

RBZ[®]
JEWELLERS LTD.
(Formerly Known as RBZ Jewellers Pvt. Ltd.)

May 16th, 2025

To,
Department of Corporate Services
BSE Limited,
P J Towers, Dalal Street,
Mumbai - 400 001

To,
Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor Plot No. C/1,
G. Block Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

Security Code: 544060
Security ID: RBZJEWEL

Symbol: RBZJEWEL

Dear Sir/Madam

Sub: Earning call Transcript with Analysts and Investors for the Quarter and year ended as on March 31st, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find below the link of transcript of conference call arranged by the company for Analysts and Investors on Tuesday, 13th May 2025 at 16:00 hrs. for discussion on the financial performance of the Company for the quarter and year ended on 31st, March 2025.

Path : https://rbzjewellers.com/wp-content/uploads/2025/05/Investor-Earn-Call-Transcript_13.05.2025.pdf

This is for your information and records.

Thank you,

For, RBZ Jewellers Limited



Heli A Garala
Company Secretary & Compliance Officer
Mem No. ACS49256



**“RBZ Jewellers Limited Q4 FY ‘2025 Earnings
Conference Call”**

May 13, 2025



**MANAGEMENT: MR. HARIT ZAVERI – JOINT MANAGING DIRECTOR
AND CHIEF FINANCIAL OFFICER
MR. HARSHIT GANDHI – INTERNAL FINANCIAL
CONTROLLER
MR. BHAVESH SABHNANI – SENIOR MANAGER,
ACCOUNTS AND FINANCE**

MODERATOR: MS. NUPUR JAINKUNIA – VALOREM ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to the Conference Call of the Quarterly Financial Results of RBZ Jewellers.

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 touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nupur Jainkunia from Valorem Advisors. Thank you and over to you, ma'am.

Nupur Jainkunia: Thank you. Good evening, everyone. And a very warm welcome to you all. My name is Nupur Jainkunia from Valorem Advisors, we represent the Investor Relations of RBZ Jewellers Limited. On behalf of the Company and Valorem Advisors, I would like to thank you all for participating in the Company's earnings conference call for the 4th Quarter and for the Financial Year '2025.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings conference call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and the information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the Company's fundamental business and the financial quarter under review.

Let me now introduce you to the Management participating with us in today's Earnings Call and hand it over to them for Opening Remarks.

We have with us Mr. Harit Zaveri – Joint MD and CFO of the Company; Mr. Harshit Gandhi – Internal Financial Controller; and Mr. Bhavesh Sabhnani – Senior Manager, Accounts and Finance of the Company.

Without any further delay, I request Mr. Harit Zaveri to start with his opening remarks. Thank you and over to you, sir.

Harit Zaveri: Thank you, Nupur. RBZ Jewellers Limited has completed its 4th Quarter and the Results.

We have grown our revenue top line by 59% and so, that is the continuous trend that is going on since all the previous three quarters. We have had the same results in the Q4 also. So from Rs. 86 crores to Rs. 137 crores, we have grown in top line. And last year in the quarter, because of the weighted average issues, the bottom line was subdued at Rs. 2.69 crores, which was indicated

that in the next year of Q1 it would be revised and the Q1 of FY '25 stood at approximately Rs. 9 crores.

So this year, in the 4th Quarter, the results are on the bottom line is Rs. 8.5 crores. The jump which is reflected in the bottom line is quite, that jump is just because the last year 4th Quarter was subdued and because of the accounting weighted average matter. Otherwise, the Company is functioning very much in line with their operating margins, the EBITDA levels and the PAT levels in all the four quarters.

And over to the people who have any questions, yes.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. The first question comes from the line of Kunal Sharma from SP Capital. Please go ahead.

Kunal Sharma: Yes. So Harit, just wanted to understand, FY '25 was quite an eventful year, right, but still we closed it on a good note. So how are you confident for FY '26, based on the demand side on overall the business point of view? And additionally, if you could highlight more on the Akshay Tritiya and how was that festival during the April month?

Harit Zaveri: So Kunal, Akshay Tritiya was very good. We have seen a (+30%) growth on the sales side for that day, but that should not conclude the overall month, the overall month still went flat. On the quarter, the escalation of prices going to the tune of Rs. 1 lakh for 10 gram has certainly made the walk-ins relatively slow. The demand has postponed. Why I am saying the demand has postponed is that the occasional buyers will buy jewellery if not at one then the other point of time. And the daily wear demand gets denied also, but we are mainly an occasion wear player. 70% to 80% of our jewelry which are sold is occasion wear, as far as group. And in retail, we sell about 60% to 65% of occasion wear. So the demand is postponed but not denied.

As we are seeing in the month of April, on the day of Akshay Tritiya the demand was fantastic, the day went good, but April was still stable. And quarter, there is also the result of Q4, we have also got the demand of Akshay Tritiya so just previously, like the corporates tend to order it in advance. So that is why the Q4 was better than the guided figures. So, in Q1 for the full fiscal year, I am still hopeful that we will achieve a top line of around Rs. 700 crores and the bottom line would be around Rs. 44 crores to Rs. 45 crores. See, any denial in demand is right now not seen. We are hopeful that we should still continue to grow by around 30% or so. And yes, quite eventful year, as you rightly mentioned, Q1 April has seen the prices ups and downs, but we are habitual with the volatility. And fundamentals are strong for us to have our growth plans in place. We are sure to grow by whatever the numbers are said.

Kunal Sharma: So if I remember correctly, on the preview call like we have guided Rs. 800 crores for FY '26 now you were saying that's Rs. 700 crores. So do you see any slowdown in the coming years? As well as in the Q1 we were quite dependent on the Akshay Tritiya, right. But you said post that there is a quite muted demand. So like if you can quantify this area?

Harit Zaveri:

So correct, I might have certainly. See, once we get near to the year, we are getting more clarity. If you remember that in the previous quarter I had already told that we would be achieving anywhere between Rs. 500 crores to Rs. 600 crores. And then I closed it up at, let's say, Rs. 500 crores to Rs. 550 crores. In Q4 I guided that okay it would be Rs. 525 crores to Rs. 535 crores. So as and when we get near to the time, we get more clearer about the areas. So, again, what my understanding is, we should be able to get an upside revenue of around 30% or somewhere in that range. Still it's a decent growth quarter.

The April month is flat, and the prices were escalated. Not that we are seeing any denial of demand or we are seeing any sluggish thing. We are not talking about any early double digit or growth like that. We are still talking about 30-digit revenue growth and that is pretty good. The Company has its expansion plans in place, and we are sure that Rs. 44 crores is the bottom line that I have previously told also. In fact, if you go on to hear my all the previous earnings call, I have always guided that we will double the balance sheet and we will double the profits as well, and it is 100% happening on that call itself.

Kunal Sharma:

Noted. Yes, exactly. And if I am not wrong, for FY '27 we guided Rs. 1,000 crores of top line and Rs. 55 crores of PAT. So on that particular year we are intact on that guidance, right.

Harit Zaveri:

Yes, Kunal. So, see, as and when we get nearer to the subject, my guidance has to be more on the side of truth. Whatever I have spoken, my whole thing is that, yes, Rs. 1,000 crores is what we are looking at for FY '27 and Rs. 55 crores bottom line is what we are looking for. Right now there is no deviation in that.

Kunal Sharma:

Noted. My second question on that, on a Y-o-Y basis we have grown substantially, but on a sequential basis there is some dip. So if you could throw some light on that area?

Harit Zaveri:

Kunal, jewellery industry is a seasonal demand industry, so Q2 and Q3 remain critical for us. Last year Q2 was very weak, it was because of the delay in demand or the postponed demand that we had. And the whole effect came in Q3 of that year. So again, Q4, we had a pretty good Q4, and the only reason being is that Akshay Tritiya last to last year was May 10th, and this year it was April 30th. So whatever demand for Akshay Tritiya is that we got in the month of April for the corporate side of jewelers. For the independent retailers whom we cater or the retail store that we have, on the sale of goods side we still are on the April had its own demand. But the reason of not Rs. 5 crores, Rs. 6 crores of PAT and Rs. 8.5 crores of PAT still remains that Akshay Tritiya we had gotten advanced demand for Akshay Tritiya. And I think that on the sequential side the jewellery industry cannot be studied on that matter, it will be studied on Y-o-Y, it will give more relevant figures. Sequential side it is difficult, FMCG and all can still be understood. But jewellery as a segment itself has its own characteristics, right.

Kunal Sharma:

Okay. My third question on the balance sheet side. So when do we expect a positive net cash flow, since like we can see there is money getting stuck in the working capital side, too?

- Harit Zaveri:** Correct, Kunal. So see, if you understand, the whole inventory is majorly into gold and diamond, more in gold and less in diamond. So Company does not have any issues in terms of cash balances. I mean, we have got right now good liquidity on our hand. And if we are deploying the funds in inventory, that clearly shows that we are still aggressive on the part of growth. And I think negative cash flow isn't the side of worry right now. But yes, certainly let us go on with this continuous expansion plans and let us understand. But right now, if the money is deployed in inventory and the inventory is quite liquid in nature, our current assets are liquid in nature. I think there is no harm that we are seeing with this kind of a model. Here and there we might have positive cash flow or negative cash flow, but I think overall we are sitting on gold that is self liquid in nature. The iron and steel industry or other industries can be still commented on the inventory risk side, but gold is much more liquid in nature. So, there is no fear or there is no harm in this. I think growth plans are in place, Kunal.
- Kunal Sharma:** So what is the CAPEX plan that we have?
- Harit Zaveri:** Right now CAPEX plan, so the factory that we were supposed to plan about a 4-ton factory or a 5 ton factory. So if you understand that at that time, during the IPO, the price was Rs. 50,000 a gram. And we had 1 ton capacity. So now the price is Rs. 1 lakh a gram, so already in the same CAPEX we were already achieving the same amount. Like if you just convert from Rs. 50,000 to Rs. 1 lakh and from 2-ton factory, so we do not require a CAPEX right now. We can easily fuel our growth for the coming few years with the same CAPEX that we are already having right now.
- Kunal Sharma:** Okay. And what is the cash balance that we have and any fundraising plans going forward? I think we are supposed to raise funds, if we are not wrong.
- Harit Zaveri:** Correct, correct. We are 100% on our side of raising debt. We expect to raise the debt to the tune of 1:1 ratio, maybe not in full this year, in the coming year. But surely the fund debt raise plans are there, and debt raise will fuel the growth for the coming years, it will improve the ROE and ROCE.
- Kunal Sharma:** Okay. And the last question on the retail growth side, so if you could throw some more light on retail and how was the growth and what's the CAPEX plan over there?
- Harit Zaveri:** So retail, so we had a wonderful year in retail, and we expect that as I guided during the IPO that retail capacity is approximately Rs. 500 crores to Rs. 600 crores for this current store. I think during this financial year we will have an expansion in place for the coming store. And that will again build up an additional capacity of Rs. 400 crores plus. So the growth journey in retail is going to get higher and higher.
- Moderator:** Thank you, sir. We will move to the next question that comes from the line of Prerna Amanna from Equity Research Program. Please go ahead.

- Prerna Amanna:** Yes. Hi, sir. Congratulations on a great year. So you mentioned in the opening remarks of the call, right, that the gold prices have increased and as a result the demand has been postponed. So are we seeing, particularly in wholesale, maybe the companies are not placing the order that much or we are seeing a slowdown over there because of this effect?
- Harit Zaveri:** See, every corporate retailer is watching the business because the kind of volatility gold has had, customers mind are in confusion whether to buy it at today's rate or wait for the upcoming rates. So they what they are confused is there are some rumors in which they tell that the gold prices will come down and some rumors say that the gold prices will go up. So again, we do not know the consumer psyche, but we have always noticed that due to volatility of gold customers mind gets confused. Occasions, weddings and this kind of functions, the demand can be postponed but cannot be denied if the corporates are not placing an order, let's say, in Q1 quarter or let's say in the month of April we have not received the order, then we will be receiving in the month of May.
- If we have not received in the month of May, we will be receiving in the month of June. We have to be ready with our capacity at peak to take the orders when it comes and also in the retail segment we are clearly understanding the consumer on the ground level itself, there is a postponement of demand, but we are still very sure that the wedding buyers are not going to say no to their jewellery. It's a cultural-bounded thing and we are sure to grow for, I think Q2 and Q3 will tell us much more stronger about the whole position of demand. Jewellery itself is a robust industry; we are still very positive on the demand side.
- Prerna Amanna:** Okay, sir. So if that happens, let's say if the demand is not that great, are we going to see the job-work part getting impacted, that part of the revenue, the job work and the wholesale? Because I believe it happened in Q2 or Q3 of this year we had that the job work was a little bit slow, right, so will that be the first portion that is going to be affected?
- Harit Zaveri:** So see, job work demand we have already received in advance in Q4 of this year, so the guided figure was Rs. 5 crores to Rs. 6 crores, we have done Rs. 8.5 crores. Why we have done Rs. 8.5 crores is because the job work demand has fueled-in in advance, right, for the month of Akshay Tritiya. April 30th was Akshay Tritiya, last year it was May 10th. So the demand is included in the month of March this year. So in the April bill, yes, so I think the demand for job work was more there in the Q4 of this year for the festive of Akshay Tritiya. But still, in Q1 we see a little bit of sluggish in terms of volumes. In terms of value, we do not see any sluggishness. We are still hopeful to grow in terms of value. And I think Q2 will have a lot of excitement this year because last year Q2 was quite sluggish.
- Prerna Amanna:** Okay, got it. And sir, what's your view on the GST order you have got, the notice? And also I believe one of the employees was involved in fraud, right, so what do you have to say about that?

- Harit Zaveri:** So income tax matter, they have ordered us for Rs. 25 crores of income tax appeal for issuance of bonus shares when we were a Private Limited Company. I think that order we have already filed across CIT appeal. We particularly think that it's a very baseless order and we have filed our replies into CIT appeal. We are hopeful of hearing in a very early stage. And I think by next quarter we should be able to give you confined results for that matter. We are very sure that this type of demand that is there, it's just not going to have any impact on the financials or anywhere else.
- Prerna Amanna:** Okay, sir. Sure. Thank you, that's all.
- Moderator:** Thank you. The next question comes from the line of Yash Modi from Ashika Group. Please go ahead.
- Yash Modi:** Hey, good evening. Congratulations on the good set of numbers. And congratulations on the rating upgrade as well to BBB-positive from CRISIL. So my first question was, in this debt tie up that we are looking at, what kind of interest rate benefit that we will have? What is our current interest rate and what will happen because of this rating upgrade?
- Harit Zaveri:** So currently we are having an interest of approximately, so there are various bankers associated from 9% to 10.25% the spread. And with this rating upgrade, we are hopeful that I think the interest rate should be in the range of around 9.5% or 9.75% at max on a consolidated basis.
- Yash Modi:** Sure. And secondly, I was just reading from the CRISIL rating report itself, and they have said that we would be opening a new showroom, like you mentioned in early part of the call, in Surat, Gujarat, which is expected to operationalize in 3rd Quarter, and another in Rajkot which is expected to operationalize in 4th Quarter. So going forward, what is going to be our revenue mix? Because earlier we used to guide for 50:50, so going forward should we look at RBZ more from a consumer perspective, as in B2C is going to go up, is that the correct understanding?
- Harit Zaveri:** So Yash, we are looking forward for the setup in which the manufacturing, whatever designs we manufacture, we sell it onto our retail showroom as well. And with this we want to improve our bottom lines, the margins to get more solidify. And also the designs that we manufacture in-house, if we sell it to retail, there is some sort of exclusivity which will be also there. RBZ has already got a unique infrastructure when it comes to antique jewelry manufacturing. So doing the stores like Surat and Rajkot, sure it will be operational, one will be operational in Q3 of this financial year and another will be we are wanting to look at Q1 of the next financial year.
- So, both the stores will be up and pumping in, I think year or so from now on. So yes, I am looking for more sales in the B2C front. I think what we are anticipating is that retail should go about Rs. 400 crores this year, the same store sales growth will be Rs. 400 crores in retail this year and overall retail should be about Rs. 500 crores. And next year it will be around Rs. 600 crores to 600 and Rs. 650 crores, Rs. 700 odd crores in retail itself for the upcoming.

- Yash Modi:** Got it. And I just missed the last question that the participant asked, what was the reason for the employee fraud, what was the status of that, the employee fraud that was announced?
- Harit Zaveri:** So Mr. Om Shukla, who did the fraud, is right now behind bars. He did not get bail. The internal controls and the locks which was there, we have submitted to the insurance Company. We have got a positive feedback. And CCTV footages and everything is very much available. Even in the public domain, the television and news channels has already showcased it. And we are very hopeful to get the insurance money back. Still on a conservative side, we have put the provision of Rs. 25 lakhs. Even the police has recovered much of the gold which was stolen. But yes, I think not much of impact on financials for that matter, and we are hopeful to recover in complete amount from the insurance.
- Yash Modi:** Got it. And we have taken a Rs. 25 lakh provision in this quarter itself, in the numbers?
- Harit Zaveri:** Correct, correct.
- Yash Modi:** Thank you. Thank you so much, Harit. All the best.
- Harit Zaveri:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Raj Shah, an individual investor. Please go ahead.
- Raj Shah:** So my question is, you said that the negative operating cash flow is not a problem, but with the growth we are envisaging, and with every step of growth you need to borrow more or dilute more equity fundraising there, so that is not sustainable, right? We need to generate positive OCF for business internally fueling for its growth. So what is the solution for this? And why a negative OCF is not a problem?
- Harit Zaveri:** So currently when the Company's ability is to fund its expansion plans by its internal accruals and by fueling of debt, the expansion can go on. See, negative cash flow does not imply that you do not have profits, it just implies that your money is parked into not one but another allocation of fund. So, for that basis, let's say, if I am having an X amount of inventory or Y amount, my fund is allocated into some, let's say, CAPEX or an inventory, that should not be harmful for fueling my growth. I mean, at least to this part of my industry. There could be another industry in which the growth cannot happen.
- But generally we see that what are the basis of my growth. If the basis of my growth is, let's say, inventory, my working capital, or let's say the basis of my inventory is capital, so the concern should be, are we not producing sufficient profits? Are we not able to raise debts? Those are the questions. Cash flow will be a different measure to see that kind of a thing that you are telling, Raj. So as of now, we do not see that negative cash flow will not fuel in the growth or have any constraints for the plans that we have.

Raj Shah: Okay. With but do not you think that all our business cash is going into inventory of B2B and B2C vertical, and our expansion is coming from the borrowing. So expansion coming from the borrowing will be limited, right? Like it will be a short term thing? We will not be able to grow in long term sustainably.

Harit Zaveri: So expansion can also come from an internal accrual basis. So we are not just expanding from let's say borrowings. Borrowing is just a handle to support it. Equity is very much a part of it. Internal accruals are a part of it structure. How the team is in IT infrastructure, everything will be a part of it. But, yes, to have a positive cash flow means, let's say for an example if I had to do a positive cash flow and that means I am not much invested into my inventory, being into this industry I think inventory would be a main part. And we can have a different business model than in place to have a positive cash flow. But as of now, we do not see any constraints in money parked into inventory, because most of the money is in gold. So it's in liquid assets, it's in current assets basically. So I do not think that a negative cash flow, at least for upcoming few years, are not a concern anywhere.

Raj Shah: Okay. And sir, have we explored gold metal loan which can help here?

Harit Zaveri: So gold metal loan, if you just tell me, we have already exploded an instrument. And if you see that the volatility of gold metal itself is very high. The interest rate has doubled in gold metal loan, it tuned to almost 6%, 7% in this financial year, and again it is coming back. So a lot of fluctuations are already there in place. The Company and the size that we are in, we are much comfortable with the model that we have. And we are very much conservative on our books when it comes to like the book value of gold is always we maintain it lesser than the market value of gold. And with this kind of approach, I right now do not see any position in which that metal loan can be a great value for adding the cash flow at least. And cash flow, I mean it can be to just hedge it, but it's not a mechanism to have cash flow.

Raj Shah: Okay. Sir, on the CAPEX plan you said that on variable value you are already achieving it. But sir that is again not sustainable, right, growth in terms of volume is more sustainable. So are we not increasing our tonnage in terms of CAPEX?

Harit Zaveri: So let's say gold from here goes to another 20%, 25% hike, right, it has done so previously. Or let's say whatever the nature of gold, let's say, gold remains volatile. So in this case, on the consumer side, it is always the budget. If let's say somebody in the daily wear side wants to enjoy their anniversary by having a gold chain or a gold earring or whatsoever, or somebody wants to celebrate on their wedding day with their beautiful gold necklace, I think budget will be a constraint. So tomorrow if you want to buy a gold you will not see just grammage, right, you will also see your budget. Let's say two years back a 10 gram gold change will be of Rs. 50,000 now it is of Rs. 1 lakh, your budget has the limitation to Rs. 75,000. How much you can increase your budget? So again, it is linked, it is not as purely value. Yes you might have a gold chain and you want to just exchange it and that might help you gaining the same amount of grammage.

But again, as an industry, as a consumer you have two perspective, how much gold you have saved versus how much budget you have.

Raj Shah: Okay, sir. Agreed. So, just to confirm things, currently we have Rs. 292 crores of inventory and it is of only B2B and B2C vertical as job work business doesn't require upfront investment. And this Rs. 292 crores is valued on current prices, am I right?

Harit Zaveri: So, you are right, only the part that it is allocated into B2C and B2B, but B2B also constitutes about job work. Job work does require upfront investment because our inventory holding days which we receive from corporates are limited and it is not sustainable to produce only from that inventory. The wastages and everything that we have in place are from our inventory plus whenever you manufacture, let's say, giving you a clear example. We have an order of 100 grams of gold, right, a gold ornament. Now to make that gold ornament, we need 125 grams, 135 grams, 140 grams of gold, depending on the complexity. Now to get an output of 100 grams, as a job worker if we receive only 100 grams, it is relevant, we need to deploy our additional 35%, 40% or 30% whatsoever, depending on the order complexity. So we are invested in gold in job work segment itself, and that is one of the reasons that that gold is considered as a base gold on our factory levels and that does not have a churning effect as much, but it surely helps in a better bottom line because we save most of our job work income.

Raj Shah: My last question is, in coming two, three years what do you think will be the major part of our revenue, job work, B2B or B2C? Like if you can give percentage like what will be the job work, what will be the B2B and what will be the B2C? And we are also expanding the retail sales.

Harit Zaveri: See, again, retail sales are more a linkage to a geographical market that we have. Let's say for an example Ahmedabad market, the capacity of the store of Ahmedabad market is let's say Rs. 500 crores, just an approximate. Now let's say a Surat store maybe of Rs. 400 crores or a Rajkot store maybe of Rs. 300 crores, so these are the pockets in terms of rupees. When you have a facility, that facility is not in terms of rupees, that is in terms of KG. So as of today, let's say, to take it two years back, my Ahmedabad store was still Rs. 400 crores to Rs. 500 crores as a capacity store. But as of today, my capacity for 2 tons is Rs. 2,000 crores. So the installation of capacity is on the basis of volume and the installation of retail as a unit is on the basis of rupees as a geographical capacity to generate sales in that particular spread of area.

So we will grow. Okay, we are into an expansion phase with Surat and Rajkot coming up stores. But surely job work is a very high sustainable business that we are looking forward. What you can look forward for two to three years is, can the RBZ produce its own design, sell its own design to a retail unit and have a better bottom line in place. And if we are able to develop that kind of a model, it is a win-win situation. B2B is again a fundamental good business that we have, job work is great, we have a partnership in place which is wonderful and we are focused on that also to make it better.

- Raj Shah:** So sir, my mistake is not in terms of value. If in terms of volume like currently we have 2,000 tons, so in two, three years how much will be job work, how much will be B2B, how much will be B2C, if you can bifurcate in terms of volume.
- Harit Zaveri:** Raj, I would not be able to completely justify your answers because of the volatility of gold, prices are very much innate in nature. So just I can say that B2B volume versus B2C volume in the future will be 50%, 50% on a volume front.
- Raj Shah:** And the last one, my suggestion is, you are having an IR agency, so a presentation or a press release where you can bifurcate your IR business along with three verticals, and with margins of fees like KGs of gold sold in each vertical will be very helpful. This is one suggestion. Thank you.
- Harit Zaveri:** Thank you, Raj. We will understand and we will get back to you for this thing.
- Moderator:** Thank you. The next question comes from the line of Palash Kawale from Nuvama Wealth Management. Please go ahead.
- Palash Kawale:** Good afternoon, sir. Congratulations on the good set of results and doing better than what you had guided for the full year. Sir, my first question is, sorry, really many apologies if I am repeating I joined the call a little late. Sir, what was the total volume that you will get for FY '25?
- Harit Zaveri:** It is approximately 1,350 KGs plus.
- Palash Kawale:** Okay. And could you give the segment wise breakup of the volumes?
- Harit Zaveri:** I think job work volume has remained stable. Other than that, both the figures we will have to check it.
- Palash Kawale:** Okay. And any new customers that you are adding or you are planning to add in this financial year on B2B side?
- Harit Zaveri:** We already have customers in place. We will be doing penetration among those customers. We are happy to add any new customers if the market has. There's already players which are planning to expand more on more number of stores. So, we are happy to be a partner in their growth.
- Palash Kawale:** Okay. And sir, again, on that inventory side, do you see any further scope of reducing the inventory days on your balance sheet or like is it the comfortable number that you are in right now?
- Harit Zaveri:** So, Palash, efficiency will be a part and parcel and it's going to be a continuous process. So, yes, inventory sides on our TTM basis should always improve. Nonetheless, when there are new

storerooms coming up, there will be a push of inventory, there will be a lot of learnings that will be there. But again, what you are talking about is on a macro level is efficiency, so we are bound to give that as a Company.

Palash Kawale: Okay. And sir, when are these new showrooms getting operationalized?

Harit Zaveri: One will be in Q3 of this financial year, and another one will be in the Q1 of the next financial year, that is what the plans are.

Palash Kawale: Okay. And what is the total CAPEX for these two stores?

Harit Zaveri: We are primarily looking for a lease model, but let's see if there is any plans for the CAPEX, we will surely let the investors know about it.

Palash Kawale: Okay. And sir, going forward, do you plan to be B2B focused or more focus would be on retail expansion side? And like what is your thinking, your personal thinking, if you would shed any light on that it would be really helpful for us.

Harit Zaveri: So at a current level Company is a B2B manufacturing Company. We have gotten very nice skill when it comes to manufacturing. We are also having a successful retail store. So, as of now, the focus will remain in the couple of years for both the segments. And I think as far as we are able to generate the right kind of ROE, ROI, ROCE, we do not see any harm in this kind of a model that we are in. But yes, the growth in terms of store is going to happen in this fiscal year, in the next fiscal year, in retail for an expansion plan. But on a B2B level people will look at volumes, and for that the installed capacity of the factory is already in place.

Palash Kawale: So what is your utilization on B2B side right now?

Harit Zaveri: B2B side, I think volume utilization will be higher as job work is contributing a lot in B2B.

Palash Kawale: Okay. And sir, any guidance for the next two years?

Harit Zaveri: I think Rs. 700 crores and Rs. 44 crores to Rs. 45 crores of PAT. What I have been primarily saying will be sticking onto that. See, it is a volatile market, and I would rather have a conservative opinion.

Palash Kawale: And sir, like what is your average grammage on B2B side?

Harit Zaveri: What do you mean by average grammage, did not get you?

Palash Kawale: Like I wanted to know if you are into very high grammage products. And the reason for the question was, if the gold prices are increasing, is there any effect on your volume because of that or nothing like that?

Harit Zaveri:

So, as a category the culture or the psychographics of Indian consumers is not on the basis of grammage, now it goes on to segment. First, is it a daily wear segment or it's an occasion wear segment? Let's say an occasion wear segment the ticket size of a particular good might be 25 grams, in daily wear it is 5 grams, but you cannot wear a daily wear product into an occasion, right? So let's say if you are having a wedding so you not want to have a 5-gram product and go in place. That would not look right. So what is happening on psychographics is that a 25 gram occasion wear product is now getting made at 20 grams. And we are able to happily satisfy the customer.

A daily wear demand is something that the person after their weddings go and buy in their anniversary or XYZ, that demand we are seeing that, okay sometimes because of volatility there is a denial in that demand. Aspiration still remains, but denial can be a place for a year or so or for few months in which there are anniversaries or birthdays or occasions that are coming up other than weddings and all. So we are an occasion player, occasion jewelry player. We are seeing that the demand is quite stable. We are seeing that lot of weddings in India are coming up in this financial year also. What we understand, we see a continuous constant demand. There is confusion because of volatility of gold in the mind of consumers. Confusion still cannot deny the demand. It can literally just postpone because there is an occasion, it's an occasion linked demand. So, on a safe side, as a Company we are privileged to be in.

Palash Kawale:

Okay. Thank you. Thank you so much, sir. That's it really. Thank you.

Moderator:

Thank you. The next question comes from the line of Aniket Agarwal from Value CAP Investment. Please go ahead.

Aniket Agarwal:

Hello. First of all, congratulations on very good performance. Sir my question is related to what the previous participants have asked. I was just checking our balance sheet, and I was looking at our inventory days, and the inventory days are somewhere between 250 to 300 days from the last few years. And these numbers are quite high when I compare you to the other B2B or B2C players. So don't you think this high inventory days is a waste if let's say, gold prices go down by 20%, 30%?

Harit Zaveri:

So, I think Aniket, inventory days, we have a 2x churn in terms of inventory. I think first let us get the objectives correct. I think 255 or 300 days that you are quoting is the last financial year numbers. That financial number also I have the reasoning. We have had an IPO on December 27th of last financial year, and we had pumped up the inventory for Akshay Tritiya, which resulted into sales in the next quarter itself. So, just because of that one part, you saw a very big surge in terms of inventory. If you check the past five years numbers in terms of inventory days, you will get an inventory days of approximately 180 or so kind of days. And we are still on that number, we have around 2x in terms of inventory. But why we have 2x is also because there is a big base metal which is parked for job work. And yes, so your second question, if there is a decrease in gold prices how much of a concern it is? If there is a decrease in gold prices, our

book value of gold is still lesser than the current market price. We are watching it. Once it comes to a brim or somewhere closer, we will want to hedge it.

Aniket Agarwal: You will probably hedge it. So what is the inventory for FY '25 closing?

Harit Zaveri: Inventory days last year it was Rs. 224 crores and that right now it is Rs. 290 crores odd.

Aniket Agarwal: No, no, sir. I am asking about the inventory days. I am not asking about the inventory value. What I can see is the inventory number of days is I think you have ended at 250 days.

Harit Zaveri: No, I do not think so it is 250 days. You have not considered the average value of an inventory. So it is 229 plus 292 divided 2 into, then the revenue divided by average inventory and then it will get due.

Aniket Agarwal: So going forward, you will maintain around 180 and 200 days is what you are saying?

Harit Zaveri: 180 days will be a right kind of inventory days.

Aniket Agarwal: Okay. And sir my second question is, a couple of quarters ago you said that you are not looking for store expansion and that you are more focused on the B2B side. So I would like to know what is it that changed internally that you are now more focused on B2C rather than B2B.

Harit Zaveri: So see, in the B2B side we have a tonnage demand. Like let's say that on a B2B we have had a 2-ton factory, right. So the base rate was Rs. 50,000 of gold at that point of time. So if you calculate, if I am utilizing my complete capacity, we will do a turnover of Rs. 1,000 crores, let's say, in B2B segment for the capacity that we have. Now rates have doubled, that means the rate has already gone to Rs. 1 lakh. Now we still have a 2 ton factory. So that means we have already gotten Rs. 2,000 crores of capacity in place. Okay. Now we have gotten sufficient capacity in B2B. Now when you talk about B2C, B2C runs in rupee terms.

So let's say Ahmedabad showroom is, let's say, Rs. 500 crores showroom. We are already expecting that by next year it should be around Rs. 400 crores will be touching. So it is bound that we have a spread of around one or two couple of showrooms just to get that sacrosanct in place. We are not going anywhere out of B2B market. We are just playing a very rational game in this case. But yes, if you consider store expansion and aggression, yes, we are aggressive. If you consider the capacity which is there but the rates have increased, so we have doubled the capacity in terms of rupees.

Aniket Agarwal: Okay. And if I look at your Rs. 2,000 crores of I would say capacity, and you have achieved I think Rs. 1,350 KG this year on the B2B side?

Harit Zaveri: Yes, correct.

- Aniket Agarwal:** Okay, I am asking this especially on the B2B side only, what will be your growth rate in terms of volume on the B2B side for the next two to three years?
- Harit Zaveri:** Gold has escalated 31%. It is still primary for us to tell you what will be the volume demand. Certainly I expect the volume to be on the B2B side to grow, but it will be on a single digit side. So let us say we should be able to grow by around 7% to 8% by volumes in terms of B2B side. And I think, yes, see 31% escalation or 30% escalation of price still this comment cannot be taken as a concrete one, because what happens next quarter we do not know, volatility is just too much. So, I would want to answer your question, but still not having a definite answer.
- Aniket Agarwal:** Okay, sir. No issues. My only thing that I want to ask is, let's say, if the demand comes more on the B2B side, are you ready to capture on it?
- Harit Zaveri:** We have capacity in place. Why not?
- Aniket Agarwal:** Okay, let's say instead of 7% or 8% you see more demand of 12%, 15%, 20% in terms of volume.
- Harit Zaveri:** But we already have 2 ton capacity in place. The bothering question should be that how much the volume can go up. We already very much are in a situation where we can satisfy B2B demand at an utmost side, the infrastructure is also there in place, so no questions about it.
- Aniket Agarwal:** Okay, sir. Thank you. That's it. Thank you, sir.
- Moderator:** Thank you. The next question comes from the line of Akash Jha from AJ Life. Please go ahead.
- Akash Jha:** Hi sir. So just one question from my side. Sir, your PAT guidance of, I mean, you have given a PAT guidance for FY '26 of Rs. 45 crores, I mean, it seems quite low. Because it is just 15%, 16% growth compared to FY '25, and I mean in terms of revenue you have given a guidance of 30%, 32% growth. So any particular reason for this, sir?
- Harit Zaveri:** So Akash, see, this year Q4, the Akshay Tritiya demand has come in advance, that is in the month of March we have seen a lot of delivery that has happened on a job work side, okay. So if you need to understand, I had already given a guidance of Rs. 35 crores to Rs. 36 crores as a complete year profit of Q4 profit of Rs. 5 crores to Rs. 6 crores or so. Now in Q1, last year we had a great demand in place. Now this year because we have already received an advanced demand, there will be slight slowdown in terms of volumes. And that is the reason that from Rs. 35 crores if you see, we would be going up to Rs. 44 crores, Rs. 45 crores kind of a turnover. But we have already achieved Rs. 38 crores, that is why on a Y-o-Y basis you will be calculating that, okay, the demand here and there it is coming up to 16%, 17%, 18% growth.
- But on a Company side, from the date of IPO, we were at Rs. 22 crores profit. In a two years time we are doubling the balance sheet, Rs. 100 crores by equity or Rs. 150 crores by equity, Rs. 100 crores by debt, and then we are going up to Rs. 45 crores of profit on the right track. And

this is already what I have guided in my previous quarter's earnings call as well as in my IPO speech also. So, sticking on to that, and let us be conservative on that, let us defeat or beat the numbers. Guidance is actually a sort of promise from a management side and we want to be very genuine about it. We are wanting to do as much as we can, but Rs. 44 crores, Rs. 45 crores is what seems likely.

Akash Jha: Okay, sir. Got it.

Moderator: Thank you. The next question comes from the line of Palash Kawale from Nuvama Wealth Management. Please go ahead.

Palash Kawale: Yes. Thank you for the opportunity again. Sir my only question was, does your job work inventory also comes on your balance sheet?

Harit Zaveri: No, it does not come from the balance sheet. Job work inventory are not calculated, this is only your own inventory.

Palash Kawale: Okay, okay. That's it. Thank you so much.

Moderator: Thank you. The next question comes from the line of Bhavesh Chauhan, an individual investor. Please go ahead.

Bhavesh Chauhan: Sir in terms of three to five years perspective, what would be our aim, if you can elaborate?

Harit Zaveri: So as a Company, we would be wanting to see continuous growth. At a three-year pace we would be wanting that there should be stronger demand. We should be going up the top line of more than Rs. 1,000 crores. And on a five-year plan, it's too long to comment, but the consistent 25% of sales on top line growth should remain with the bottom-line approach to follow on the same lines, 20% bottom line should get up year-on-year. And steadily we are on that strategy, so if you calculate on the five-year basis, you will get your numbers.

Bhavesh Chauhan: And sir, as we grow, should our margins be in line with what we are doing today?

Harit Zaveri: So the structure then, the business model that we are preparing, the margins should be in line. If there is any business model change or something, there will be a very concrete intimation. But as of now there is nothing like that. Certainly when there is growth and in what ways the growth is coming should be noticed. But as of now, yes, we see that the margins will remain the same.

Bhavesh Chauhan: Yes. And since we have very ambitious plans, when is the time when you look to raise more equity to grow? Maybe as you already said that maybe in the next two years you do not want, but then at some point we would require some equity. So what is management's perspective?

- Harit Zaveri:** Equity, see, right now the first aim is to fuel the growth as much as we can by debt. And then once we have a right kind of infrastructure and stuff in place for the robust next jump, we are sure that equities getting money and raising funds are part and parcel of operations. And once we are done with raising debt and we think that this is the right time to raise equity, yes, surely we will tap in.
- Bhavesh Chauhan:** Okay, sir. That's all from me. All the best.
- Harit Zaveri:** Thank you.
- Moderator:** Thank you, sir. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.
- Harit Zaveri:** Yes. So we have had a year as promised, and certainly it has been the fourth earnings call. It would be an honest story or other it will be honest communication from my side that you can expect, on the coming quarters as well. The Company is in the clear part of growth. We are certainly wanting to build up an infrastructure which is robust and stable, which can fuel growth on a consistent basis. Happy to have you all as listeners. And let us hope for a wonderful year ahead. Thank you.
- Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of RBZ Jewellers, that concludes this conference. You may now disconnect your lines.