Ref. No.: RGL/S&L/2025/132

June 04, 2025

BSE Limited Listing Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001 **Scrip code: 532923**	**National Stock Exchange of India Limited** Exchange Plaza, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Symbol: RGL**

Sub.: Transcripts of the Earnings Conference Call

Ref.: Regulation 30 of SEBI (LODR), Regulations, 2015.

Dear Sir

With reference to our letter **Ref. No.: RGL/S&L/2025/123** dated May 28, 2025; please find enclosed herewith the transcripts of Q4 & FY25 earning Call of the Company, held on **Monday, June 02, 2025.**

The aforesaid information is also uploaded on the website of the Company at https://renaissanceglobal.com/webcast-and-transcripts/

You are requested to take the above on record and disseminate to all concerned.

Thanking you,

Yours faithfully,
For **Renaissance Global Limited**

Vishal Ashokrao Dhokar

Digitally signed by Vishal Ashokrao Dhokar
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CS Vishal Dhokar
Company Secretary & Compliance Officer

Encl: As above

Renaissance Global Limited

Q4 & FY25 Earnings Conference Call Transcript
June 02, 2025

Moderator: Ladies and gentlemen good day and welcome to the Renaissance Global Q4 FY25 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 over to Mr. Snehkumar Purohit from Renaissance Global. Thank you and over to you sir.

Snehkumar Purohit: Good afternoon, everyone and thank you for joining us on the Renaissance Global Q4 and FY25 Earnings Conference Call.

We have with us today, Mr. Sumit Shah – Chairman and Global CEO and Mr. Darshil Shah – Managing Director of the company. We would like to begin the call with a brief opening remark from the Management following which we will have the forum open for an interactive Q&A session.

Before we start, I would like to point out that some statements made in today's call may be forward looking in nature and a disclaimer to this effect is uploaded in the Results Presentation shared with you earlier.

I would now like to invite Mr. Sumit Shah to make his opening remarks.

Sumit Shah: Thank you, Sneh. Good afternoon, everyone. On behalf of Renaissance Global, I extend a warm welcome and thank you all for joining us on our Earnings Conference Call for the year ended 31st March 2025.

I will begin with a strategic overview of our operational and business performance during the year following which Darshil will walk you through the financial highlights in detail.

We are pleased to report a disciplined financial performance in FY25 driven by steady performance in our key business segments. Our revenue from continuing operations grew by 6.7% year-over-year to Rs. 1,988 crores in FY25 compared to Rs. 1,863 crores in FY24. On the profitability front, adjusted EBITDA margin for the year improved to 9.5% from 8.3% in FY24.

We took some bold measures during FY25 to position the business for long term profitable growth. To grow our branded business, we made a strategic investment in Jean Dousset Jewelry LLC, a renowned US based jewelry designer known for bespoke lab grown diamonds and leadership in bridal jewelry. Jean Dousset operates through its flagship store in Hollywood supported by a strong digital presence. Leveraging our existing B2B distribution network and retail partnerships, we are well positioned to drive the brand's next phase of growth.

To enhance our operational efficiency, we launched a cost optimization program towards the end of Q2. This initiative is projected to deliver annual savings of Rs. 40 crores to Rs. 50 crores. These were a major initiative during the year, to improve operating margins going forward for the company. A major strategic decision under this program was a rationalization of excess capacity through the closure of our Bhavnagar facility. The closure of the Bhavnagar facility will result in annual savings of 20 crores in itself.

During the quarter, we incurred an expense of Rs. 3 crores related to the acquisition of Jean Dousset and some strategic cost rationalizations related to the acquisitions during this quarter. We also bolstered our overall liquidity by raising Rs. 163 crores through a preferential issue during the year. Our financial position remains Strong. As of 31st March 2025, net debt declined to Rs. 250 crores down from Rs. 319 crores a year earlier. The net debt to equity stood at 0.18 compared to 0.28 one year ago, reflecting our disciplined approach to deleveraging. Our cash and bank balances along with current investments stood at a healthy Rs. 265 crores. We anticipate further debt reduction during the course of the current year.

During this year we plan to increase the physical footprint of Jean Dousset as it's an omnichannel business that has tremendous potential going forward by opening a flagship location in New York City in Q3 of the current financial year.

During the current year we have also launched Wonder Fine Jewelry, our new umbrella brand encompassing Star Wars, Disney, Jewels and Marvel. We aim to expand this platform by integrating all of our IP led brands onto one platform, thereby optimizing efficiency and driving deeper engagement with our global fan communities.

Looking ahead, we remain cautiously optimistic. We expect FY26 to begin on a soft note due to the economic uncertainty created by US trade tariffs. However, our strategic foundation is very strong with our deep product, design expertise, global distribution network and digitally integrated brand portfolio, we are confident in our ability to weather near term volatility and capture long term value. Our focus remains clear, scaling our high margin direct-to-consumer segment, strengthening own brands and expanding our global footprint.

With that, I hand over the call to Darshil who will provide you a detailed breakdown of our financial performance.

Darshil Shah: Thank you, Sumit. Good day everyone. We have reported a steady performance during the quarter driven by robust performance in our key segments.

In Q4 of FY25, our revenue from continuing operations grew by 7% to close at Rs. 514 crores compared to Rs. 480 crores during Q4 of FY24. Of the Rs. 514 crores, Rs. 55 crores was contributed by owned brands, which was up 14% year-on-year compared to 48 crores last year. Rs. 50 crores of this was from our US brands delivering a robust growth of 18% year-on-year.

Our licensed brand segment delivered a growth of 29% reaching Rs. 84 crores in revenues during the quarter. This growth was driven by a steady and healthy flow of orders from both our retail partners and direct-to-consumer channels with EBITDA margins of 13.4%.

Customer brands contributed to the balance Rs. 375 crores in revenue for the quarter with an EBITDA margin of 8.2%. Adjusted PAT for Q4 FY25 stood at Rs. 23 crores, marking a 7.4% year-on-year growth compared to Rs. 21 crores in Q4 FY24 with margins expanding to 4.4% from 3.9% in Q4 FY24.

For FY25, our revenues from continuing operations grew from Rs. 1,863 crores to Rs. 1,988 crores which is a 6.7% growth. EBITDA adjusted for discontinued operations, onetime restructuring cost and acquisition related costs, grew 24% from Rs. 154 crores last year to 191 crores for FY25. Adjusted EBITDA margins stood at 9.6% up from 8.3% for FY24, reflecting enhanced operational efficiencies and disciplined cost management. For FY25, adjusted PAT increased 21.5% to Rs. 89 crores up from Rs. 74 crores in the same period last year with margins improving to 4.3% from 3.5%.

Lastly, regarding our balance sheet, we remain focused on strengthening our financial position. Our net debt to equity ratio improved to 0.18 in March ‘25 compared to 0.28 for the same period last year.

Our total net debt stands at Rs. 251 crores for the period down from Rs. 319 crores in FY24, demonstrating our focus on financial discipline. Furthermore, we anticipate a further reduction in gross debt by 31st March 2026.

Our cash and bank balances along with current investments remain strong at Rs. 265 crores marking an increase of Rs. 75 crores from March 31st, 2024.

In conclusion, we are encouraged by our resilient performance despite a challenging and evolving macro environment. Backed by a strong balance sheet, continued operational discipline and focused strategic execution, we believe we are well positioned to drive sustained long-term growth.

That was all on the financial numbers. Back to Sumit for closing remarks.

Sumit Shah: I think we can start the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kamal Choudhary, an individual investor. Please go ahead.

Kamal Choudhary: Could you provide an estimate of the interest outflow expected in financial year 2025-26? And is the management still committed to achieving a net debt free status by the end of the fiscal year?

Sumit Shah: I think as of right now I don't have an accurate number on the exact interest cost during the year. Costs would be hopefully lower than what they were last year because we have reduced debt numbers, and interest costs are a little bit lower. We are committed to sort of working towards zero net-debt. Whether we zero net-debt by FY26 or 27, can't really commit on that. But we are clearly working towards that goal of getting to a net debt zero status and business. So, the focus is not singular on balance sheet but the focus is on increasing profitability, gaining a prudent balance sheet which de risks the balance sheet.

Kamal Choudhary: Okay, thank you.

Moderator: Thank you. The next question is from the line of Diwakar Rana from Prudent Equity. Please go ahead.

Diwakar Rana: Hello. Good afternoon, sir. My first question is on the tariff front. If I am not wrong, the US puts around 2% tariff on our diamonds and gold product. So, let's assume, they come out with a higher number, maybe 15-20. So how are we positioned to cater to our key market USA, post the tariff position?

Sumit Shah: So just to sort of clarify, the US has imposed an additional 10% tariff on jewelry from all countries except China. China is obviously higher. So as of right now there is an additional 10% tariff which has been applied. We are working with all of our customers to pass on the tariffs to them. Since a lot of our customers are domestic customers, contractually there was a period of time where we were unable to pass on the increased tariffs for a 2-month period. As of right now most customers have agreed to pay the tariffs and we plan to pass on the tariff increase on to them. However, in the short run for a 45 to a 60-day period, there is an impact on the P&L due to the tariffs that were imposed as it took us about 2 months to negotiate and agree with customers to pass on the tariffs.

Diwakar Rana: What was the impact in the revenue terms for the 2 months that you said?

Sumit Shah: There would not be a meaningful impact to revenue, but there would be an impact for the 60 day period on the bottom line because there were tariffs paid which were not realized from the customers.

Diwakar Rana: I think we will have one more option. Let's say if the US decided to put around 15-20 reciprocal tariff on India. So, we also have one subsidiary in UAE. So can we export our goods from there UAE to USA, not from India. So, I think from that we can bypass the tariff if that happens.

Sumit Shah: So, there are obviously rules around country of origin. And we do have a backup plan in terms of manufacturing goods in the UAE. So, there are rules around what classifies as a country of origin. If the reciprocal tariffs do come into effect, we will activate that option at a certain point. As of right now it's a backup plan depending on how things play out.

Diwakar Rana: One question on the restructuring expense. So, in the last concord you alluded that we have done with all the restructuring expense but this quarter also we have done around 3.5 crores expense. So, by when you think this expense will be completely eliminated?

Sumit Shah: So, I think that this quarter the expense that was incurred was related to the acquisition. These were basically cost related to legal expenses as well as severance expenses related to the acquisition of Jean Dousset. These expenses were not related to restructuring expenses or cost reduction expenses.

Post our conference call last quarter we decided to reduce the number of employees in our Bhavnagar unit and subsequent to that we have decided to shut down the Bhavnagar manufacturing unit completely. So, there will be one time severance costs related to shutdown of Bhavnagar. That will come in Q1 of ‘26. And I think that as far as we can tell now, we are done with all of the restructuring expenses, and we don't plan to have any more further acquisitions. So I think that Q4 and Q1 will be the last quarter where there will be some restructuring exercises. I think the shutdown of the Bhavnagar unit decision happened post the last call because of which there will be one more quarter of shutdown expenses. And I think there will be far more synergies that come out of now manufacturing in a single location in Mumbai as compared to running multiple locations. So, doing the cost benefit analysis we decided that even though there is a short-term expense related to doing this it was worthwhile to make that decision.

Diwakar Rana: Just one clarification, sir. So, you said some expenses will come in Q1 also.

Sumit Shah: Yes, that's right. In Q1 of ‘26, on April 15^{th} we shut down our Bhavnagar facility entirely. So, there will be some expense in Q1 of ‘26 as well.

Diwakar Rana: So, how much revenue have we lost from all these restructuring activities that we have done, total revenue?

Sumit Shah: No, we don't anticipate a reduction in revenue. So, I think that structurally as we move to a more higher value-added product because of direct-to-consumer, higher average order value and shift towards lab grown diamonds, the fundamental need for our company in terms of production capacity has gone down because our average order value has increased meaningfully. So, we don't anticipate any reduction in revenue. It is more a reduction in costs that we are seeing and we don't anticipate any loss of revenue from any of these activities.

Diwakar Rana: I believe the total cost saving will be around 65 crores post this Bhavnagar discontinuation. Earlier we were guiding around 40 to 50. Now this is will save around 15 this facility, so around 65. Right?

Sumit Shah: I would say that 50 to 60 crores is a good estimate of cost savings that we would incur.

Diwakar Rana: So, one last question, sir. We have close to 100 Cr investment and same cash in our balance sheet. So, do you have any plans for growth to grow the top line? We know post the restructuring we will be going over bottom line but any plans for top line growth you have?

Sumit Shah: So, I think that clearly within our three segments, we anticipate that we will grow our top line in our direct-to-consumer segment by 40% to 50% in the current year. Because as you know we completed the acquisition of Jean Dousset only at the end of last quarter. So, the top line numbers are not in it. So, in addition to any organic growth, our direct-to-consumer business is expected to grow significantly in this quarter and the same is the case with the licensed brands. The customer brand segment I think would be kind of low growth, but we fully anticipate that we would grow our top line in FY26 as well.

Diwakar Rana: So, have you ever discussed giving out a dividend or doing a buyback within the board?

Sumit Shah: I think that currently the boards discussed getting to zero net debt in the next couple of years, post which we could do a buyback or a dividend. So, the objective of getting to a zero net debt over the next 12 to 24 months is something that we are focused on today post which capital return to shareholders will definitely become a priority.

Diwakar Rana: Thank you for answering all my questions. Thank you and good luck.

Sumit Shah: Thank you.

Moderator: Thank you. The next question is from the line of Shrenik Shah from AIPL. Please go ahead.

Shrenik Shah: Hello Sumit and hello management of Renaissance. This is Shrenik Shah. I have two questions. One is any extra revenue from the real estate, the land building in Bhavnagar unit which has been shut down? I assume the land and building was owned by the company. I may be wrong, but you may give more clarification on that. Any extra revenue is expected? And the second question is, would you be able to give some brief idea about what are the plans in India for expanding retail sales? Thank you.

Sumit Shah: As we mentioned, the Bhavnagar unit has been shut down. There will be a process of debonding with customs and clearing all of the inventory over the next 3 to 6 months post which we will put that a piece of land on the market and sell. As of right now, we don't have a clear idea as to whether we will realize value just for the land or land and building depending on what the demand is. But clearly over the next 1 to 2 years, depending on when we find a buyer, the idea is to sell the land and the building in Bhavnagar and realize value for it. It does belong to the company and to that effect we will pay down our bank line to that effect.

In terms of retail sales in India, we are currently working on improving the unit economics of our India retail business which is Irasva. We are working towards launching a line with a celebrity in Q3 of this year. I think that when the business gets to unit level profitability and when the unit economics make sense we will expand. As of right now, in the current year we anticipate that without any growth in the India retail business our own brands should grow by 50%. So, we are laser focused on growing profitably and we are working hard to increase the customer base and the unit economics of the Irasva for business and when we do see signs that the business is showing signs of profitability, we will be sure to grow the business. I think any expansion in retail without the unit economics being fixed will result in losses. I think one can't hurry into retail expansion because it's a high fixed cost business. So, we want to do it thoughtfully and methodically.

In the current year, however, there will be an additional store for Jean Dousset that we will open in New York. The Jean Dousset store in Los Angeles does about Rs. 25 crores in sales annually and at Rs. 25 crores in annual sales a retail store in the US makes a lot of sense. So wherever it makes sense to expand our physical footprint we will, we don't think Irasva is there yet. When we do get to that point, we will increase retail sales in Irasva.

Shrenik Shah: Thank you very much.

Moderator: Thank you. The next question is from the line of Shrikant Parakh from Prudent Investments. Please go ahead.

Shrikant Parakh: First of all, a very congratulations on a disciplined set of numbers despite a lot of turbulence. My question is particularly on the various…As you mentioned one of the participants asked, we might see some impact on the bottom line because the tariff has been not able to pass on due to 45 days to 60 days window. Can we get some sort of a guidance how much that dip in the bottom line we are expecting particularly in Q1 F26.

Sumit Shah: I would say that the approximate impact would be roughly Rs. 10 crores for the quarter.

Shrikant Parakh: Sorry, I couldn't able to get you.

Sumit Shah: Roughly 10 crores.

Shrikant Parakh: And like for example particularly in terms of restructuring effect. I think so, there is some spillover impact in Q1 F26 also.

Sumit Shah: Yes.

Shrikant Parakh: And is there any synergy we are able to see into the bottom line of this restructuring effect in coming Q2 and Q3 quarters of F26 and by how much roughly around?

Sumit Shah: So I think as we mentioned earlier, in the last three quarters, the cost cutting exercise that we have undertaken should result in annual saving of Rs. 50 crores to Rs. 60 crores and all of those expenses, even during the course of this quarter, the restructuring exercises will be classified as one time and you should be able to see an annual reduction of Rs. 50 crores to 60 crores in our expenses going forward from Quarter 2 without any adjustments. You will see that even in Quarter 1. So, our annual expected savings are Rs. 50 crores to 60 crores from the restructuring exercise.

Shrikant Parakh: And my last question would be in the terms of management visibility, a lot of restructuring and different set of strategies for domestic business and different set of strategies for basically for international business, we are trying to create our brand. So, any sort of one thing that management looks to grow RGL as a brand visibility like in terms of next 2 years or 3 years, we want to see ourselves at a Rs. 5,000 crores revenue or a Rs. 4,000 crores revenue. Do we have any kind of visibility or a vision as of now?

Sumit Shah: So, our vision really is to grow in the branded segment. Our vision is that we would like to migrate Renaissance to a company which sells its own brands and licensed brands because clearly, it's a very high-quality business to be in. Over the next few years. our goal would be to grow our bottom line exponentially and create value for shareholders. We are not really focused on just the top line number because finally we feel that optimizing for free cash flow and bottom line is really what creates value. So, the goal for us as management is how do we maximize long term cash flow from operations and free cash flow. And that's really the goal by sort of creating differentiated brands that can create value over the long term.

Shrikant Parakh: So, any specific number we have in our mind, it's not on the top line but in bottom line, any specific set of numbers as a vision, we want to be at this place by 2029 or '30, like next 5 year plan?

Sumit Shah: At this point we are not ready to discuss that. I mean we obviously have clear goals in mind in terms of where we want to go. And that through a lot of actions that we have taken during the last one year, I think that you are getting sort of an indication of where we want to go and really our focus on profitability and growing the branded side of the business. I think that possibly a little bit early to give sort of a more long-term goal. But we will try and do that sometime in the future.

Shrikant Parakh: Sure. Thank you. And one more question. I joined late a little bit, so have you given any sort of a guidance on interest figures means definitely our debt has come down we might be in a, , achievement of a net debt by somewhere on this year or the next years. So probably how much outgo we are looking for into interest cost this year because our interest cost….?

Sumit Shah: In this quarter, our interest costs were actually lower by 16% year-over-year. And we expect to possibly save that on an ongoing basis and look to create further savings as well. So, the guidance that I gave for Rs. 50 crores to Rs. 60 crores would have some component of interest savings as well.

Shrikant Parakh: So that was all from my head and good luck.

Sumit Shah: Thank you.

Moderator: Thank you. The next question is from the line of Hiten Boricha from Sequent Investments. Please go ahead.

Hiten Boricha: Thank you for the opportunity, sir. My question is on the softness which you have mentioned in your opening remarks. I just wanted to understand, are we looking for a degrowth in Q1 because of this tariff issue?

Sumit Shah: We are not going to have a degrowth in revenue due to the tariff issues because we took a call as a company to ship all orders that we had to our customers because a lot of our contracts with our customers are domestic where we clear the product in the US. Our subsidiary clears the product and ships it domestically. Our contracts did not have a clause for tariffs, so most of our customers took the orders in but at prices without the tariffs. So, there will be an impact to the bottom line because the tariffs were absorbed by the company for a period of 60 days. But we do not expect any degrowth in revenue because we still see that the consumer in the US is resilient and we have not seen any impact on demand. There is however, an impact to the bottom line due to the fact that we were not able to pass on tariffs to the customer.

Hiten Boricha: Understood. My second question is on the Bhavnagar land. You mentioned, we are looking to sell that line. So, if you can call, quantify the value of that land?

Sumit Shah: I think we have not got clear estimates yet because currently we are in the process of debonding the land and then evaluating how we will sell it. We have obviously constructed about 60,000 square feet there, so I think the value will vary widely between if we sell it as just as land to somebody who is going to demolish the building versus somebody needing the structure. So, there are very wide estimates. We are not yet ready to disclose a number. But clearly our goal would be to maximize value and use the proceeds from that to pay down debt. Don't have a concrete number to give at the moment.

Hiten Boricha: My last question is on the license brand you mention. You mentioned D2C will grow around 40%-50% this year and you also gave some number in licensed brands. So I miss that if you can repeat that number.

Sumit Shah: So, I think we expect licensed brands to grow in low double digits. Direct-to-consumer, which is our brands will grow 40% to 50% and licensed brands would be in double digits. I think the customer brand segment would be steady and probably will be mid-single digits. So that those are kind of numbers that we are looking at.

Hiten Boricha: Thank you.

Sumit Shah: Thank you.

Moderator: Thank you. The next question is from the line of Diwakar Rana from Prudent Equity. Please go ahead.

Diwakar Rana: Hi sir. Just one clarification. So, the impact on the bottom line will be close to 10 Cr, right in Q1?

Sumit Shah: From the tariff, yes.

Diwakar Rana: And two broader questions. Are we looking in some other market apart from US, in Europe or China?

Sumit Shah: We have a division that sells to brands as well as retailers outside of the US. It's about 30% of our revenue as of right now. And we continue to try to explore the US. So yes, we have a business outside of the US. Although US is 65% of our revenue, there is a business in Europe, and we plan to continue to grow it. So, there is Canada, UK and Australia and continental Europe are the markets where we currently sell and Middle east is also a small market.

Diwakar Rana: And what will be the share of lab grown diamond in our total revenue in FY25?

Sumit Shah: I don't have an exact number for you off the top of my head, but I would say that it would be in the mid-30s if I were to guess. But we can have our IR team maybe reach out to you and give you an exact breakup if you want.

Diwakar Rana: Okay. So, do you have any plans to just expand this lab grown segment because I don't want to take names, but a lot of our competitors in the same segment planning to grow in double digit in this lab grown? I know you have done a lot of things in this B2B segment. We have done really great. But any plan to foray and expand in this market only lab grown?

Sumit Shah: I think going forward we would fully expect that lab grown will become the majority of our business over the next 2 years. In the US, the transition to lab grown is kind of inevitable. We obviously had a natural diamond business which is now transitioning to lab grown. And we sort of a lot of new introductions with all of our customers are in lab grown only. So as the sort of older SKUs transition to newer SKUs, we will see lab grown becoming a much bigger percentage of the business.

Diwakar Rana: And so just on clarification you felt around 30 is the share of lab grown. So this is 30 Cr or 30% of the revenue?

Sumit Shah: 30%.

Diwakar Rana: Okay. That's all sir. Thank you.

Moderator: Thank you. The next question is from the line of Naitik from NV Alpha Fund. Please go ahead.

Naitik: Hi sir, thanks for taking my question. My question is on the receivable side. I see there has been a sharp uptick in receivable. So just wanted to understand what is the reason for the same.

Sumit Shah: It's nothing significant. I think we expect it to sort of normalize in the next quarter. I think there's really nothing to report. It's just I think there are some receivables from December. December is usually a good month that have sort of come in early April and there would be kind of normalization of that the next quarter.

Naitik: That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Pratibha from TS Surgical Private Limited. Please go ahead.

Pratibha: Good afternoon, everyone. My question is from the top line, like the top line of our company is stagnant for many years. So, what is your future projections like what do you see any substantial rise in the coming years? What are your future plans?

Sumit Shah: So, I think that the top line of the company has sort of a couple of elements that one has to take into effect while we analyze. Because we had a gold business in the Middle East which was about Rs. 700 crores to Rs. 800 crores in top line which we acquired in 2016. That business we started recording as only value-added, we changed our accounting policy because it was a plain gold business which with very high-top line and maybe 4% to 5% gross margins. We subsequently changed our accounting policy to report only the gross margin earned and then we subsequently sold the business. So, if you were to analyze this over a 4-5 year time frame, I think we have added about Rs. 700 crores in revenue as against the Rs. 700 crores that we discontinued which was not really adding to bottom-line or to profitability. And in terms of growth, our focus really is on growing the revenue in licensed brands as well as our brands where we expect to make double digit margins. So, we are much more focused on quality of revenue and revenue that will deliver high ROE and ROCE and not just revenue that will deliver returns that are below cost of capital. So, while we are focused on growth, it is the right kind of growth with the right set of attributes and not just top line growth for the sake of top line.

Pratibha: Okay, thank you so much. My next question is related to your like domestic brand Irasva. Like you have opened four stores in India, right? So, is those profitable one and what are your expansion plans in India?

Sumit Shah: So, to answer your question, in our presentation deck we disclose profitability by division and the Irasva business lost around Rs. 4 crores last year. This obviously is attributable to scale and corporate overhead related to running a new brand that is not amortized over a large variety of stores. We are focused on fixing the stores that we currently operate and when we see signs that the unit level economics are favorable, we will expand. We will not expand until we see that.

Pratibha: Okay. Thank you so much sir.

Moderator: Thank you. The next question is from the line of Ashish Shah from Business Match. Please go ahead.

Ashish Shah: Hi Sumit. Thank you for taking my question. One slightly long-term question with this whole tariff thing, do you see any long-term threats to our competitiveness of our business?

Sumit Shah: Yes, so I think that if there are differential tariffs between India and China, we see a very big opportunity to actually not just for us, for other companies in India to take market share. I would say that while early in the game, but I think that we have in the last 2 months added four or five new customers which could be very meaningful over time. And a lot of these opportunities have happened because of the tariffs and because of brands and retailers wanting to move supply chain away from China. So, as of right now, India seems to be in at least a neutral position as compared to any other country and slightly favorable compared to the other jewelry manufacturing destinations. It's primarily Thailand, India, China and Vietnam. So, we see differential tariffs with China as possibly a very large opportunity where we could gain market share and grow our top line long term.

Ashish Shah: That's very helpful, Sumit. On the Jean Dousset acquisition, is that a brand that you would look to cross sell to other retailers as well or it will always remain like our own brand?

Sumit Shah: I think as of right now, we are going to focus on selling Jean Dousset direct-to-consumers. I think at some point there will be cross selling to retailers. We are not at that point yet. I think we are right now looking at opening a store in New York in Q3 of the current year. Based on the performance of the Los Angeles store, we expect that to be significantly accretive to the brand. I think we see a lot of opportunities to grow the business direct-to-consumer because there is a very big fan following especially given the legacy of Cartier and him being the great grandson of Cartier, a lot of organic following. It's got a very favorable mix of acquisition costs. So, there is a lot of opportunities to grow the brand direct-to-consumer. As it gets bigger there's opportunities to expand distribution, the retail partners, we may look at that. There are no conversations going on at the moment.

Ashish Shah: Sumit, two more things. One, on the pricing side. So, I am assuming the direct-to-consumer brands and other channels how we sell through, there we must have already taken some price corrections to neutralize the tariff hikes?

Sumit Shah: For the first two months, so we were unable to pass on tariffs to the customers. April and May, there will be some impact, most customers have now agreed to accept the tariff increases. There are some which are still pending -- But we fully expect that by the end of this quarter we will have a solution in terms of tariffs with customers. On the price increase, we have taken price increases already**……** at the cost of the price increases. So, there will be an impact on margins in this quarter, tariffs that there will be normalization from Q2 onwards in terms of margins.

Ashish Shah: And any early signs of any impact on the demand side because of the increase in prices or is it too early?

Sumit Shah: Nothing yet. We have not seen any impact on demand. I mean consumer demand by and large in the US is pretty resilient and there has not been much of an impact.

Ashish Shah: Okay Sumit. Thank you very much and all the best.

Sumit Shah: Thank you.

Moderator: Thank you. The next question is from the line of Hiten Boricha from Sequent Investments. Please go ahead.

Hiten Boricha: You mentioned the margins will be impacted. So, what kind of margins impact are we expecting?

Sumit Shah: In this quarter as I discussed, there is going to be about a Rs. 10 crores impact due to tariffs not being passed on to customers.

Hiten Boricha: Understood. A Rs. 10 crores impact on EBITDA or you are talking about sales?

Sumit Shah: Impact on EBITDA.

Hiten Boricha: Thank you.

Moderator: Thank you. Ladies and gentlemen, as that was the last question for today, I would now like to hand the conference over to Mr. Sumit Shah for closing comments.

Sumit Shah: Thank you everyone for joining us on FY25 Conference Call. We look forward to speaking to you for our next conference call. Thank you for your time.

Moderator: Thank you. Ladies and gentlemen, on behalf of Renaissance Global Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.