

D. P. Abhushan Limited

NSE: DPABHUSHAN | BSE: 544161 | ISIN: INE266Y01019



Date: August 05, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra East, Mumbai – 400051

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Symbol: “DPABHUSHAN”

BSE SCRIP Code – “544161”

Sub: Transcript of Q1 FY26 Earnings Call held on Wednesday, July 30, 2025.

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of Q1 FY26 Earnings Call held between the Company and Investors on Wednesday, July 30, 2025 on the Unaudited Financial Results of the Company for the quarter ended on June 30, 2025.

The aforesaid transcript is also being hosted on the website of the Company, www.dpjewellers.com in accordance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on record.

Thanking you.

**FOR AND ON BEHALF OF
D. P. ABHUSHAN LIMITED**



Santosh Kataria
Chairman and Managing Director
DIN: 02855068

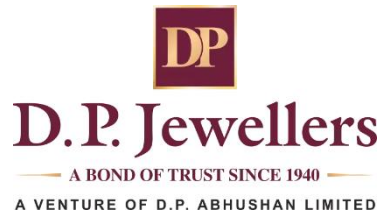


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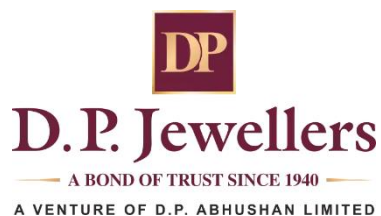
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“D.P. Abhushan Limited Q1 FY’26 Earnings Conference Call”

July 30, 2025



**MANAGEMENT: MR. SANTOSH KATARIA-CHAIRMAN AND MANAGING
DIRECTOR-D.P. ABHUSHAN LIMITED
MR. ANIL KATARIA-WHOLE TIME DIRECTOR-D.P.
ABHUSHAN LIMITED
MR. VIKAS KATARIA-PROMOTER-D.P. ABHUSHAN
LIMITED**

Moderator: Ladies and gentlemen, welcome to the D.P. Abhushan Limited Q1 FY'26 Earnings Conference Call.

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.

I now hand the conference to Mr. Ajit Mishra. Thank you and over to you sir.

Ajit Mishra: Thank you, good evening to all the participants on this call. I am Ajit Mishra from Ernst & Young Investor relations. Before we proceed to the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties, and other factors. It must be viewed in conjunction with our business risks that could cause future result performance or achievement to differ significantly from what it expressed or implied by such forward-looking statements.

Please note that we have mailed the press release, results & the same are available on the exchange & company website. In case, if you have not received the same, you can write to us, and we will be happy to send the same over to you.

To take us through the results and answer your questions today, we have the top management of DP Abhushan Limited represented by Santosh Kataria, Chairman and Managing Director, Anil Kataria, Whole Time Director and Mr. Vikas Kataria, Promoter.

We will start the call with an opening remark on company performance for the quarter & year gone past and then will conduct a Q & A session. With that said, I will now hand over the call to Anil Sir. Over to you, Sir.

Anil Kataria: Good evening, everyone. Thank you for joining us today for DP Abhushan Limited's Q1 FY26 Earnings Call. I'm here today along with Mr. Santosh Kataria, Managing Director, and Mr. Vikas Kataria, our Promoter. We truly appreciate you taking out your valuable time to be with us this evening.

To begin, let me briefly touch upon the broader gold and jewellery industry trends during the quarter gone by.

Gold prices remained elevated all through the April to June quarter, even crossing the INR 1 lakh per 10 grams mark. This sharp rally in prices has been driven by a mix of global factors. We've seen rising geopolitical tensions, fluctuations in currency markets, and a renewed interest from investors in safe-haven assets like gold.

One of the biggest triggers has been the weakening of the US dollar, which has made gold more attractive globally. On top of that, central banks around the world have been actively buying gold, adding further momentum to the market. And as always, gold prices are closely tied to decisions made by the US Federal Reserve, especially around interest rates and monetary policy. All these factors have contributed together to gold prices rising significantly this year.

Overall demand and volume growth were significantly impacted, particularly among price-sensitive consumers. However, wedding and festive buying especially around Akshaya Tritiya and continued interest in premium jewellery helped support overall market stability. Jewellery demand slowed down in June and early July with the end of the wedding season. High gold prices continued to weigh on consumer sentiment, leading many to postpone non-essential purchases or shift towards more affordable options like lightweight, lower-carat, or studded jewellery. The trend of exchanging old jewellery to manage costs continued to gain traction. Meanwhile, the shift toward investment-oriented buying persisted, with a growing preference for gold bars, coins and plain gold chains, which are favored for their lower Making charges. Coins weighing less than 10 grams were especially popular.

In urban centers like Indore, Bhopal, Jaipur, and Udaipur, consumers leaned toward lightweight, investment-grade jewellery, often preferring branded and certified pieces. Meanwhile, rural demand remained resilient, supported by stable agricultural income and rising disposable earnings. Gold continues to be seen not just as adornment, but as a trusted store of value, especially in semi-urban and rural regions of Madhya Pradesh and Rajasthan. Silver saw a notable uptick in demand, particularly in tier-2 and tier-3 towns. With gold prices high, silver emerged as a popular alternative, especially for gifting and daily wear. In Rajasthan, silver jewellery has deep cultural roots, and this quarter saw a revival in traditional designs with modern twists. Madhya Pradesh also saw an increased interest in silver coins and temple jewellery, driven by religious and ceremonial purchases.

Consumer preferences are evolving rapidly. In urban areas, buyers are increasingly seeking customized, lightweight, and digitally accessible jewellery. In rural regions, jewellery remains deeply symbolic. Weddings, festivals, and religious occasions continue to drive demand. The middle-class expansion and rising aspirations are driving purchases across both gold and silver segments.

Amidst this evolving industry landscape, I'm happy to share a significant milestone in our own journey. As we all know in April 2025, we inaugurated our second showroom in Ratlam the gold city where our journey began 85 years ago, back in 1940. Located just one kilometer from our head office, this new showroom marks our 11th overall and is now the largest and most modern jewellery showroom in the city. It has been thoughtfully designed to meet the growing demand while offering customers a world-class retail experience. With three new showrooms recently opened, we've taken significant steps toward strengthening our retail footprint across key cities

in Central India. Our approach is rooted in detailed market research, careful location selection, and a robust logistics and supply chain network that allows us to scale efficiently.

As we look ahead, we remain optimistic about the increasing demand for quality jewellery in emerging Tier 2 and Tier 3 cities. With our 85-year legacy of trust, craftsmanship, and customer-centricity, we are well-positioned to capture these opportunities and continue delivering sustainable growth.

With that, I'd now like to hand over the call to Vikas Kataria, who will take you all through our financial performance in greater detail. Thank you all for joining us today, and we look forward to your continued support.

Vikas Kataria:

Thank you Anil bhai. Good evening, everyone. I'm Vikas Kataria, Promoter of DP Abhushan Limited. I'd now like to take this opportunity to share our financial performance for the First quarter of FY26. Total Revenue for Q1FY26 stood at INR 541 crore, compared to INR 505 crore in Q1 FY25, registering moderate growth 7% year-on-year growth. The elevated gold prices did impact overall industry demand and volume growth, leading to more cautious consumer spending. Our EBITDA stood at INR 55 crore with the margin of 10.21%, up from INR 38 crore in the same quarter last year, a 44% increase. Profit After Tax came in at INR 36 crore with the PAT Margin of 6.73%, compared to INR 25 crore in Q1FY25, showing a 45% year-on-year growth. Looking at our revenue mix, Gold remains our dominant category, contributing 91% of total sales. Diamonds contributed 6%, silver made up 3%.

With that, I'd now like to hand over the call to Mr. Santosh Kataria, who will take you through our key initiatives and developments during the year.

Santosh Kataria:

Thank you, Vikas. Now I would like to take you all through some of our other key updates.

Growth during the quarter was primarily driven by strong performances from our Udaipur which grew (+20% YoY), Banswara up (+13% YoY), and Kota up (+11% YoY) stores. Alongside contributions from newly launched store Ajmer, Neemuch, and Ratlam's second showroom. While some mature markets like Ratlam and Indore saw a decline, the overall momentum remains positive, reflecting our strategic expansion and customer engagement efforts.

As part of our long-term vision DP Abhushan Limited is committed to strengthening its presence across Central India. Over the next five years, we plan to expand into high-potential Tier 2 and Tier 3 markets including Gujarat, Chhattisgarh, and remaining untapped regions of Madhya Pradesh, and Rajasthan witnessing rising purchasing power. Our expansion will continue through the Company Owned Company Operated (COCO) model, enabling us to maintain full control over operations, inventory, and customer experience ensuring consistent quality and brand integrity. To support this ambitious growth roadmap, we are raising up to INR 600 crores

via the Qualified Institutional Placement (QIP) route. This capital infusion will provide the financial strength needed to scale efficiently and sustainably.

We are actively diversifying our revenue streams with an increased focus on diamond-studded jewellery. To support this shift, we are implementing strategic initiatives such as premium product offerings and targeted exhibitions aimed at enhancing profitability. Moving forward, we will continue to prioritize these initiatives to expand our brand reach and deepen customer engagement, particularly in high-potential markets.

Looking ahead, we remain confident about the long-term growth prospects of the jewellery industry. Our strategy of geographic expansion focuses on emerging markets, and diversified product portfolio positions us well to seize future opportunities and continue delivering sustainable growth.

With that, I'd now like to open the floor for any questions and answers.

Thank you once again for your time and continued support.

Moderator: Thank you. We will now begin the question and answer session. We take the first question from the line of Viraj Jain, an individual investor. Please proceed.

Viraj Jain: Sir, my first question is that, this a generational business and the fourth generation is currently running the business. How was the role divided between the family members and how is the succession planning done?

Vikas Kataria: Thank you so much for asking this question. Our business is a family-owned enterprise that has been running for the past 85 years. Currently, it is managed by the fourth generation — Mr. Anil Kataria, Sanjay Ji Kataria, Santosh Ji Kataria, and myself, Vikas Kataria. We have a well-distributed structure in terms of responsibilities. Mr. Anil Kataria oversees PR and marketing, while both Anil Ji and Santosh Ji handle operations. Finance is managed by Sanjay Ji and myself, and procurement is taken care of by Santosh Ji and Anil Ji. Each of us has a dedicated professional team under our leadership, which makes management much smoother.

The fifth generation has already joined the business, and they are currently undergoing training across all departments. This is to ensure they understand every aspect of the business from sales to procurement and stay connected with all processes.

Viraj Jain: Okay sir. My second question is who do you think are our major competitors in the organized and unorganized market and how do you see the market shifting from unorganized to organized players? Are the unorganized stores facing a lot of troubles and are they shutting down?

Vikas Kataria:

In the organized jewellery market, we see strong competition from large national and regional chains such as Tanishq, Malabar, and Kalyan Jewellers. Apart from these, we also face competition from local Jewellers in different cities. For example: In Indore, our competitors include Ratlam Jewellers and Anand Jewellers. In Udaipur, we compete with Alankar Jewellers. In Bhopal, Sajawat Jewellers is a key competitor. So, in every city, we face competition from both national brands and well-established local jewellers. Moreover, there is a rapid shift happening from unorganized to organized retail, especially in Tier-2 and Tier-3 cities. Earlier, most jewellery shops operated in a traditional format, but now many are transitioning into modern retail stores. This transformation is driven by changing customer preferences today's customers want to buy from trusted brands that offer a wide variety of products under one roof. They are looking for quality, variety, and a complete shopping experience, which is accelerating this shift.

Viraj Jain:

Okay sir. Sir, my last question is we have done very well in our Ratlam and Indore stores which constitutes nearly 50% of our total revenue. How have we achieved such higher revenues from individual store and how are we going to replicate the same growth in other stores as well?

Vikas Kataria:

Ratlam and Indore are our flagship stores and have played a pivotal role in our overall growth. The Ratlam store, in particular, has a legacy of over 85 years, which has helped us build a deep-rooted connection with the local community. This long-standing trust and brand loyalty have significantly contributed to its strong performance. Similarly, our Indore store, which has been operational for nearly 15 years, is also a flagship location. It spans over 15,000 square feet and enjoys excellent brand visibility and customer trust. The scale, experience, and strategic location of these stores have helped us achieve higher revenues.

To replicate this success in other locations whether they are newly opened or existing stores — we are focusing on a few key strategies: Expanding our reach beyond just the city limits to cater to customers within a 100–150 km radius. Strengthening customer relationships through consistent service, quality, and variety. Investing in professional teams and infrastructure to ensure a seamless shopping experience. Building brand trust in newer markets by leveraging the legacy and reputation of our flagship stores.

We are confident that with these efforts, our other stores will also begin to perform at par with Ratlam and Indore in the near future.

Viraj Jain:

Thank you, sir. That is it from my side.

Moderator:

Thank you. The next question is from the line of Manav, an individual investor. Please proceed.

Manav: So, I just had a few questions. Firstly, I wanted to understand as to what is our revenue split and do we have any bullion sales in this split as well? Also, if we have any bullion sales are we selling it B2B or do we sell through our stores?

Vikas Kataria: Currently, our revenue excluding bullion is composed of Bridal Jewellery- 60%, Festive Purchases- 20%, Self-Purchase & Gifting- 20%. In addition to this, we generate approximately ₹275 crores from bullion sales in FY 2024-25, which accounts for around 10% of our total revenue. This bullion revenue is primarily part of our B2B operations it is sold to vendors as a form of payment for jewellery procurement and job work. Essentially, when we engage vendors for manufacturing or sourcing jewellery, we settle part of the transaction through bullion sales, making it an integral part of our supply chain and vendor management strategy.

Manav: Okay. Understood. Sir, my next question is around inventory turns. I wanted to understand how inventory turns are for the old flagship mature stores and also, I wanted to understand how will inventory turns grow for the new stores that we are planning to open up?

Vikas Kataria: Our older stores currently achieve an inventory turnover of approximately 8 times, while our average inventory turns across all stores is around 5 to 6 times. For new stores, our target in the first year is to reach a minimum of 3 to 3.5 times, and within two to three years, we aim to scale this up to 5 times or more. This performance is driven by our deep expertise in inventory management, built over four generations of experience. Our team has a strong understanding of customer preferences and sales patterns, which allows us to tailor inventory precisely to each store's location and demand.

One of our core strengths is daily inventory replenishment. Unlike monthly or weekly cycles, we replenish sold products immediately. As soon as an item is sold, it is restocked without delay. This ensures optimal product availability and contributes significantly to our high inventory turnover.

Manav: Yes sir. This inventory turn is unheard in the industry 8 times. So, just wanted to understand one more thing if we have such high inventory turn how much would be our dead inventory that we have and how do we rotate or move forward with this inventory? Do we rotate it within our stores or do we give it back to our vendors?

Vikas Kataria: Thanks to our efficient inventory management practices, our dead inventory is nearly negligible around 1–2%, and even that is not truly dead. We actively rotate and shuffle such inventory across stores to ensure movement. We follow a category-wise shuffling system. For example, if a product isn't performing well at one store, we assess whether it's a gold or diamond item and further classify it by type and value. High-value items may take slightly longer to move, but regular products are expected to sell within 30 to 45 days. If they don't, we will proactively shift them to another store where they may perform better.

This inter-store shuffling ensures that inventory keeps moving. Across all categories, if a product doesn't sell within 45 to 60 days, we give it a fresh opportunity at another location and in most cases, it results in successful movement. This approach is a key reason why our dead inventory remains close to zero.

Manav: Understood. That is it from my side. Thank you and all the best for your future.

Moderator: Thank you. The next question is from the line of Rahil shah, an individual investor. Please proceed.

Rahil Shah: My first question is what is store level economics look like? How long it takes typically for store to reach EBITDA breakeven and start generating profit? And how much inventory and CAPEX do we need per store?

Vikas Kataria: Thank you, Rahil. Typically, a new store reaches EBITDA breakeven within six to nine months, depending on the location. Most of our stores begin generating profits within twelve months of operations.

We operate our stores under two distinct formats. The first is a large-format store, which is generally over 8,000 square feet in size. The second is a mid-size format, where the store size is less than 5,000 square feet. For the mid-size stores, our inventory requirement is approximately ₹50 crores, and the capital expenditure (CAPEX) ranges between INR 2.5 crores to INR 3 crores. In contrast, the larger stores require an inventory of around ₹100 crores, with a CAPEX investment of INR 5 crores to INR 7 crores. This structured approach helps us optimize our investments based on location potential and store format, ensuring profitability and efficient operations.

Rahil Shah: Understood sir. Sir, what is the current studded mix and how do we see this going forward in next three, four years? Given the market which we cater generally prefer plain gold jewellery rather than diamond or studded jewellery, how are we looking to increase this mix in the market?

Vikas Kataria: Yes, currently our studded jewellery contributes around 6% of our total sales. Over the next three to four years, we are aiming to increase this to 15%. Our target is to reach that 15% mark by FY 2030. Historically, we've been more focused on Tier-2 and Tier-3 cities, where the demand for diamond, Kundan, and Polki jewellery wasn't as strong. But now, with the rise of grand weddings even in smaller towns, we're seeing a significant cultural shift. The demand for diamond and Polki jewellery is growing rapidly across these regions.

We've noticed that in every new store we open, there's a positive response to our diamond and Polki collections. This gives us the confidence that we're on the right path and that achieving 15% contribution from studded jewellery is well within reach.

To support this growth, we've also built specific marketing properties focused on promoting studded jewellery. One such initiative is our annual event called *Parinay*, which is held at a fixed time every year. During this event, we showcase a wide range of diamond jewellery to our customers, offering them more variety and exclusive collections. The response to these initiatives has been very encouraging, and we believe that with continued focus and effort, we'll achieve our target well before FY 2030.

Rahil Shah: Understood sir. Sir, given our current margin, what are current margins and how do we expect them going forward given their planning to increase the studded mix in the upcoming year? What is the average making charges for gold jewellery and for studded jewellery and also how much making charges do we give to our suppliers?

Vikas kataria: Currently, our margins are in the range of 7% to 8%, and we are working on gradually improving them. Our strategy focuses on increasing the share of studded jewellery in our overall mix, especially those pieces that carry higher making charges. We've been actively promoting such collections and have developed designs that stand out from regular jewellery. These collections are supported by distinct branding and packaging to enhance their appeal.

Recently, we launched a new brand called Amoura, which features more contemporary and lightweight designs. This allows us to charge a premium and improve our overall margins. Typically, our average making charge from customers ranges between 5% to 10%. In the case of diamond jewellery, our margins are significantly higher by approximately 20%.

As for vendor payments, the making charges we pay vary depending on the product type. On average, we pay between 2% to 4% to vendors, depending on the complexity and category of the jewellery.

Rahil Shah: Understood sir. That is it from my side. Congratulations once again.

Vikas kataria: Thank you so much.

Moderator: Thank you. The next question is from the line of Sagar Shukla, an individual investor. Please proceed.

Sagar Shukla: Hi. Excellent set of numbers. I had few questions. First one, I wanted to understand our hedging policy and how much inventory would be currently hedged also given the rise in gold prices how are we held against any decline going forward and what would be our cost of hedging?

Vikas Kataria: Yes. Thank you, Sagar, for asking question so currently we do not hedge our inventory. However, as we grow and expand into more markets, we are actively looking at introducing the

hedging policy to manage price risk and we are planning to get GML and GML cost will be somewhere around 3.5% to 4%.

Sagar Shukla:

Understood. Thank you so much. The second one was considering the gold price is on rise correct, so I believe there would be a natural shift to light weight jewellery. What are your thoughts on that and also wanted to hear about how we are going for lab grown diamonds and are we planning towards lab grown diamonds or collections?

Vikas Kataria:

Yes, with the rise in gold prices, we are definitely seeing a shift in customer preferences. Earlier, customers would typically opt for heavier jewellery in 22-carat gold, but now there's a noticeable change. While some customers still have the budget for it, there are others who are more value-conscious their focus is not on the volume of jewellery but on staying within a fixed budget.

To cater to this evolving demand, we've started offering jewellery in 18-carat and 14-carat gold as well. We don't want to miss out on any opportunity in the market, so we ensure that we have products available across all purity levels. With BIS certification and our own quality assurance, customers feel confident in their purchases, and the response to these categories has been very positive.

As for lab-grown diamonds (LGD), we don't see significant movement in Tier-2 and Tier-3 cities yet. Our customer base in these regions still views jewellery as an investment. For them, buying jewellery means acquiring an asset something that should ideally appreciate in value or at least retain its worth over time. That's why natural diamonds and gold jewellery continue to be the preferred choice.

Interestingly, there's growing demand for natural diamond jewellery even in smaller towns, and the market is still underpenetrated in terms of suppliers and retailers. This presents a strong opportunity for us to expand and serve these regions more effectively.

Sagar Shukla:

Correct. Got it. Understood. The last one was given that you have taken board resolution of raising Rs. 600 crores. Wanted to understand what would be the timeline for the same, how are we looking to deploy this fund also when I see last five years, we have opened six stores and going forward we have plan to open six store every year. So, how fast are we moving this?

Vikas Kataria:

We are planning to open six additional stores in FY'26 and seven more in FY'27, as mentioned earlier. Our expansion strategy includes both large-format and mid-size stores. The large-format stores will be over 8,000 square feet and will require an inventory of around 100 kg, with a CAPEX of approximately ₹5 crores. For the mid-size stores, we plan for an inventory of around 50 kg and a CAPEX of ₹2.5 crores.

Over the past five years, we've opened six stores, but we now believe the brand is ready to scale. The market is shifting rapidly from unorganized to organized retail, and we see this as the right time to expand. If we don't act now, we risk missing out on the first-mover advantage in regions where our brand already has a presence and competition is relatively low. We're confident that whenever we enter these markets, we'll be able to generate strong business.

Our entire team is prepared for this expansion. All ERP systems and operational processes are in place, and we're already successfully running 11 stores. With this setup, even if we open one or two stores every month, we're confident we can manage it smoothly and meet the growing demand effectively.

Sagar Shukla: Superb sir. Amazing move. Thank you.

Moderator: Thank you. The next question is from the line of Akshay Chaudhary, an individual investor. Please proceed.

Akshay Chaudhary: So, my first question would be that what are expansion plan going forward for the next four to five years? As we can see in the investor presentation that you are planning to expand to new geographies such as Gujarat, Chhattisgarh. So, what would be the rationale behind it?

Vikas Kataria: As of June 2025, we currently operate eleven stores. Going forward, we plan to open seven to nine stores every year, with a target of reaching fifty stores by FY 2030.

This year, we are testing two new markets Gujarat and Chhattisgarh as we see significant potential in these regions. According to our internal data, these markets are still underpenetrated. We've observed a strong customer base coming from bordering cities of both states, which further validates the opportunity.

That's why we're planning to expand into these new states. We believe this move will help us tap into fresh demand and strengthen our presence in high-potential regions.

Akshay Chaudhary: But don't you think that before we go for these new markets you can expand further in the cities of Rajasthan and Madhya Pradesh. Also how do we test the market before actually planning to open the store? How do we look to compete in these new geographies where already well-established players are there?

Vikas Kataria: Yes, you're right. We will continue to expand in Madhya Pradesh and Rajasthan because we see significant potential in these states. We've already identified several cities in both MP and Rajasthan where we plan to open new stores.

At the same time, we've observed a strong and growing customer base from Gujarat and Chhattisgarh. Even though we don't currently have a physical presence in these states, many customers from bordering cities travel to our existing stores to purchase jewellery. That clearly indicates untapped potential.

So, we believe it's the right time to establish a base in these markets as well. By doing so, we can capture a share of the business that already exists there and strengthen our market presence in these high-opportunity regions.

Akshay Chaudhary: Understood. Thank you. Now the last question what is our customer conversion ratio? And how do we crack them and how we will achieve these ratios and what is the mix of existing and new customers and how it has moved over the years?

Vikas Kataria: Our customer conversion ratio from walk-ins to actual purchases is approximately 85%, which is quite strong. In our older stores, 70% of the customers are repeat buyers, while 30% are new customers. This reflects the strong loyalty and trust we've built over time.

In contrast, our newly opened stores show a different trend. Around 60% of the customers are new, and 40% are existing customers who previously shopped at our other locations but now prefer the convenience of the new store. This shift indicates that our brand is expanding its reach effectively and that our new stores are successfully attracting fresh footfall while retaining existing customers.

Akshay Chaudhary: Got it sir. That is, it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Anjali Singh from Bansal Family Office. Please proceed.

Anjali Singh: My question is regarding the recently announced ₹600 crore fundraise through QIP. Could you please share how the proceeds from this fundraise are planned to be utilized? Specifically, will the funds be primarily directed towards store expansion or product diversification? Also, what is the expected timeline for deploying these funds?

Vikas Kataria: No, the fundraise is purely focused on expansion. Our sole objective is to open new stores as part of our growth plan. Store expansion is the only area where these proceeds will be utilized.

Anjali Singh: Okay. Also, can you give me an update on your current debt levels and whether any part of QIP will go to debt reduction?

- Vikas Kataria:** No, the QIP proceeds will not be used for debt reduction. Our current total debt limit stands at INR 210 crores, out of which approximately INR 150 crores is utilized. The entire fundraise is dedicated purely to expansion and growth, specifically for opening new stores.
- Anjali Singh:** Okay. INR 210 crores and used is INR 150 crores. Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Abhishek Jain from Jain Securities. Please proceed.
- Abhishek Jain:** Good evening, sir. Congratulations on great set of numbers. My first question is regarding the margin guidance and sales guidance for FY'26?
- Vikas Kataria:** So, the margin for FY'26 is somewhere around 8%.
- Abhishek Jain:** Sir, last year also you guided margins will be around 7% to 8% but it fell short actually to 6% so do you think we can achieve 8%?
- Vikas Kataria:** Yes, 7% to 8%. Yes.
- Abhishek Jain:** Okay.
- Vikas Kataria:** Currently our Gross Profit is around 14%. Last year it was around 10%, GP margin.
- Abhishek Jain:** Okay sir and what is the sales growth guidance for FY'26?
- Vikas Kataria:** As a whole we are predicting around 10% to 15% we will achieve by the end of financial year 2026.
- Abhishek Jain:** Okay sir and by what time QIP will be done? In how many months sir?
- Vikas kataria:** We are planning to close in this month only, in August.
- Abhishek Jain:** Okay sir. Thank you, sir. That is all from my side.
- Vikas Kataria:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vikrant Kashyap from Asian Market Securities. Please proceed.
- Vikrant Kashyap:** Hi. Good evening. Just wanted to seek your clarity on growth during the quarter. So, you have reported 9% growth in gold jewellery sales whereas the prices from the quarter has been shot up by 28% to 30% on a Y-O-Y basis. First is there any significant drop in growth volume that you

have seen during the quarter. Please provide some clarity on that and second on you have been guiding for your focus on increasing sales of studded jewellery but this quarter again has been lower compared to same quarter last year. I need your clarification on this, is this a phenomenon for you or every Company in and around area that you operate? Thank you.

Vikas Kataria:

Yes, we've seen a volume decline of around 10% to 12%, but this trend isn't limited to us it's something the entire industry is experiencing due to gold prices being at peak levels.

If we look at the recent quarter, starting from January, gold prices have been consistently rising. Business activity, especially in jewellery, is often linked to the wedding season. This time, during Akshay Tritiya, there were fewer auspicious wedding dates, which impacted overall demand. As a result, this quarter was relatively weaker.

However, based on our years of experience in the jewellery business, we've seen that if the first quarter is slow, the second, third, or fourth quarter usually compensates. In jewellery, purchases are rarely diverted they're simply postponed. The sharp rise in gold prices caused a temporary hold in buying decisions, but we believe customers will soon adjust to the new price levels. Whether it's ₹95,000 or ₹1,00,000 per 10 grams, once customers feel the price has stabilized, demand typically returns.

So, we're confident that this dip will be covered in the upcoming quarters, and the momentum will pick up again.

Vikrant Kashyap:

Okay. One more thing, last year's wedding season was quite strong so how is the calendar year shaping up for this year?

Vikas Kataria:

This year is expected to be very strong in terms of weddings. There are significantly more weddings scheduled, and the number of auspicious dates is also higher. Festivals are arriving earlier this year, including Diwali, which means the post-Diwali period will be packed with wedding events. Additionally, the third and fourth quarters are also expected to see a high volume of weddings. Given this favourable seasonal alignment, we believe the upcoming quarters will be very promising for business, especially in the jewellery segment.

Vikrant Kashyap:

Okay. Thank you sir and wish you best of luck.

Vikas Kataria:

Thank you sir.

Moderator:

Thank you. The next question is from the line of Ashish Khurana from ANK Capital. Please proceed.

- Ashish Khurana:** Thank you for the opportunity. My question is regarding the Q1 performance, we've observed a gross margin expansion of around 500 to 600 basis points. However, the studded jewellery contribution hasn't increased significantly, and as Anil Sir had indicated earlier, there hasn't been any notable increase in making charges either. Given this, can we assume that the primary driver behind the margin improvement is the rise in gold prices and the way inventory is accounted for using the weighted average method? Would that be the key factor contributing to the gross margin jump this quarter?
- Vikas Kataria:** Yes, that's definitely a major factor. The increase in gold prices has played a significant role in the jump in our gross margins this quarter. Additionally, our product mix strategy has contributed we've as well been focusing on categories with relatively better margins.
- We've also introduced collections in the premium segment within gold jewellery, which feature distinct designs and higher making charges. These collections are positioned differently from our regular offerings, and they allow us to command better margins. So, while the rise in gold prices and our weighted average inventory accounting method are key contributors, the shift in product mix especially toward premium and high-value segments has also played an important role in driving margin expansion.
- Ashish Khurana:** My next question is regarding the Ajmer and Neemuch stores, which have been operational for about five to eight months now. Given that Q1 was relatively soft, and sales may not have fully scaled up yet, do we expect these two stores to reach a revenue of ₹350 to ₹400 crores within this financial year?
- Vikas Kataria:** Yes, both stores combined Ajmer and Neemuch are expected to reach approximately INR 350 crores in revenue this financial year. In fact, we're confident that the figure will exceed INR 350 crores.
- Ashish Khurana:** Last year, our original Ratlam store, established in 1940, generated approximately INR 950 crores in revenue. Considering we will have two stores in Ratlam this year, what is the expected revenue from the Ratlam region?
- Vikas Kataria:** We are expecting the Ratlam region to generate approximately INR 1,400 to INR 1,500 crores in revenue this year, with two stores operating, including our original store established in 1940.
- Ashish Khurana:** As we are planning to open six new stores this year. Could you clarify whether some of these will be launched in the first half of the year, or will all of them become operational in the second half?
- Vikas Kataria:** Yes, these new stores are expected to become active in the second half of the year, most likely around Diwali.

- Ashish Khurana:** Thank you sir. Wish you all the best.
- Moderator:** Thank you. The next question comes from the line of Pranav Malhotra from Star Ship India. Please proceed.
- Pranav Malhotra:** Yes. It is really refreshing to see a 6% net margin in this quarter. Congratulations to you on a good set of numbers. So, my question was if you can guide on the number like net profit margin for this year. Given the current high gold prices, do you expect this margin level to be sustained throughout the year?
- Vikas Kataria:** While we can't predict whether gold prices will remain elevated or decline, we believe our net profit margin can be maintained through a balanced combination of pricing strategy, inventory management, and operational efficiency.
- Pranav Malhotra:** The conversion ratio consistently remains around 80%, as shown in the presentation. Given the current high gold prices, how confident is the management in sustaining this level or even improving it to 85% going forward
- Vikas Kataria:** We believe that when a customer visits our store, it's usually with a clear intent either to make a purchase immediately or in the near future, often driven by occasions like weddings or festivals. Even if they don't buy on the same day, they typically return within a month. This strong intent is what drives our consistently high conversion ratio. With the addition of new stores, we expect increased footfall, and by offering better products and enhanced service, we are confident that our conversion rate will improve further and it's unlikely to decline.
- Pranav Malhotra:** And sir is it possible to provide the average selling price per customer?
- Vikas Kataria:** So, now the average selling price is INR 1.25 lakhs
- Pranav Malhotra:** Okay. And you know the management indicate that diamond mein aiming to increase from 6% to 15%
- Vikas Kataria:** Gradually.
- Pranav Malhotra:** Management has indicated a plan to gradually increase the contribution of diamond jewellery from 6% to 15%. Given that gold jewellery typically offers higher margins, what is the strategic rationale behind this shift towards increasing diamond sales?
- Vikas Kataria:** Yes, we are aiming to increase the contribution of diamond jewellery because margins in diamond-studded jewellery are slightly higher compared to gold.

- Pranav Malhotra:** Got it. And as you mentioned earlier about lab-grown diamonds, you don't see any demand-related issues in Tier-2 and Tier-3 cities?
- Vikas Kataria:** Yes, that's correct.
- Pranav Malhotra:** Great.
- Vikas Kataria:** Customers today are looking for value-for-money products. They want to ensure that whatever they purchase does not depreciate in value over time.
- Pranav Malhotra:** But we've seen diamond prices falling, right?
- Vikas Kataria:** The price correction in diamonds has mainly occurred in larger sizes—typically 50 pointers and above, up to 3 carats. However, the smaller diamonds, which are commonly used in our jewellery, haven't seen significant price drops. In our terminology, we refer to these as “star , melee” diamonds, and their prices have remained relatively stable.
- Pranav Malhotra:** Okay sir. Thank you so much. All the best for your future.
- Vikas kataria:** Thank you.
- Moderator:** Thank you. The next question is from the line of Raj from Ajas Partners. Please proceed.
- Raj:** Sir, the six new stores we're planning to open this year are they 8,000 sq. ft. large-format stores or below 5,000 sq. ft. smaller-format stores?
- Vikas Kataria:** It will be a mix. Out of the six, five will be smaller-format stores and one will be a large-format store.
- Raj:** Okay. And what is the inventory per store? I think I missed that part earlier.
- Vikas Kataria:** No problem. For the smaller format stores (below 5,000 sq. ft.), the inventory is approximately INR 42 to INR 50 crores per store. For the large-format store (8,000+ sq. ft.), the inventory is around INR 80 to INR 100 crores.
- Raj:** So, INR 80 to INR 100 crores inventory per large-format store. And sir, one more question what is the expected sales from these six new stores this year?
- Vikas Kataria:** The combined expected sales from all six stores is around ₹600 crores annually.
- Raj:** ₹600 crores annually means we're looking at roughly ₹100 crores per store on average.

- Vikas Kataria:** Yes, that's the expectation. Some stores will open earlier, some later, so the average should balance out.
- Raj:** Okay. And what kind of growth is expected from our existing stores?
- Vikas Kataria:** Since many of our stores are relatively new some opened last year and others two to three years ago we're expecting an average growth of 15% to 20% year-over-year.
- Raj:** So, in FY'25, I believe we did around ₹3,300 crores in sales?
- Vikas Kataria:** Yes, and for FY'26 we are aiming for ₹4,500 crores, including contributions from the new stores.
- Raj:** Okay and for FY'27?
- Vikas Kataria:** FY'27 Rs. 6,000 crores.
- Raj:** Alright. And regarding our EBITDA margin you mentioned we're planning to improve it. What are the targets for FY'26 and FY'27?
- Vikas Kataria:** 6% and 6.5% we are aiming.
- Raj:** Okay sir, Thank you so much.
- Moderator:** Thank you. The next question is from the line of Mayank, an individual investor. Please proceed.
- Mayank:** Sir, I have a follow-up question. Earlier, we had given guidance of around 10–15% growth to some participants, but now you've mentioned a revenue target of ₹4,500 crores for FY'26, which implies a growth of around 30–35%. Could you please repeat and clarify the revenue guidance as well as the margin guidance for FY'26 and FY'27?
- Vikas Kataria:** We'll share those details with you separately. We'll make sure to send you the complete information.
- Mayank:** Sure, sir. My second question is regarding the QIP and our target of opening six new stores this year. Is our store expansion dependent on the QIP?
- Vikas Kataria:** No, the QIP will only help us speed up the process. We are already in the middle of our expansion plans. Even without the QIP, we are committed to opening new stores. If the QIP goes through, we might be able to open stores faster or even open more stores. But regardless, we will continue to open three to four stores every year.

Mayank: Got it, sir. And regarding the long-term store expansion guidance you mentioned we plan to add 50 stores over the next five years, right?

Vikas Kataria: Yes.

Mayank: I wanted to understand the store sizes. Will they be similar to our current average formats?

Vikas Kataria: Yes, they will be similar. Broadly, we'll have smaller-format stores of around 4,000 to 5,000 sq. ft. in Tier-3 cities, and larger-format stores of 8,000+ sq. ft. in major cities.

Mayank: Got it, sir. One last follow-up on this if we're placing ₹50 crores of inventory per smaller-format store, then the ₹600 crores we're raising through the QIP should be sufficient for around 12 stores.

Vikas Kataria: Right.

Mayank: So, for the remaining expansion, since we're planning 40 more stores will we need additional funding, or will it be managed internally?

Vikas Kataria: The ₹600 crores we're raising is part of our plan to reach the 50-store target. We also have internal accruals and annual cash generation that will support the expansion. So we don't plan to raise additional funds before reaching that milestone.

Mayank: Got it.

Vikas Kataria: Also, with GML, we'll have slightly more leverage, which will help us accelerate the expansion.

Mayank: Makes sense, sir. One last question, how is Q2 shaping up for the jewellery segment? In Q1, we saw high gold prices which impacted demand.

Vikas Kataria: Q2 is comparatively slower than last year. Last year, we had a duty cut in Q2, and prices weren't as high. This year, prices are at an all-time high, which has affected demand. But with the festive season starting, we expect momentum to pick up. Customer footfall has started improving, which wasn't the case a month ago.

Mayank: Right, sir. Wishing you the best. And regarding my questions on margins and revenue should I email them to you?

Vikas Kataria: Yes.

Mayank: Thank you so much sir. All the best.

- Moderator:** Thank you. The next question is from the line of Athishay Jain, an individual investor. Please proceed.
- Athishay Jain:** Jai Jinendra, sir. My first question is since we are based in Ratlam and have strong goodwill and trust in the Malwa region, what kind of response do we receive when we expand beyond Marwar into new markets?
- Vikas Kataria:** Yes, apart from Malwa, we've also expanded into Mewar—Udaipur, Kota, Bhilwara—and the response has been very positive. Wherever we go, we adapt to the local culture and plan our jewellery inventory accordingly. We continuously learn and update our offerings to suit each market. So even in new regions, we're able to cater effectively.
- Athishay Jain:** Okay, sir. I asked this from a personal perspective, I belong to Malwa and have been visiting D.P. since childhood. There's strong brand recognition here. When you enter new areas, do customers get attracted to the brand in the same way?
- Vikas Kataria:** Wherever we go, we ensure that the D.P. brand reaches the market first. Customers in new regions are made aware of our legacy of 85 years of trust. We create brand awareness through exhibitions and already have a customer base in many of these areas. From Ratlam, we cater to a 300–400 km radius, and similarly from Indore and Bhopal, we serve surrounding regions. Our strategy is to reach both local and nearby rural customers so that when we open a store, the brand is already familiar, reducing the need for heavy marketing efforts.
- Athishay Jain:** Thank you, sir. My next question is regarding the QIP. Will the promoter family be participating in it?
- Vikas Kataria:** No, the promoter family will not be participating in the QIP.
- Athishay Jain:** Okay, sir. So, going forward, will the promoter family maintain their stake at around 75%?
- Vikas Kataria:** Yes, that's the plan. Currently, the stake is around 75%, and we intend to maintain it at that level.
- Athishay Jain:** Okay. Thank you so much sir. Best wishes to you.
- Vikas Kataria:** Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Anil Kataria sir. Thank you and over to you sir.
- Anil Kataria:** Thank you, everyone, for your thoughtful questions and active participation in today's earnings call.

D. P. Abhushan Limited
July 30, 2025

As we bring this call to an end, we remain committed to expanding our footprint, enhancing our product offerings, and delivering unparalleled service to our customers. These efforts position us well to create long-term value for our customers, employees, and shareholders.

I would also like to take a moment to thank our incredible team for their hard work and dedication, as well as our stakeholders for their continued trust and support.

Thank you once again for joining us today. We are excited about the future of DP Abhushan and look forward to sharing our progress with you in the coming quarters. If you have any further questions, please feel free to reach out to the EY team, who manage our investor relations.

Have a good day!

Moderator:

On behalf of D.P Abhushan Limited concludes this conference. Thank you for joining us and you may now disconnect your lines.