a quick follow-up on that. So building up inventory is a good indicator of where we want to be from a sales perspective. But do we have a cost associated with it, when the inventory is returned? And I know I understand that we do quickly recycle them, but is there a cost associated for us?

Anmol Bhansali: So not major. The largest portion in terms of inventory at cost that gets lost when we recycle jewelry is just the labor that was required to produce that piece of jewelry. As we are a diamond-studded Company, labor is probably around 10% to 12% on the higher side of the cost of a particular piece of jewelry. So in that sense, that's pretty much the exposure we have and the risk associated with recycling jewelry.

Ganesh Rao: Thank you. And the last question that I have is, in regards to the…

Moderator: Sorry to interrupt, Mr. Ganesh. Mr. Ganesh can we request you to return to the question queue for a follow-up.

Ganesh Rao: Yes. Sure. Thank you.

Anmol Bhansali: Thank you, Mr. Ganesh.

Moderator: The next question is from the line of Raghu from Travis Capital. Please go ahead.

Raghu: I am just continuing the question from the previous caller regarding the margin being high and the competitive intensity. With the cost of capital coming down, and what is exactly stopping the competitors from giving more discounts and bringing down the margin in this business? I am talking about the next 3, 4 years. So if you open 100 stores and things like that, so don't you feel over the long period, the margins definitely cannot sustain at these levels?

Anmol Bhansali: So thank you for the question, Mr. Raghu. I think our margins are structurally baked in. So, to start with I assume, your question is regarding ORIGEM and the B2C side of the business. Regarding ORIGEM, I think our margins are structurally baked in at these levels. And honestly, much lower than competition and much lower than start-up competitors.

To give you an idea, I know we have done deep study on where our competition is. Like-to-like, we are 5% to 30% cheaper than funded start-ups in our industry so far.

So I think we are very, very aligned in terms of being the lowest cost provider for lab-grown diamond jewelry in India. As mature companies come in and large retail also comes in, as I mentioned, lab-grown offers the opportunity to build at a higher gross margin and build business at a higher gross margin. A lot of companies already have distributions, which are north of 30% to 35% gross margins.

I think it's very easy for us to assume that they will not be selling lower than a 40% gross margin or 35% to 40% gross margin. This is the visibility we have, and this is our understanding at the moment. I don't believe that this will change. However, let's see how that shapes up over time. And hopefully, in the meanwhile, as mature competition comes in, ORIGEM would have already got a larger presence in the market at that point of time.

Raghu: Yes. That's fair. But just a follow-up to that. I have read somewhere…

Moderator: Sorry to interrupt. Sir, may we request you return to the question queue for a follow-up question.

Raghu: Thank you.

Anmol Bhansali: Thank you, sir.

Moderator: The next question is from the line of Harshit Singh from GreenInvest LLP. Please go ahead.

Harshit Singh: So the question I had was in respect, in the earlier call, you had mentioned that you were foraying into the UAE and Australian markets. Wanted to know, how the demand is right now, and is it contributing to the top-line currently?

Anmol Bhansali: Thanks for the question, Harshit. It is small. We had just started selling in Australia. Orders continue with the same retailer and wholesaler that we have started working with. It's not a large part of our overall revenue. I would say, it's still in low single digits.

We continue to, of course, as we have mentioned in the past, the focus will always be in the U.S., because that offers the highest profit potential. However, we do believe that our Australia business and distribution should also incrementally increase from here as we have cracked an entry into an Australian retailer.

We have also started and got on board a sales specialist for the Middle East. So we hope to open a few more retailers in that market as well.

Harshit Singh: All right. That's it from my side. Thank you so much.

Anmol Bhansali: Thanks Harshit.

Moderator: Thank you. The next question is from the line of Utsav Bahety, an individual investor. Please go ahead.

Utsav Bahety: I had just 1 question. So regarding the fund raise, which we are planning maybe probably at a later time. So are we also looking to set up shop in U.S. maybe if the tariffs do not go as intended? So that is my question.

Anmol Bhansali: Yes. Thank you, Utsav. No, we have no plans to open retail directly in the U.S. In the U.S., and in global markets, our focus will be B2B. In India, it will be B2C through ORIGEM. Thank you.

Utsav Bahety: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Sarabjyot Chawla from Niveza India. Please go ahead.

Sarabjyot Chawla: Yes, Mr. Bhansali. Firstly, congratulations on a great set of numbers. And I just have a question for you regarding ORIGEM. So I wanted to understand what is the current performance of the store, like? If you could just give us some revenue numbers for the stores of ORIGEM at present? And also, last I remember, Goldiam was 90% concentrated towards the U.S. So can we see that breakdown go more towards the domestic side? And how much revenue contribution can we expect from India? If you can just give some guidance on that?

Anmol Bhansali: Sure. Thank you, Mr. Chawla. So ORIGEM just about started. As on 31, March 2025, which is the quarter-end and year-end that we are discussing. For the year-end, ORIGEM did approximately INR 5 crores of sales with stores incrementally opening up from November 1, onwards up until March. So as and when they opened, they've started making sales. And cumulatively, that's been the sales figure so far.

And regarding how that sales mix will end up being and the distribution mix will end up being, I think for even this current financial year, largely most of the revenue will come in from B2B side. But from hopefully, FY '27 and onwards, you will see that very quickly tilting towards India and B2C and ORIGEM.

We have no guidance to give on that matter. But as and when we open stores, of course, and increase distribution, naturally, that mix will start changing.

Sarabjyot Chawla: Thank you so much. It seems like the war chest is ready to aggressively expand ORIGEM stores.

Anmol Bhansali: Thank you Mr. Chawla.

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

Dixit Doshi: Yes. Most of the questions have been answered. You mentioned about INR 5 crores top-line for this financial year. If you can give some more quantitative about per store metrics, whatever metrics you would be comfortable, that would be helpful?

And just 1 question regarding our B2B business. Do you see any advantage or any business due to this U.K. FTA?

Anmol Bhansali: Sure. Thanks for the question, Mr. Doshi. So on ORIGEM's top-line, we won't be currently sharing per store metrics. So I am happy to perhaps share that offline also once I get through the numbers. I don't have it readily available with me at the moment.

What I can say is the model is built to do a breakeven around that INR 20 lakh monthly revenue figure. That's how the model has been built with keeping in mind rental costs, OPEX costs, etc., as well as the gross margin that we are employing. So fairly achievable over time. Over time, hopefully, fairly beatable also by a good margin. That's the real goalpost that we have over the long period of time.

Your second question regarding the India U.K. FTA, we have started discussions with 1, 2, U.K. retailers. We participated in a buyer-seller meet that was organized by the German Jewelry Export Promotion Council as well. It's still in process. Honestly, there was not a big duty to start with. It was about 2.5% to 3%. So that has become 0. It's not a game changer for the jewelry industry at least, but it definitely helps. I think the bulk of any geopolitical tailwind will come in when India and U.S. sign their agreement on the trade side.

Moderator: The next question is from the line of Bhavya Gandhi from Dalal & Broacha Stock Broking. Please go ahead.

Bhavya Gandhi: Yes. Hi, thanks for the follow-up. Just quickly, what would be our budgeted OPEX with respect to retail stores for next year and maybe a year after if you would have planned? And what would be the marketing spend in that total OPEX?

Anmol Bhansali: Sure, Bhavya. So it depends that question. I don't paraphrase, I don't have that answer readily available with me right now. If you could kindly e-mail us, I will get back to you. Largely, it would also be dependent on the speed at which we would prefer to open stores.

In general, that's why the answer is a bit difficult to achieve at the moment. But let me review the numbers, and happy to get back to you on email.

Bhavya Gandhi: Sure. Marketing spends, if you can just throw light?

Anmol Bhansali: Yes. It's again, depending on whether we go ahead with the fund raise, I think it's linked in according to that as well as how our store fleet expansion continues. Certainly, if we proceed with the fundraising, if the opportunity is right, we will be both expanding CapEx, store setup, and then the marketing spends altogether to build the brand faster than otherwise planned.

Bhavya Gandhi: Sure. Sure. Fair enough. Thank you so much.

Anmol Bhansali: Thank you.

Moderator: Thank you. The next question is from the line of Raghu from Travis Capital. Please go ahead.

Raghu: Yes. Just following up on the previous question I was asking you. I was just trying to understand, I read somewhere in one of your earlier interviews that the lab-grown equipment doesn't cost more than INR 1 crores to INR 2 crores. I just really want to understand why is the gross margin so high in this particular line of business, higher than even the natural business? Can you just explain if possible?

Anmol Bhansali: Sure. Thank you for the question, Mr. Raghu. So the gross margins, honestly, are fairly similar for jewelry production and jewelry distribution. There's no difference for us as a jewelry designer and manufacturer and exporter in terms of, no significant difference, especially today between lab-grown and natural diamond jewelry. If anything, the difference exists because there is a higher cartage that is produced with natural diamond jewelry. And accordingly, we can get a benefit basis on more diamonds being used per ring. But again, as I said, it's incremental. There's no major difference.

On the retailing side, it's related to the cost of retail and the opportunity of what's being delivered to the customer. So you will see, and I hope you would appreciate also large retailers globally, even retailers of fine jewelry that play in the natural diamond segment as well as the lab-grown diamond segment, the lab-grown margins for retailing are always higher than the natural diamond margin for retailing, that's the way the business is built, especially because lab-grown has a fairly limited distinction between quality grades.

Almost everything is VEF color, VVS or VS clarity. There is no large price difference between an E color and an F color or a VVS or a VS stone. It sort of lends itself to then creating and allowing the salesperson and the retailer to sell on design and sell as per the cost of retailing, which naturally then have to result in a higher gross margin on the retail side.

Raghu: Sure. Thank you.

Anmol Bhansali: Thanks. Thanks, Raghu.

Moderator: Thank you. The next question is from the line of Harshit Singh from GreenInvest LLP. Please go ahead.

Harshit Singh: I didn't catch up when you had to say something about the inventory buildup in this quarter. Could you just elaborate on the reason behind the inventory increasing and resulting to a negative cash flow from operations this year?

Anmol Bhansali: Sure. So 2 major things, Harshit, 1, which is the investments being done on the B2B side in terms of new product testing with our U.S. retailers. We have invested in inventory in new designs and new styling. As that moves into, it improves and sells down month-on-month because its consignment, we will see that cash flow coming through in the following year.

You will see even historically, in every year where we have increased revenue in its preceding year, there has been an increase in investment in inventory. That's just how our business model works. So that's one aspect of it.

And the other major aspect has been the setup and creation of ORIGEM stores. Of course, it requires inventory and the idea with investing in ORIGEM in the first place was to use the free cash, which is sitting in Goldiam's books without being invested into the jewelry business. So of course, that cash flow will move into inventory, and is now available in our 6 stores in ORIGEM and also constantly being built for future store openings as and when they happen.

Harshit Singh: Mr. Bhansali, thank you for giving such prompt and detailed answers all the time. Thank you so much.

Anmol Bhansali: Thanks so much, Harshit. Appreciate it.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question. I now hand the conference over to the management for the closing comments.

Rashesh Bhansali: Hi, everybody. I want to thank all the participants for joining us today. If you have any further questions or need additional information, please feel free to contact Dissero Consulting, our Investor Relations team. Thank you, and thank you, Monarch.

Anmol Bhansali: Thank you so much. Thank you, Monarch, and thank you, Dissero.

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