

Date: 11<sup>th</sup> May, 2021

To,

The Manager  
Compliance Department  
**BSE Limited**  
Corporate Service Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

The Manager  
Compliance Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1,  
G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051.

Dear Sir / Madam,

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

The Company had organized a conference call with the Investors / Analysts on Wednesday, 5<sup>th</sup> May, 2021 at 4.30 p.m. (IST). A copy of transcript of conference call held with the Investors/ Analysts is enclosed herewith and the same has also been put up on the Company's Website at [www.tbztheoriginal.com](http://www.tbztheoriginal.com).

We request you to kindly take the same on record.

Thanking You.

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

**Niraj Oza**  
**Head - Legal & Company Secretary**

Encl: as above

**tbz**®

The original since 1864

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**Tribhovandas Bhimji Zaveri Limited**  
**Q4 & FY21 Earnings Conference Call**  
**May 05, 2021**

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**Moderator:** Good evening, ladies and gentlemen. I am Ayesha, moderator for this conference. Welcome to the Q4 and FY21 Earnings Conference Call of Tribhovandas Bhimji Zaveri Limited organized by Dickenson World IR. At this moment all participants are in the listen-only mode, later we will conduct a question-and-answer session. At that time if you have a question, please press '\*' and '0' on your telephone keypad. Please note this conference is recorded. I would now like to hand the floor over to Ms. Forum Avlani. Thank you and over to you, ma'am.

**Forum Avlani:** Thank you, Ayesha. Good evening everyone. Let me welcome you to the earnings call of Tribhovandas Bhimji Zaveri Limited for the fourth quarter and 12 months FY21. Today we have with us the management represented by Ms. Binaisha Zaveri – the Wholetime Director and Mr. Saurav Banerjee – Chief Financial Officer. Before we get started, I would like to remind you that a remark today might include forward-looking statements and actual results may differ materially from those contemplated by forward-looking statements. Any statement we make on this call today is based on our assumptions as of the date and we no obligations to update these statements as a result of new information or future events. I would now invite Ms. Binaisha Zaveri to make her opening remarks. Thank you, over to you madam.

**Binaisha Zaveri:** Good evening everyone. I welcome you to the earnings call of Tribhovandas Bhimji Zaveri Limited for the fourth quarter and full-year results of 2021. Thank you for sparing your valuable time in joining us here today. Hope you and your family are safe and in good health during these tough times.

As we reflect on FY21 and the many unprecedented challenges that have to be overcome we realized that at TBZ we could find a way to navigate through the upheaval caused by the COVID-19 pandemic. We focused on creating a strong springboard for our long-term strategic priorities. Although the effect of the pandemic has been material. We have adapted and embraced the learnings to remain well-positioned to support our employees, customers, and the communities that we serve. The company has taken various steps to mitigate the financial impacts of COVID-19. Substantial reduction of operating cost has enabled us to gain positive operating leverage, leading to higher EBITDA and net profit margin. Further, we focused on improving the balance sheet resilience by effectively rationalizing inventory levels, improving cash flows, and reducing borrowings and debt costs substantially.

With a very dynamic retail sales strategy and tactical marketing initiatives in place, the company has been able to revive customer interests and generate steadily increasing footfalls across all our stores within a short span of time. While the COVID situation is still highly uncertain and challenging, the agility and efficiency that we have now hardwired into the company shall continue to help us strive towards ensuring that our margins improve further and the balance sheet remained strong to be able to take quick advantage of the growth opportunities in the medium to long-term future. With this, I would now like to hand over the call to our CFO, Mr. Saurav Banerjee for a quick overview of the financial performance during the quarter and the year. Thank you.

**Saurav Banerjee:**

Good evening. Let me welcome all of you to this earnings call for TBZ for the fourth quarter and year ended 2021. I'll just read out the key highlights, for this quarter Q4 and also for the full year.

I shall begin with the Q4 numbers, total income from operations Rs 366.08 crores vis-a-vis last year's quarter Rs 342.52 crores a YOY increase of about 7%. Gross profit for this quarter Rs 47.19 crores vis-a-vis Rs 54.83 crores for the last quarter, a drop of around 14%. Gross margins 12.89% vis-a-vis last year's quarter 16.01%. EBITDA Rs 20.40 crores for this quarter vis-à-vis Rs 23.78 crores for the last year drop of 14%. EBITDA margins 5.57% vis-à-vis 6.94%. PBT Rs 10.78 crores vis-a-vis Rs 2.46, an improvement of over 300%. PBT margins at 2.94% for this quarter vis-à-vis 0.72% for the last year quarter. PAT Rs 8.60 crores vis-à-vis Rs 3.96 crores, an improvement of more than 100%. PAT margin 2.35% vis-à-vis 1.16%.

Coming to the full-year numbers; the total income from operations Rs 1342 crores vis-a-vis Rs 1810 crores, a drop of about 26%. Gross profit at Rs 213.72 crores vis-a-vis Rs 253.53 crores, a drop of around 16%. Gross margin at about 16% vis-a-vis last year's 14%. EBITDA at Rs 121 crores vis-à-vis Rs 111 crores, an improvement of more than 8%. EBITDA margins at 9.01% vis-à-vis 6.16% for the last year. PBT at Rs 59.69 crores vis-a-vis Rs 28.87 crores, more than 100% jumps. PBT margins, 4.45% vis-à-vis 1.59%. PAT, Rs 43.09 crores vis-à-vis Rs 21.94 crores, a 96% improvement. PAT margin 3.21% vis-à-vis 1.21%. This was a summary of the number of the key highlight. We can now move on to the question-and-answer session.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harish Shah from Harish Shah and Investments.

**Harish Shah:**

I have two questions. We have seen a significant reduction in the inventory, can we elaborate on how we are reduced so much of inventory? And can you please share what are the measures taken by the management? That is my first question. The second question is what is the roadmap for the future as we have seen some stores closing down last year, so how would we plan to bring growth in the coming years? These are two questions from my side.

**Saurav Banerjee:**

Thank you. I will answer the inventory first. The reduction of inventory has started happening quite some time back. It is not that the entire inventory has got reduced only in this year, although we shall be talking more about this year. But the strategy and planning for reduction of inventory and this we have talked about in earlier years, earlier quarters as well has begun quite something back where we were focusing on the diamond inventory particularly. The reduction in the diamond inventory started sometime back as I said. The reason and how we have gone through is to get deep dive into every component of the inventory, look at every product, every unit, every SKU, and the entire composition of the inventory that was being carried by the company. We have been able to figure out or we have been able to pinpoint that there are certain inventories which were probably getting wasted away, slow-moving inventory which needed to be shuffled, needed to be probably offered to the customers with a different kind of an offer, an attractive offer and also to bring back those inventories to modify them suitably and create new designs and new collections from them.

Secondly, what we have done is that we have looked at every store's level of inventory that we were carrying and we have been able to find the right sizing of the inventory, the right level of inventory that every store should be carrying in the current scenario. That is how what we have done is that the inventory that has been sold off has not been replaced as it was being done earlier. So when the revenues are being generated through a process of the sale of inventory and if we are not replenishing the entire levels of inventory as we used to do earlier then naturally gradually there will be a reduction in the inventory.

Thirdly, to ensure that the sale of the revenue generation happens we have taken the help of strategies made by the advertising and marketing team, the merchandising team which looks at inventory very closely and they have been able to point out that there are inventories which probably are slow-moving, which probably at one point of time it was part that the customers will like and buy. Those are no longer the favourites of the customer. The customer mindset has been read. The preference of the customer, the changes in their approach designs that are nowadays preferred by them, and also looking at the new customers who have become TBZ customers recently. So there's a legacy customer and there's a new customer. Based on the trends set by them and based on the customer details that we have incorporated; we have been able to dovetail and find out what exactly sells and how fast we can rotate it.

The other thing is that we have worked on that turnaround time, the turnaround time which used to take earlier for an inventory piece to reach a particular store or location. We have worked on that and we have ensured that the turnaround time has improved, thereby we need not carry all the inventory as we used to do earlier. The store does not need to carry all the inventory at one point in time. It can quickly ask for the inventory and resource it quickly enough and then display it to the customer and ensure that it's sold off.

We have also used techniques like we have the reference book or the digital media that we have had in which we have designed the online stores. So one does not need to visit a store.

You can book your collections online and they shall be delivered to the residence of the customer. Thereby again, the inventory does not need to be carried. So in other words, by using all these combinations of strategies and the decisions that we have been able to take on these fronts, we have been able to reduce the inventory quite drastically. That is one thing. Secondly, we have looked at the stores how the stores are performing, which stores are not perhaps performing as per our expectations. Also, we have looked at the environment as because of the COVID and because of the pandemic, the stores that were located in the mall or smaller towns were not receiving the kind of footfalls that we would have liked. So those are the stores that we have closed down. We have taken a conscious call that we shall close down those kinds of stores and from there also, the inventory has been freed up to a certain extent. I think these are the measures that have been taken to ensure that the inventory carrying is reduced, the burden on the balance sheet is reduced to a great extent without I would say adversely impacting the revenue or the customer's aspirations in terms of display of various kinds of designs.

**Harish Shah:** That was helpful.

**Saurav Banerjee:** What was your other question?

**Harish Shah:** The other question was you have closed down certain stores, so how do you see the growth in coming years?

**Saurav Banerjee:** So, yes, as I just now said that we have looked at the store profitability and the contribution that they make to the overall business of the company and wherever we have found that the stores are perhaps performing below the mark for various reasons, it need not be always because of business reasons. But as you see that the environmental reasons are also there and one needs to take cognizance of that. The company believes in being more and more dynamic, for example, the stores that have been closed, can they be opened in the future? The answer is yes, most certainly. Wherein the situation improves there is normalcy all around us like we used to have in the past, then we shall relook at the need or the opportunity to reopen the stores back in the malls or in the shopping areas or in some of the towns or locations where we used to have them earlier. So these decisions are being taken by the company based on the current environment. We have been able to demonstrate that we have been able to take these decisions quickly, implement them, get the results out of them. If required, we can go back and again set up those stores or open new stores at reasonably short notice of time.

**Moderator:** The next question is from the line of Minal Sabnis from Sabnis Financial.

**Minal Sabnis:** I just have to question at this time, as always I appreciate all your insights on the call. Even your investor relations team with Mr. Mehta has been really helpful they answered some of my queries before the result as well. The major question I have is, as one of the largest competitors in the field already declared the results last week. They had mentioned their YOY sales

increased on account of higher grammage and more number of buyers majorly due to gold prices being muted and even reducing over the last quarter in the December to March period. So do we have that bifurcation or have we benefited in that way?

**Saurav Banerjee:** As you can see, there has been an improvement in the top line even for us in Quarter 4, and naturally since you mentioned that the gold price advantage particularly was not there in Quarter 4 as it was there in the earlier quarters. So it means that there is a higher grammage that has been sold which has resulted in a YOY improvement. Here I am not trying to compare with anyone else, the other competitors. Yeah, of course, they have made their statement which is correct. But without going into some kind of comparative analysis, the reason being attributed is very clear that when we are not getting the advantage of gold prices as we have been getting in the last 2-3 or even probably 1 full year if I were to say right from January 2020 to January 2021 or December 2020. There has been gold price advantage which every company has enjoyed to a certain extent which sort of went away again to a certain extent, maybe not fully but to a certain extent, there was a substantial drop in prices which means that the grammage and the caratage, if I talk about gold then its grammage and if I talk about diamonds then the carat, so both have sold to a certain extent higher. That's how we have been able to register growth in that top line.

**Minal Sabnis:** Yeah. But, I wanted the actual numbers if we could get them.

**Saurav Banerjee:** Actual numbers, I will not be able to share right now. Actual numbers, sorry I will not be able to share right now but maybe offline if you want to get into a discussion most welcome. You can talk to our IR guys

**Minal Sabnis:** Any ballpark figure would grammage has increased by 5% to 10% single-digit, double-digit?

**Saurav Banerjee:** I'm giving a very broad kind of a number, in terms of gold the grammage would have increased by about close to double digits. In the case of diamond it is sort of flat, not much of an increase but gold yes, because the reason is again very clear. It is that when the gold prices start dropping then customer interest is to a certain extent revived even more than what it is in the usual time. There is a pocket of customers who wait for gold prices to sort of drop or stabilize and probably suits their budget and they come out and buy. So that's the reason. It's all linked and mostly it happens in that time.

**Minal Sabnis:** My second question is also on similar lines if we could get a break-up of gold versus diamond sales and also volumes because I couldn't find the data in the presentation.

**Saurav Banerjee:** So for the quarter, the gold versus diamond ratio is around 81:19 or around 80:20, I would say, 81:19, 80:20 that kind of a ratio for gold and diamond sales for the quarter. For the year, it is around 78:22, so 78 is gold and 22 is diamond. That's the ratio, that's the product mix.

**Minal Sabnis:** FY20 gold has gone up or diamond has gone up?

**Saurav Banerjee:** Gold has gone up. Diamond has been slightly flattish in nature but gold has gone up.

**Minal Sabnis:** This is both for sales and also in terms of volume, is it? Because as we just mentioned in Q4 we saw higher grammage. For the full-year number do we have higher grammage in gold and higher carats for diamond sales also?

**Saurav Banerjee:** Yes, internally we do have but normally we don't share it in the call but as I said you are most welcome and you can set up a separate call.

**Minal Sabnis:** Investor Relations team is always helpful with that.

**Saurav Banerjee:** Yes, sure. You are most welcome with that but as I said the percentage of share of products which I had just explained to you.

**Minal Sabnis:** Also I would just like to appreciate the dividend announced as well and wish you all the luck for coming FY22 and good health as well.

**Moderator:** The next question is from the line of Vaibhav Kacholia from VK Capital.

**Vaibhav Kacholia:** I wanted to understand quarter-on-quarter, what is the reason for the difference in sales and especially margins?

**Saurav Banerjee:** Should we compare Quarter 3 and 4 or should I just...?

**Vaibhav Kacholia:** Quarter 3 and 4.

**Saurav Banerjee:** In the jewellery industry, if I were to refer to the line the retail jewellery industry or the retail jewellery space, Quarter 3 is the I would say the most productive and the best quarter amongst the four quarters which is in any year. Whether it's a very exceptional year like this which we just had or it's a very normal kind of a business year; Quarter 3 is always the highest and the finest, the best year simply because you have a lot of things going in Quarter 3. One being the festivals that are there, normally the Dussehra period and then right up to Dhanteras, Diwali everything usually falls in Quarter 3 or there is a big buying that starts in Quarter 2, towards the end of Quarter 2 and then continues unabated in Quarter 3 so that is one of the reasons. The second is that the wedding season generally they are concentrated more in Quarter 3 and Quarter 4 so the buying pattern for the wedding starts happening accordingly. When there is a wedding in the family mostly people buy well in advance and they have their budgets and all the kind of wedding planning that they have and the buying happens well in advance; sometimes the last-minute buying also. Now in this year typically what has happened is as we know that Quarter 1 was a complete washout because of lockdown, Quarter 2 was some kind of a just settling down kind of a quarter. Everything was gradually getting re-opened and people

were finding their feet. So the industry also was just settling down and hence the pent-up demand for Quarter 1 and Quarter 2 were realized in Quarter 3 mostly; a little bit, of course, must have happened in Quarter 4 also but. That is why there's a big difference in the top line between Quarter 3 and Quarter 4.

**Vaibhav Kacholia:** Actually, I think the other companies have shown almost similar, maybe slightly less and especially over Quarter 4 of last year people have shown 50% growth in sales because last year March was affected a lot.

**Saurav Banerjee:** Yes, I will explain that also.

**Vaibhav Kacholia:** While that like in fact, we were expecting maybe a 30%-40%-50% jump, is it because of the same store. What are the same-store sales? We have shut some stores; is that the reason also?

**Saurav Banerjee:** No, I will explain. Firstly, I am not sure what you were saying when you said that it was almost the same in Quarter 3 and Quarter 4; well, that is just impossible. No company, unless they are doing something very different from everyone else, will have the same kind of top-line in Quarter 3 and Quarter 4. If they are doing that then I will say that their Quarter 3 has been extremely poor. That is my first explanation to you. Number two is that if you were to compare Quarter 4 and Quarter 4 of last year so now again, last year if you remember the lockdown started sometime in March. It depends on where stores are located because the lockdown started affecting the stores' closures first in Maharashtra and Mumbai. That is where the lockdown started and then it was extended to the entire country by the government. But the first lockdown started in Maharashtra and Mumbai simply because the COVID cases were the highest at that time in Mumbai and of course then in Pune and the other cities in Maharashtra. The companies which have a greater concentration of stores in Western India or Maharashtra followed by Gujrat or sort of in this area and if the store started getting impacted then naturally they have felt the brunt much more than someone else who has a better spread across the country; that is one thing. Now the other reason is that a company like, I am not sure which company you are referring to but let's assume that.

**Vaibhav Kacholia:** The listed players. People have reported January-February 30%-30% growth, more than that, and then March of course is very-very high growth because last year was affected.

**Saurav Banerjee:** Yes, correct. That's what I am trying to say.

**Vaibhav Kacholia:** So totally 30%-40%-50% growth people have shown.

**Saurav Banerjee:** Absolutely. You are right, I am not saying no. When you say people, I think it's just one company.

**Vaibhav Kacholia:** I think the other listed big company has also declared sales numbers.



**Saurav Banerjee:** I am not sure, they may have declared, I am not sure. I have seen one company which you are referring to that has declared. Again, I am explaining the same thing that the companies which have been more affected by closures last year will naturally show huge growth in March, particularly in March this year. January-February even we have shown growth and overall in the quarter also we have shown growth. There is a 7% growth, it is not that is not there at all. If you compare with 40%-50%, that is a different thing but if your base number in the last year's Quarter 4 has been low for whatever reasons and I was explaining to you that reason that if I am widespread in the areas where lockdowns were clamped much more, I would say seriously and strictly compared to other areas then my numbers would have been very low in the last Quarter 4 and naturally they will be quite high in Quarter 4 of this year.

**Vaibhav Kacholia:** Is there any impact of same-store I mean stores shutting down? What is the same-store sales growth that might help us understand?

**Saurav Banerjee:** Same-store sales growth will be almost the same as the quarter growth. The same numbers have been reported across the stores, the same comparative numbers. In terms of the stores that we closed, they were smaller stores although yes, in the larger scheme of things their contribution would have been relatively lower. So yes both the stores there will be some impact but the impact will be much lower because they were smaller stores.

**Vaibhav Kacholia:** One more question online. Do we see any percentage of sales that can come from online in the future?

**Saurav Banerjee:** Yes, it is already coming. As I said, we have created an online platform or a virtual store where customers can visit by appointment. They can have a look at our jewellery, they can look through the display, they can talk to the sales representative and their queries and whatever else they want to know, the details will be answered. They can book jewellery and the jewellery will be delivered to their residence and the payments can be made online. This is one thing which we have started quite a while back, in fact, three quarters that we have started this. In the first quarter of the year itself, it's showing good traction and good involvement. Number two is that our Kalpavruksha scheme, which is the EMI scheme of buying jewellery, is completely online. Again, for the last three quarters it has been so and there you can just be at the comfort of your residence. You can do the entire gamut of transactions right from enrolment to the documentation, the KYC, the payment, and also as I said the virtual store is there so you can select the jewellery and it can be delivered to your residence. This again has found a lot of favour with the customers and typically Kalpavruksha has contributed I think about 12% to our top line. In normal circumstances, it contributes even more but this time it's around 12%, which is also fairly healthy I would say.

**Vaibhav Kacholia:** Longer-term like once this COVID is over whatever 1 year, 2 years, whatever it takes. Can we get back to the kind of margins that we had in Q3?

**Saurav Banerjee:** To a certain extent, yes. One has to remember that some of the operating expenses were lesser in the first two quarters but in Q3 the operating expense was more or less as we used to have. Q4 also it has been more or less as we used to have earlier. In that sense, we can look at similar levels of EBITDA. Quarter 3 EBITDA is very high because there is a gold price favourable impact on Quarter 3 EBITDA which was not there in Q4. I would say that a little more than 5.6% so Q4 EBITDA is 5.6%. I would say 6% to 7% will be something that can be easily expected on an average from a normal quarter.

**Moderator:** The next question is from the line of Monica Arora from SGW Advisors.

**Monica Arora:** Can you explain a little bit more about the Kalpavruksha scheme and how is it fair during this year? What is the contribution, if you can elaborate that how it is panning out like since it was introduced to till now and what do you see the contribution going forward?

**Saurav Banerjee:** As I said, let me start with the last couple of questions that you asked that this year the contribution of KP sale, Kalpavruksha sale to the top line is around as I said about 11%-12% odd. The advances that have been generated from the Kalpavruksha are also on the higher side approximately around 89-90 crores. Normally we have over 100 crores of advances; on average I am saying. So Kalpavruksha scheme very quickly let me explain is an EMI based scheme wherein a customer saves whatever money he wants to and contributes every month on an EMI model and then after nine months, he gets to buy jewellery of his choice. The company contributes 75% of 1 year's EMI to the kitty and hence so for example if you have Rs. 10,000 then in nine months is 90,000 which comes from the customer, 75% of 10,000 is 7500 and the total is 97,500. So the customer is free to purchase the jewellery of his or her choice with this money but what happens is that normally we see that there is always some kind of upselling. While technically the amount is 97,500 customer usually ends up buying jewellery worth 1 lakh,25-1 lakh,30-1 lakh,40 so we see an upselling of anything between 25% to 40% which happens. So this is absolutely in a very nutshell, I have tried to explain to you the Kalpavruksha scheme. In terms of contribution, I have already told you how it has been contributing to the top-line number but on average, we get about 15%-16% of the contribution from Kalpavruksha. But this year it has been slightly lower because the customers were very low at the beginning of the financial year because of COVID and all that. It's slightly lower but it's usually higher than that and the customer advances from KP also, I have just talked about that. In terms of how it has panned out; it has been very well received over the years. We have thousands of customers; I can't give you the exact number right now but suffice to say that we have a huge customer base who enrol for KP and who takes advantage or who take benefit of the offers that are there for them. So much so that we have introduced various variants of KP, we have a diamond KP which is only exclusively for diamond jewellery. If somebody is interested in only buying diamond jewellery, then that works very well for them. There's another KP which is a 6 months KP which is price protection KP where the gold price is protected. We have come out with many variants to suit the customer's requirements and taste and all of them are doing well and I am sure that this is how it will keep on progressing.

**Moderator:** The next question I from the line of Disha Shah, an Individual Investor.

**Disha Shah:** Can you throw some lights on the cost reduction pattern? The manpower cost and overheads cost has been seen reducing. Are they permanent reductions or are they expected to increase in the future?

**Saurav Banerjee:** The manpower cost yes, there has been a substantial reduction in the manpower cost. I would say that to a maximum extent, these are the levels that we shall be in. As far as manpower costs are concerned, they are very unlikely to go up. There has been a complete rationalization of the headcount, a huge lot of automation that we have done through our IT team and the work around the turnarounds have improved quite a bit. Manual kind of work culture has been done away with to a great extent. I think these are steps that have been taken and they are permanent in nature. They are not very temporary or fly by night kind of nature and hence these are the levels that we shall be, so the reduction and rationalization is sort of one can say permanent in nature and similarly for the other cost as well to a great extent.

**Moderator:** The next question is from the line of Akash Vora from Praj Financials.

**Akash Vora:** When can we see a debt-free balance sheet on our books? We have seen substantial debt reduction this year and is the inventory reduction will be likely continuing in FY22 as well or we are done with the inventory rationalization?

**Saurav Banerjee:** Let me answer your question on debt. As you said there has been a very substantial reduction in the debt levels and it is because it's stemming from the inventory reduction to a great extent. The inventory reduction has resulted in seeing up cash into the system and thereby helping us to reduce our debt and borrow less. However, if we were to say that there will be zero debt, that is probably not going to be possible, and also let me hasten to add that probably not what the company wants really. It is not required to be completely debt-free in the sense that one of the reasons is that our debt comprises of Gold on Loan so it's not a normal kind of debt. There are two parts to it. One is the pure working capital debt that we have and the other is the Gold on Loan which is a product in itself.

**Akash Vora:** I was referring to working capital debt only.

**Saurav Banerjee:** Working capital debt again, there has been a very substantial reduction in working capital debt as well. The further reduction we will have to see, we will have to understand how to go about. The debt-equity ratio looks quite well leveraged at this stage and we should not be trying to upset the applecart just to show that we are having lesser and lesser debt. There has to be a purpose behind it. We are now in fact well-positioned. If at all required at some stage, if we want to go for a very major expansion then we will be able to realize money from the bank if it comes to that. That way I think we have taken care and we have positioned ourselves in such a manner that we shall be able to grow later on as and when we want to.

**Akash Vora:** Again, on the growth part or store expansion, how are we planned in the coming years next 2 to 3 years? Is there a particular strategy that we will be opening, X number of stores in a particular year and if required we will be closing down? But what's the growth strategy laid out from 2021 to say next 2-3 years.

**Saurav Banerjee:** Right now, as you know the situation is again worsening and across the country, there's a lot of mayhem and upheavals that are going on. While we were planning to look at some kind of growth by the end of this financial year, we were planning, I am not saying that we have already finalized but now we need to relook at the strategy, we need to reposition ourselves. Probably this is a time where one should consolidate and maybe take a call about growth, perhaps down the line, maybe in the third quarter or fourth quarter and implement that growth strategy in the next financial year. This year let's see how things unfold. As you know, you will appreciate these things are beyond us, completely beyond everybody's control. Let's hope for the best. Probably this is a good time to consolidate, to stabilize, to continue with the stable kind of performance, the good performance that we have demonstrated in the last financial year despite huge challenges, continue with the good work, position ourselves in a very strong manner so that when the opportune moment comes, we are able to grow. If you ask me in terms of exactly how many stores we are going to open, I shall not be able to answer you right now but at the same time, as I said that we were looking at a growth strategy for the end of the year and we may wish to push it to the next financial year when things will start falling in place. And probably by the end of the third quarter or fourth quarter, we should be able to give you a very definite kind of a plan as to how many stores we want to open there, which are the locations where we want to go and that sort of a thing.

**Akash Vora:** Lastly, what is the percentage revenue from digital online channels?

**Saurav Banerjee:** Digital-online channel's percentage of revenue will be very low. It's a minuscule number at present for us. Let's see, we are trying to make it a very robust kind of feature. Going forward, we should be able to see more traction. Right now that number will be very low.

**Akash Vora:** But is the growth coming of good in terms of the base because of the low base?

**Saurav Banerjee:** Yes, it is coming but again even with the growth the digital traction in terms of revenue generation is a very low number in the total scheme of things at present. But yes, as I said earlier also in the call, I said that we can see a lot of excitement, and customer response so far has been quite good.

**Akash Vora:** In terms of inventory rationalization which we saw in FY21; can we assume that it's majorly done or we will be continuing doing the inventory rationalization even in FY22?

**Saurav Banerjee:** Yes, a substantial portion of that is done. However, it's an ongoing activity. We keep on looking at things. I think that we should be able to rationalize a little more not maybe as much as we

have already done; that looks difficult because then that will have a negative repercussion on the business. It will be, I would say an incorrect thing to do because we are already below the 1000 crores level which is a very huge reduction we have done. We will try and reduce maybe a little more comparatively a little more but not substantially because it's just not required and if we do too much of a reduction, it will start reflecting adversely on our top-line numbers and also the customers' expectations will be belied.

**Moderator:** The next question is from the line of Shirish Pardeshi from Centrum Broking.

**Shirish Pardeshi:** The first question is, in the recent budget we have seen there is a cut in gold import duties to 7.5%. Does it impact us in any way with the current inventory which we have or whether... does it have any impact on our inventory?

**Saurav Banerjee:** Not really, very-very low impact. Virtually no impact. Our procurement happens to the bank all the time so we do it through the gold loan model and since we are a domestic company in any case but the prices get impact but our procurement and all that doesn't get impacted in that sense.

**Shirish Pardeshi:** Because you have a lease model, it doesn't affect directly us.

**Saurav Banerjee:** Yes.

**Shirish Pardeshi:** My second question is on your virtual program and it is heartening to know that that's another way this pandemic has taught us how to incrementally, optimize our sales force? Though the number may be very small would you be able to help me understand what is the ticket size in this virtual? Is it more than the average what the store is selling or is it less?

**Saurav Banerjee:** Ticket size through the virtual interaction?

**Shirish Pardeshi:** Yes.

**Saurav Banerjee:** It will be the same because this is just a store. Only thing is that this is a virtual store instead of a brick-and-mortar store. The products and the pricing and everything else is the same as what we have displayed in a brick-and-mortar store. The ticket size will be the same. It will be contributing to the overall ticket size. It will be part of the overall ticket not contributing but it will be part of the overall ticket size.

**Shirish Pardeshi:** The other question I have and when I compare with Tanishq which has declared the result and they have reported 57% growth. How do you explain our growth which is lower and the industry leader has reported a higher growth? I am not saying how they have done; I am saying where we lack or what we have not done?

**Saurav Banerjee:** Firstly, I just explained to someone else on the call, I am not sure if you heard that but let me anyways quickly say, I do not know how Tanishq would have done their sales. I can talk about only my company. We have done reasonably well, we have also reported growth, which may not be like Tanishq. I am not very sure what they have sold. They may have sold bullion or may not have sold, I don't know. Normally we do not sell. It's not that we never sell bullion but it's a very rare thing. Again since I do not know how exactly they are sold I cannot comment on that. As far as we are concerned, we have done better than last year. The circumstances are not really out of the woods as we can all see. Quarter 4 has been I would say a very decent quarter for us. It's not that anything is lacking. We have done quite well and it reflects in our performance very clearly, there's not an iota for doubt in that. I am not able to say how Tanishq or someone else has done it. In a general sense, I know that Tanishq adds stores every quarter, every month, every year they keep on adding stores. Even during the pandemic, they have added stores. When everything was lockdown, they have added stores and you can check with them whether they have done it or not, you will find yes, they have added stores. If I add stores and my top-line increases, I mean very good, that's one way of doing it.

**Shirish Pardeshi:** Since you touched upon the number of stores, what is the overall store reduction in the full year FY21?

**Saurav Banerjee:** We closed six stores in the last financial year.

**Shirish Pardeshi:** My last question is about the contribution. What is the wedding, jewellery contribution in Quarter 4 and full-year FY21?

**Saurav Banerjee:** Wedding jewellery in Quarter 4 will be approximately around 60% to 65%. For the full year, it will be probably a little lesser this year. This year it will be around 50%-55% mark because I said a lot of weddings got cancelled, a lot of weddings got postponed. I am not sure whether they have happened or they may have got further postponed but in terms of wedding contribution for Quarter 4 it has been higher but for the full year, it has been lower than what our average number is.

**Shirish Pardeshi:** Just last follow-up on the same subject. Again, Akshaya Tritiya is there, right in front of us, and again wedding season is there. Is it that a month that has gone behind which is April; do you see that this contribution is the same in the month of April or it's going to be lower or what is your assessment in this quarter?

**Saurav Banerjee:** April again unfortunately has got affected to a certain extent because of the pandemic and the lockdowns which have started happening in several cities. As you know Mumbai for example, is under lockdown for the last quite several days. Similarly, various other cities are also under lockdown and more and more cities going into lockdown now. April was a slightly I would say a deflated kind of a month but we again look forward to Akshaya Tritiya will be good for us if way as usual. And then the wedding jewellery purchase will pick up. Difficult to say about exact

percentages as I said that every day is a new day, every day we have to grapple with new situations so we will take it as it comes.

**Moderator:** That was the last question. I would now like to hand the conference over to Ms. Forum Avlani.

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

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