22nd August 2024

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

Security Code: 544060
Security ID: RBZJEWEL

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

Symbol: RBZJEWEL

Dear Sir/Madam

Sub: Earning call Transcript with Analysts and Investors for the Quarter ended as on 30th June 2024.

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 20th August 2024 at 15.45 hrs. for discussion on the financial performance of the Company for the quarter ended on 30th June 2024.

Path: https://rbzjewellers.com/wp-content/uploads/2024/08/Investor-earn-call-Transcript_20.08.2024.pdf

This is for your information and records.

Thanking you,

For, RBZ Jewellers Limited

HELI AKASH GARALA
Digitally signed by HELI AKASH GARALA
Date: 2024.08.22 19:28:21 +05'30'

Heli A Garala
Company Secretary & Compliance Officer
Membership no. ACS 49256

“RBZ Jewellers Limited

Q1 FY‘25 Earnings Conference Call”

August 20, 2024

MANAGEMENT: MR. HARIT ZAVERI – JOINT MANAGING DIRECTOR -- RBZ JEWELLERS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the RBZ Jewellers Limited Q1 FY25 Earnings Conference Call. As a reminder, all participant line will be in 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harit R. Zaveri, Joint Managing Director. Thank you and over to you, sir.

Harit Zaveri: Thank you, Chorus Call for arranging the call. So, during the Q1 results of June 30th, the revenue has been around INR82.41 crores and it is an increase of around 50% plus from INR51.32 crores in the same quarter last year. The expense is INR70.47 crores, reserve is INR46.53 crores last year in the same quarter. The bottom lines have increased from INR3.72 crores to INR9.08 crores in comparison with quarter.

The volume growth that the company has seen in the first quarter is 224 kgs of gold, which includes sale of services, that is job work, versus and the sale of goods, that is the B2B and the B2C line that we are in. The last year, same quarter, the volume was 144 kgs. So, clearly, despite the prices rising from around 55,000 to 75,000 or 60,000 to 75,000 in the year time, the company has still retained its volume growth and this, because of the growth in the volume and the spike in the prices, the profits are there.

Also, the preceding quarter, the company had seen that due to the COGS getting higher, it had done a lesser profitability in the Q4, that is INR2.69 crores, and I think the reason for higher profitability was also that the base itself of the COGS was already low. So, yes, the business has done incrementally well. I think 50% rise in volumes itself speaks a lot despite prices getting hiked by around 25% plus.

And we are invested in the resources, that is HR resources. We are seeing a continuous increase in number of employees to match up the volumes and to gain all the time right fundamentals in terms of resources in department. Also, this result this year has been declared on the last day, that is because of the migration of software.

This result has been declared from SAP software. So, the legacy software is now gone and we are an SAP enabled company. The company is investing into machineries and technologies and into human resources, qualitative human resources.

And I think the ERP getting better, all round performance of volumes is seeming to be good. I think the way forward in the second quarter, because the first quarter of organized retailer is weak, the company would have a little bit of impact in the second quarter. The demand that was deferred in the quarter 4 of financial year 24, which was backed up because Akshaya Tritiya was late.

So, in the quarter 1, we had Akshaya Tritiya not in April midweek, but in the midweeks of May. So, the company had demand on the first quarter this time. Now, the results of an organized retailer being low in the first quarter, the impact because we are a majorly B2B player, the impact will be seen in the second quarter.

Due to duty rate cut in gold, organized retailers did have a strong demand coming in, in the month of July end. This has resulted already into good order books in the midweeks of August. That means that this year, the company will have strong quarter 3 forecast.

I mean, our order book shows that our timelines to complete are much in the month of October than in the month of September. Because, again, the duty rate cuts have benefited us in terms of consumer sentiments and demand going up. And I think this year, we should judge Q2 and Q3 cumulatively rather than just judging Q2.

So far, the exhibition has just finished, IIJS exhibition, which was again delayed by around, generally it happens in the end week of July. This time it has happened in the midweeks of August, that is from August 8 to August 13. It was a successful exhibition and we are seeing continuous growth in demand.

When I speak demand, I mean rupees and volumes both. We will be, whatever the company has committed, we are going to -- we are on the right mark to achieve the INR35 crores of that in this financial year. And the top line will have around INR500 crores to INR600 crores of turnover, more probably towards the INR600 crores mark.

I think apart from this, I know these are my remarks, but apart from this, any questions that anybody has, we can continue with that.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prerna from RS Capital. Please go ahead.

Prerna: Congratulations on a good set of numbers. My first question is regarding the guidance that you had revised in the earlier quarter. Since the management commentary has been very positive, do you still plan to increase the guidance? In the sense, I believe in the last quarter, you told from 1,600 to 1,650 kgs of gold, which we had targeted for this year, you revised it to 1,500. So are we going to be doing 1,500 or more than that?

Harit Zaveri: So, as of now, if we are looking at quarter 1 of last year, we had done 144 kgs. This year, despite prices rising from last year, quarter 1 prices were around 55,000 to 60,000. This year, the quarter 1 prices were around 75,000. But still, we have grown 50% in terms of volumes.

Now, this has come due to two reasons. One is that in the quarter 4, there was a lag of demand due to extreme spike in prices and Akshaya Tritiya was 20 days deferred. If you see in year '23, Akshaya Tritiya was somewhere around April 22. This year, Akshaya Tritiya was in May 13 or May 10. So the days were deferred.

And that is the reason the demand was also deferred because the consumer or the retailers were confused at what rate to buy. Obviously, Akshaya Tritiya people would stock in, but at what rate? So that is where the Q4 did not pull up as much as demand and quarter 1 of this year had pulled up a good demand.

But we are seeing that even in quarter 2, demand will be good, but organized -- because of quarter 1 very new organized players, quarter 2 demand is not as optimistic as in terms of percentage, the growth is not as optimistic as quarter 1. Still, quarter 3 will suffice everything because ultimately duty rate cut has helped a lot for organized players.

If you see there is a clear spike in demand in terms of retailers in the late weeks of July and early weeks of August. So I think we will be doing good in terms of quarter 3. It will be a blended effect. Till last year, quarter 2 was number one. In this fiscal year, I think quarter 3 will be very strong because of the deferred demand also. Again, putting a blank shot on your question, we are still on the remarks of 1,500 kg of gold or plus, but yes I think quarter 2 and quarter 3 blendedly will say a lot of things. If we are above 450 kg for quarter 2 then I think quarter 3 we will be able to match the demand of 1,500 to 1,600 kg.

Prerna: Sir, as of Q1 FY25, can you just give a revenue breakdown as to what has been the B2B, the retail as well as the job work? What is the percentage of revenue coming from each of these segments?

Harit Zaveri: So, if you talk about revenue coming from sale of services, it will be hardly marginal. You know why? Because you just book your making charges over there, but on an overall basis if you talk about volumes, 80% of the volumes come still from B2B model. And in terms of revenue, 50%. Because 50% is sale of services.

So, if I had to tell you, let's say around 110-120 kg we have done sale of services this quarter. And the total kg is 224. So, if you put that into place the retail portion in terms of volume is quite less, it is 20%, but because sale of services only has making charge that is getting booked in terms of top line, in that case 50% will be wholesale and 50% will be retail. But ultimately, we are a B2B player because 80% of the volumes drives from B2B segment.

Prerna: Okay sir. Just one last question. In your retail, what has been the SSG?

Harit Zaveri: I am sorry?

Prerna: Sir, what has been your SSG the same store sales growth for your retail your showroom, I think you have one in Ahmedabad, right?

Harit Zaveri: Correct. So, right now we are at last year the top line of around INR188 CR in retail. This year we are expecting a top line of around INR250 CR in retail. So that is around 35%, 40% growth we are still expecting and it has a capacity to go up to INR400, INR500 CR. Also, there is a floor space that is getting increased. I think it should be operational in the month of October, here in two to four weeks.

But yes, October start or October end it has to be operational. I think with that we would be able to generate again a good amount of revenue. But yes, the retail is growing at around 35-40% pace.

Prerna: But our focus will be more on B2B because I remember in one of your interviews, you told that organized jewellery manufacturers are still at 15 percentage whereas organized retail is at 40. So, I think if we focus more on this, since there is no competition over here much, it would be better than let's say retail?

Harit Zaveri: Correct. So when I say that we are 80% B2B, it clearly indicates that volumes are very strong in B2B and we are even in this year if you see the major drivers will be B2B. If you check last year 144 kg to this year 224 kg in the same quarter, B2B has been the driver. So, retail has its own level of growth. But again we are focused into an occasion category B2B segment and that is where even in this in the next financial year, we are seeing the major growth engines to pull up. We are correctly saying that manufacturers are quite less in terms of percentage and in occasion jewellery it is much more lesser than the percentage that you have quoted.

At least in daily wares they are still organizing, but occasion category there are almost quite less than the percentage that you have quoted. And we are focused on the B2B business, on the corporates side of the business and we will do we are - the exhibition is getting over and I can give you a fair remarks that the volumes will be on the upward trend, be it wholesale, be it the job work, both in this financial year as a whole.

Prerna: Okay, sir. And we will be clocking this year, I believe INR600 crores in revenue and INR35 crores in PAT.

Harit Zaveri: Correct that is where the indicator fits.

Prerna: Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Deepesh Sancheti from Manya Finance. Please go ahead.

Deepesh Sancheti: Yes. You just mentioned to the last question that last year your retail sales was about INR188 crores. Did I get it right? And this year you are expecting around INR250 crores?

Harit Zaveri: Correct. More or less correct. Yes.

Deepesh: That is from retail, from your Ahmedabad unit. Ahmedabad showroom?

Harit Zaveri: Correct.

Deepesh: And you are expecting INR500 crores as total turnover in this year?

Harit Zaveri: Yes, INR500 crores of total turnover this year. INR500 crores, INR600 crores is what it is.

Deepesh: You are saying that 50% of it will come from retail?

Harit Zaveri: Correct.

Deepesh: From the B2C?

Harit Zaveri: Correct. So, first let us understand the business model. Again, let me go back to the business model. So, RBZ has on a very broader perspective, you can say sale of goods and sale of services. The sale of goods happens in both B2C and B2B format. The sale of services only happens in B2B format.

When I say sale of services, that means we get metal in advance, we book our making charges and that is a service that we provide. It is in one sense, that is a job of services that we do. So, 50% of the business of volumes is through job work. If I say 224 kg, we have done approximately 110 kg, 120 kg of job work services.

So, if you, and the job work figures will be, because it is just booking the making charges and the salvages is also, comes under the closing stock. So, particularly, one will not be able to gauge the business in terms of just top line. You need to see the volume figures and what is the sale of services business.

Because though it indicates a very less top line, it has a very strong impact on the bottom line. So, in overall, we are a 20% B2C business, despite having 50% revenue over there, because 20%, only the 20% volume is coming from B2C, whereas 80% volume is coming from B2B side.

Deepesh: Okay, and the revenues are coming, okay, it is 50-50 mix. Perfect. Now, I wanted to understand how was IIJS first of all, and how much orders did we book in this? And so, and since IIJS has happened in this Q2, why do you think that Q2 demand will be not as high as Q1 and Q3 will be stronger?

Harit Zaveri: No, so, Q2, the revenue booking will be higher. But the volumes of Q2 seems to be lower than the last year Q2. Or it will be parallel, I just cannot comment that will be low, but it will be parallel. Now, the reasons are that Q1, Akshaya Tritiya, was deferred, right, for 15-20 days, I have already mentioned that.

So, the organized retailers have booked and have bought it from us. But the sales did not happen as strongly as it should have happened in Q1 for them. Q2, duty rate cut, the strong demand has already flown. So, the demand with them has let's say come in the month of, if Akshaya Tritiya went great for all the organized retailers, you would have gone a very strong orders in Q2.

But because the duty rate cut has helped, so, we have got orders recently, that is in like August 15 or so. So, we are seeing that this year it would not be Q2 who would be having this hero story or a good great quarter for us, it will be a blended effect. That means Q2 and Q3 cumulatively will have strong impact on the balance sheet approximately I can say around 65% or so.

So, again, if you talk about revenue, yes, the quarter 2 revenue will be stronger than quarter 1 revenue. And, quarter 3 revenue will be much stronger than quarter 2 revenue. But if you let us understand that the bottom line boils down with volumes being in place. So, in terms of volumes or in terms of the sales of services side of business, Q2 and Q3 cumulatively will show you a stronger growth.

Moderator: Thank you. The next question is from the line of Sahil Patani from Stokes Capital. Please go ahead.

Sahil Patani: Hi, congratulations on a great set of numbers. I just have a couple of questions. I wanted to understand your employee expenses and finance cost went up this quarter compared to Q4 of the last financial year. So, can you just explain why was that?

Harit Zaveri: The number of employees and their team is what we are building up. If you see the expenses, what we are projecting is we are still, making sure that we are taking the right quality of team. Ultimately, brother the company is actually too small.

If you gauge we need a right team, we need right people in place and for that you need to spend. I mean I think this expenses, I'm not seeing that 10% expenses year-on-year will get increased with the increments and all.

But the team has also grown from, let's say, 183 to 233 employees as of July. And we are still on a pattern that we have still a gap in employees and in the processes that we have set up. So, yes more quality employees in place, stronger team in place. I think this is what also the company philosophy is. Not that it will not help us in boosting revenue. Once you have a good team, I personally look at it as an asset.

And sure, it reflects on the expense side of the balance sheet or the profit and loss account. But it's fine until and unless you are doing strong in terms of performance and fundamentals are in place and you're doing good and strong with your core areas. So, I think finance team has gone up and there are many functionalities of manufacturing.

We have entered into an ERP software, which is a global ERP type software from our legacy software. So, more better controls in audit, more better controls in accounting. Ultimately, public is my partner and we want to have the best integrity in terms of numbers in place in every area so that and for that you need resources. I mean, and in future also this is going to be the case. But yes, company will grow. It will grow because of these expenses and the deployment of money into this kind of resources or segments.

Sahil Patani: Got it. Thank you for that. And just one more question. So, obviously, we have a lot of retailers, big retailers as our clients like Senco, Joyalukkas. Now, I want to understand, are there any new retailers that you're looking at? Are there inquiries for like having new clients on board? So, just wanted to understand what that sales pipeline looks like for you to like onboard new clients and what from a future point of view are you looking at that strategy as well?

Harit Zaveri: See, one is client expansion. Other thing is client penetration. We have clients in case, I mean, when we say that we have, if you just refer to our client list, we have Titan, we have Malabar, Joy. So, these are these are massive players. Once you have this kind of client, it is then you have to look for how much more you can penetrate them versus how much less dependency is you as a company have from them. So, yes, we have -- we do exhibitions to cater to new clients.

And we have Bhima Jewellers and we have we have Senco, we do with Kalamandir in West, we do at P N Gadgil in West. So, a lot of retailers is that we do but now doing with all these retailers, do we have enough resources to then supply? I mean at one point of time, we are catering to demand but other point of time, we need -- we should make ourselves sufficient enough to even supply goods.

And how many of them are willing to give you advances in gold? Generally, it doesn't happen with the jewellery industry that the company gets advanced. It is very honestly the sale of services side of business, if you notice it is not there. Nobody gives you advanced goods. It is the expertise that we have that makes us unique and it makes us a company which demands for advances when it comes to retailers. So, yes, customer penetration and customer expansion both are in place.

The IIJS has gone successful, we have gotten new good independent retailers and the corporate retailers as well. I think it will reflect you in numbers in the cumulative way in quarter two and quarter three but the company will reduce dependency and will have an expansion base plus penetration to answer you more precisely.

Sahil Patani: Got it. Great to know that, sir. Thank you so much and all the best for the future. Thanks a lot.

Moderator: Thank you. The next question is from the line of Prince Choudhary from PINC Wealth. Please go ahead.

Prince Choudhary: Yes, hi. Thanks for taking up my question. In last conference, you have mentioned that we have current capacity of around 1,700 to 2,000 kgs of gold and you are planning to expand it to 5X of the current capacity. So, can you share some light by when it will be operational?

Harit Zaveri: Correct. So, we have right now the capacity of 1,700 to 2,000 kgs there and as of this year, we are not expected to fulfill, I think 80% of the capacity will be maxed. I think by next year, we are in the process to spot a land and the construction and everything. But yes, we are 100% sure of going to the capacity of one lakh square feet plus. And that would be soon after this financial year and I think in next financial year, we should be able to get into that space.

And nonetheless, the company does a lot of manufacturing in-house and also is a principal job worker to a lot of units in Ahmedabad and around. So, we do not have any crunch in terms of capacities. We are not seeing any high crunch in terms of capacity that in-house we have or out-house we have. But in future, after a year or so the company is planning for a bigger manufacturing setup, which will at least cater to around 5-6 tons of demand.

Prince Choudhary: All right. So, we are in a process of land procurement and everything, right?

Harit Zaveri: Correct.

Prince Choudhary: All right. So, how much revenue do you expect if it comes to operation and all?

Harit Zaveri: I'm sorry, could you repeat it, sir?

Prince Choudhary: How much turnaround do you expect from this from the operational once it goes the size of the capacity?

Harit Zaveri: So, it will be the demand that we will be having, I think it will be incremental only. See, once you do a 5X capacity, it is not that you will get in one shot, you will get a 5X demand. But because we have good clients and good client base with us, we are hopeful to have a demand.

Let's say I am clearly indicating that, okay, by fiscal '26, we will be having around roughly around INR44 crores of patent maybe around INR800 crores of revenue. So, I think 25% or so will be a should be an incremental demand because it's ultimately a small company. One can easily grow that much.

And if you have 6X of capacity in place, I think the demand, we should be able to utilize it for another -- let's say at least -- it depends on the how the funds are in terms of how much we can raise debt or how much funds we will be able to gear up. And can we, I mean, we are looking forward for becoming an occasion player in the number one player across all categories, be it temple jewellery, be it antique jewellery that we are right now in be it all other types of occasion categories.

So, I think these are all the future plans. And with that, we will be able to utilize, I mean, stronger demands will come in. But we are already having a decent pace of growth and we will be maintaining that pace of growth.

Moderator: Thank you. The next question is from the line of Gaurav Agrawal from Nine One Capital. Please go ahead.

Gaurav Agrawal: Hi, sir. Congratulations on good start of numbers. Sir, I appreciate your FY '26 guidance. And also if you have any clear plan that you wanted to give it to us it would be great if you can give us a long term guidance.

Harit Zaveri: So, if you talk about the current financial year, I have already set the figures of around INR500 crores to INR600 crores of revenue that we'll be doing. I think by next year, it should be around 800. And subsequently, we should be able to at fiscal '27, it should be at least INR1000 crores plus that we are hopeful to get.

I think roughly, the ROCE part of the balance sheet should remain consistent. So, let's say the balance sheet has a size of around INR200 crores, it will generate a profit of around INR20 crores-INR25 crores. Similarly, other balance sheet sizes of INR400 crores because we have INR100 crores of equity and we will be raising INR100 crores of debt the pack level should be around INR40 crores-INR50 crores or INR44 crores that we have committed.

And in the subsequent year putting back all the profits and I think we should be able to get INR1000 crores top line versus somewhere around 55-ish or INR55 odd crores of profit. So, this is the three year indicative figures that I would want to I am hopeful to, we are hopeful to project and that we are building the same fundamentals and in terms of human resource or ERP or machineries and all, we're building up in that phase.

And on a macro level again, if you look at RBZ as a on the occasion where category as a very strong or the number one player in the occasion where segment, wherein we will pull in demand from South or all the zones of India and getting to all the corporates in their domain, let's say Malabar is stronger in South, we will cater to them for the Southern market. Let's say, stronger in different, different zones. So, we want to be their number one preference in terms of occasion where category.

Gaurav Agrawal: Okay. So, I guess now in terms of zones, where do you get your most revenue from? Is it North and the East or is it, how much does it come from South and West and where is your focus area for the next three years?

Harit Zaveri: So, generally till date RBZ has done most of its business in Northern, Eastern and Western belt. Now, to again segment it, our Northern belt is more stronger than the Eastern and Western belt. For the next financial year or so we are focusing on - we will be more focused on our Western belt.

And then in the preceding year -- on the succeeding year, I mean, we will be doing Southern belt. So, a continuous demand will be generating. We are already established in Northern, Eastern and the Western part and we are hopeful to generate, penetrate more in that zones. In Fiscal 27, we'll be able to attract the Southern demand also much stronger. So, that opens approximately 40%, 50% of the market which is still untapped or unopened by us. Yes, that is my...

Gaurav Agarwal: Understood. So, if I may ask one more question to you. So, sir as of now we are only on the occasion wear side. So, firstly sir of that overall organized market, the organized retailers market for the general sector, how much would this occasion wear be in terms of revenue percentage? And also after we are done with these short-term plans and long-term plans, do we have plans to get into the non occasion wear segment as well?

Harit Zaveri: So, right now, India has around 600 tons of market and 300 tons of market is purely into occasion wear segment. We are hardly a player of ton and a half. Let us first at least reach, can we reach 10 tons? Can we reach 20 tons? Can we reach 50 tons? I mean, these are the broader lines.

I mean, where we are placed in we have that scale. Now, once we have that scale, let us encash our - let us encash that scale. Then we can surely adopt. I mean there is no issues with going into daily wear, but what we have right now that scalability is very good and I think we should move forward in that zone. Why not actually mint the area where we are very strong and in future also, there is no sign in which the occasion wear segment is getting dull.

Marriage, it is an event-linked purchase. People buy gold because it is a marriage. I think this occasion wear demand has done great in quarter 1 also for us. So, right now we are focused in occasion wear sir, but yes we are always open for manufacturing daily wear.

Gaurav Agarwal: Great, sir. Great. All the best for your future quarters and speak to you soon in the next quarter.

Moderator: Thank you. The next question is from the line of Deepesh Sancheti from Manya Finance. Please go ahead.

Deepesh Sancheti: Hi. Yes. So, have you identified the land for expansion which you are planning to do next year?

Harit Zaveri: A lot of landfill has already happened and I think we are waiting for, I mean, yes, spotting has happened. It is too premature to stay about the further things. But I mean, production capacity won't be a question when it comes to demand and flow. So, capacity will be built up as and when it is required. But yes, the process is on.

Deepesh Sancheti: Okay. And our IPO funds which we had raised, most of it cost for increasing the stock because I had spoken to you during your IPO. So, how much stock have we increased out of the INR100 crores which we raised?

Harit Zaveri: Out of INR100 crores that we raised approximately INR10 crores goes into the expense of IPO, rest INR10 crores is for general corporate purpose. So and the INR80 crores that we have is actually pulled in the stock already. In fact, we have utilized not only the IPO proceeds, but also the bank loans that we had previously.

Everything has been utilized into the stock itself. And you can see that the inventory that we are right now holding is plus of around INR250 crores or I think in the last figures also. So, everything is generally pulled on into inventories.

Deepesh Sancheti: Yes. In terms of kgs how many what is the inventory?

Harit Zaveri: I would not right now like I do not have numbers handy in terms of kgs, but somewhere around 300 kgs plus at least.

Deepesh Sancheti: Yes, that's ballpark figure is fine. Okay. And my question on IIJS was that I had been to your stall and it was really wonderful, but the most of the from IIJS what I got the feedback was that we are booked for six months, we are booked for eight months. That was the kind of buoyancy which was there in IIJS. So, can I hear the same thing from you?

I mean, did you also get the similar kind of response? And the second thing was, in this question itself was there any - is there any chance of a margin deduction because of a lot of competition from players?

Harit Zaveri: So, let me address. If you have visited RBZ stall, I mean, on the first day or the second day, there was no space to even sit. We had got a very warm response, but when it comes to orders we see I don't understand how the jewellery industry works for an eight-month order because it has a very seasonal demand or so. We are focused that, yes, we have got good order kitty in hand for at least the season till Diwali end. And till November 3, we have got orders in hand.

So, usually we get this in the first week of or the end week of July. This year we have got it in the third week of August, but it is a good order book and we are hopeful to give you a fair result. That is what in fact when I say that the company will grow from INR327 crores to INR600 crores or INR500 crores, that means that I am talking basis on my growth that all the IIJS order books that I have got.

Plus in terms of when I say that quarter 1 of the thing was dull and due to that there is a deferment of demand in the month of July for organised retail segment who are in whom we do job work for. That clearly indicates that okay now the demand has come in. And that is why I am actually telling that quarter 2 and quarter 3 we will be able to see a cumulative effect. But 100%, we have a good, like the orders are good.

And we should be able to complete those orders at least by Diwali. We are hopeful to do that.

Deepesh Sancheti: Great speaking to you. I really like your clarity. And so whenever in FY26 if you're doing a fundraise for your future expansion, we would like to participate in that. I would like to tell you this on the call and all the very best for you.

Moderator: Thank you. The next follow up question is from the line of Prerna from RS Capital. Please go ahead.

Prerna: Yes, hi, sir. Just wanted to just a bit of clarity on your business model. You mentioned that sale of good is both your B2C and the B2B that you're manufacturing, right? And the sale of services, the job or the curricular work that you're doing. Did I get this right, first of all?

Harit Zaveri: No, ma'am. The sale of services is for corporate. We do job work. When you say, let's say a company, let's say you are an organized retailer and you have 100 showrooms. You tell me that, okay, can RBZ produce, let's say, 100 kg of gold every month? I would say, sister, I do not have the capacity to do so.

And because of my resources of fund or anything, you will say that, okay, I'll give you advance. You can use my material and you can just book the revenue on the job. So when I say that, okay, I take, let's say, just a ballpark to the 10% job or a 5% job. So that 100 kg, I will take only 5%. That will be my top line. So that 10% or 5% will be my top line.

That top line will be very minimal. You will book 100 kg means you can do INR75 crores of revenue. Now, 5% of INR75 crores is, you can book only INR3 crores of revenue or INR4 crores of revenue, whatever. So, but the bottom lines are more stronger, right? Because ultimately your margins are going to come from making charge. So why to simply book revenue for gold?

For me as a businessman, it doesn't really matter. For me, what matters is, am I doing the right return on investment or the capital that I have employed, am I generating the right return, am I getting, the fundamentals of the business has to be more right. And if I'm getting advance, it is great for the company.

Why to simply, just establish a top line. Ultimately, if you're getting, if the company is able to pull out advances, nothing better. And that is where RBZ is unique. I mean, it is able to cater, it is able to ask advances from its customers.

Prerna: Okay, sir. Got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Chintan Shah, who is an Individual Investor. Please go ahead.

Chintan Shah: Yes. So, sir, the good growth that we are seeing is mainly due to fresh B2B demand or new funds inclusion has increased our working capital for addressing the existing demand?

Harit Zaveri: Sir, your voice was a little bit blurred. I'm not able to hear your question clearly. Can you repeat it again, sir?

Moderator: Mr. Chintan, may I request you to please use your handset?

Chintan Shah: So, sir, the good growth we are seeing is mainly due to fresh B2B demand or new funds inclusion has increased our working capital for addressing existing demand?

Harit Zaveri: Okay. So, what has happened is in the quarter 1, last year we had done 144 kg of volumes and the average price of gold was INR5500 per gram. This year we have done 224 kg of volumes and the average price is somewhere around INR70,000, INR75,000 of 24 carat gold. So, with that in place, the fundamentals of the business plus the growth or the strong, it had a very strong demand in quarter 1.

Yes, the funds which had come in has helped the business because ultimately it had built up a lot of inventory in the quarter 4 of last financial year and those inventories we could sell in quarter 1 because of the strong demand. And I think in quarter 2 you will see again the similar kind of results because sale of services or sale of goods will spike again because we had funds in place or stock in place.

Overall, I think this quarter, the result of this quarter can be also, you cannot establish that, okay, INR9 crores is exactly, the COGS, higher COGS in the last quarter is also, was an impact, but last quarter also fundamentals and everything was in place. So, again, in future, I think subsequent quarters, quarters 2 and quarters 3 we should be able to see, a good demand for [IHA 44:30] because of IHA is happening and, again, the duty rate cuts and all has helped a lot in the business. Yes, also, as committed, we are into place for INR35 crores of fat and INR500 crores to INR600 crores of top line.

Chintan Shah: Okay, thank you, sir. Sir, my second question is that for FY '25, are we expecting a product mix change compared to FY '24?

Harit Zaveri: Product mix, I mean, we are into antique jewellery. We are into the domain of occasion where product mix, I don't think so it will change. Sales mix can be variable. Sales mix, I think there would be a good percentage up in terms of sale of goods on a ratio level. I mean, you would do good both in terms of sale of services and sale of goods, but sale of goods, let's say, for an example, in the 1000 kg, if I have done 500 kg of sales of services and 500 kg of sale of goods in the FY '25, I will be doing, let's say, 600 kg of sale of services versus 700 kg or 750 kg of sale of goods. So, both the segments will be growing, but proportions will be different. So, I'm seeing a good growth in terms of sale of goods in the coming financial year.

Chintan Shah: Okay, that clarifies a lot, sir, because if the sale of services was similar, then we would be looking at 40% on each of the top 10. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Harit R. Zaveri for closing comments.

Harit Zaveri: So, I think there were quite a few questions and I hope that I have answered them well. Still, on the closing remarks, I would say that the company wants to establish a sustainable growth. We are focused on fundamentals and the core of business and making the core and the fundamentals more better to do that.

We are focused on integrity. When we speak of integrity, we are focused on the delivery that we make when we say a word, that means we will deliver what we have said. And we are focused on better resources, be it in terms of team, in terms of machine, in terms of manpower. The company has a long-term view into the business to remain.

I am sure that this quarter-on-quarter calls and ups and downs is a part and parcel of business. Ultimately, our goal is to make the company very strong in its domain that it is operating in. Fundamentally, on the core, it has to be much more sound and stronger. So, yes, this is what I, as a Promoter or as a Director, I am focused on. Yes, the company will grow and it will deliver results as committed. We are on it. Thank you.

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