RBZ®

JEWELLERS LTD.

(Formerly Known as RBZ Jewellers Pvt. Ltd.)

February 14th, 2025

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 December 31st, 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 Wednesday, 12th February 2025 at 15:45 hrs. for discussion on the financial performance of the Company for the quarter ended on December 31st, 2024.

Path : https://rbzjewellers.com/wp-content/uploads/2025/02/Investor-Earn-Call-Transcript_12.02.2025.pdf

This is for your information and records.

Thank you,

For, RBZ Jewellers Limited

RAJENDRAKUMAR KANTILAL ZAVERI

Digitally signed by RAJENDRAKUMAR KANTILAL ZAVERI
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"RBZ Jewellers Limited

Q3 FY '25 Earnings Conference Call"

February 12, 2025

MANAGEMENT: MR. HARIT RAJENDRAKUMAR ZAVERI – JOINT MANAGING DIRECTOR & CFO – RBZ JEWELLERS LIMITED
MR. BHAVESH SABHNANI – SENIOR MANAGER - ACCOUNTS & FINANCE -RBZ JEWELLERS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the RBZ Jewellers Limited Q3 FY '25 Earnings Conference Call. As a reminder, all participant 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 star, then zero on your touch-tone phone. Please note that this conference is being recorded.

Before we proceed to the call, let me remind you that the discussion may contain certain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be viewed in conjunction with our business. Risks that could cause actual results, performance or achievements should differ significantly from what has been expressed or implied in such forward-looking statements. Please note that the company have uploaded the results and the outcome of the Board meeting on the website of stock exchanges and website of the company.

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

Harit Zaveri: Yes, good afternoon all. We have just completed quarter 3 of fiscal '25 and the results are out. The company has done a revenue of around INR194 crores which is 60% or plus than the last year's Y-o-Y. We have made a profit before tax of INR18 crores which is again compared to the last year results on Y-o-Y basis are exceeding by -- last year it was INR9.14 crores, this is INR18.16 crores.

There is an increase in employee cost as in my previous earning calls, we are building up a team and robust structure for continuous growth and development for the company. So team is being an essential element, so yes there is an increase in employee cost and the financial cost has also proportionately increased.

In quarter 3 we require good working capital funds, quarter 3 is the prime season for the jewellery industry and I think in this year, we have made a profit of INR13 crores plus. The volume of the company has stood at 461 kilos, which on Q-on-Q basis last year was 312 kg, so there is a clear increase in volumes due to increase in sale of services.

The sale of goods business that is the retail and wholesale business has done exceedingly well by getting the revenue of up than 60%. I think this is the brief from my side. On the forward looking, quarter 4 seems to be good. We have already completed January and February is on. I think from the last year quarter 4, this year quarter 4 will be again far exceedingly well.

And comparatively, I think this quarter 4, January has gone as per our expectations. So let us hope for a better quarter 4 and the promise remains that we had expected INR35 crores of PAT and the cumulative PAT has already crossed INR30 crores. I think quarter 4, INR5 crores seems very much in control and achievable. This is just a little brief about the company's financials. Over to the questions, if any.

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

Abhishek: Yes. So you had guidance for INR500 crores to INR600 crores revenue and INR35 crores PAT this year. So considering your brilliant performance this quarter, would you like to revise your top line and bottom line guidance?

Harit Zaveri: So top line, I suppose it will be around -- as far as right now, we are looking at I think INR520 crores to INR530 crores should be or INR535 crores should be the top line and the bottom line I think let us say INR35 crores is what we have committed. I think it will -- it should surpass whatever committed levels are. I think we are in control of whatever we have said and we would want to keep it as it is. Yes, from the turnover top line perspective, this will be from INR500 crores to INR550 crores.

Abhishek: Okay. Another thing, like at a broad level I wanted to know, like in the long term, maybe in 3, 4 year view, what is the broad vision for the company? Like do you want to grow predominantly into your contract manufacturing firm for antique jewellery, who also has their own brand or do you want to go predominantly your Harit Zaveri brand and make that into a premium brand with multiple showrooms all over India and have contract manufacturing as like secondary? Which one will be your more focus?

Harit Zaveri: So as of now, we are doing healthy -- we are doing good in both the segments, that is B2B and B2C. And yes, there is a current capacity is around 1,700 kg or 1,800 kg is already there in wholesale. So there is -- because of the price which has hiked up in this year also it has -- in this quarter, there is a hype around 10% to 15% from 75,000 to 88,000. And last year it was from 60,000 to 75,000.

So I think still the capacity is not fully utilized. And we have a good room, there is no need of an excess capacity as of now. We can -- whenever we want, we can tune up to job working and we can also make -- in the market, the job work practice is already there. So there is no need of an additional capacity.

On the retail front, I think we have our store Harit Zaveri Jewellers. And as expected, even before the IPO, whatever figures we have projected for the retail showroom has come across good. Looking forward, we would want to sustain our margins and we will want to grow the top line, let's say in the next coming fiscal to INR700 crores, INR750 crores.

And going forward 2 to 4 years, we are expecting that the contract manufacturing business, my volumes will grow and even there will be better margins -- there will be better business prospects in retail. So these two fronts will grow. I think there will be -- we have already added a floor in retail for next calendar year, when there is calendar year '25, there is going to be -- we are yet to see the season.

I think next year INR700 crores, INR750 crores seems to be a very achievable kind of revenue figures with INR44 crores, INR45 crores PAT. The further raise of debt will also be there. So considering that, let us see how the 3, 4-year looks like. But yes, we have got a very robust backend. That means the manufacturing setup is extremely robust. If we are going anything in front end, it will just be a better -- the margins will be way better in that case.

So the kind of infrastructure that we have from manufacturing to retail helps in sustaining our margins in all forms. For a 3 to 4-year outlook, I think the company will consistently provide a CAGR of around 35% plus year-on-year basis. So, let's say, this year it has grown to 525, next year 750 and further it will grow again to 35% to 40% top line growth will be there.

Abhishek: So revenue mix will be 50-50, you want to maintain it 50-50 for both sides?

Harit Zaveri: Revenue mix, yes, it will be 50-50 as of this calendar year or the coming financial year, yes, the revenue mix will be again 50-50.

Abhishek: Okay. So do you have any plans to open more showrooms like in the near future as of now?

Harit Zaveri: Let us see first. This showroom already has a capacity of around INR600 crores to INR700 crores. We have not reached our capacity. This year, I think we will be reaching 50% of our capacity. So let us see. Even if we are crossing INR250 crores, INR300 crores this year, then also we have got time. It's a great marketplace.

We need to push more inventory. We need to get sales out first. Already we have 10,000 square feet showroom in Ahmedabad. So that showroom is sufficient for INR600 crores, INR700 crores. Let us wait for this quarter, at least 2 quarters, and then we can understand how the retail looks like. But yes, certainly, if this space is exhausted in the sales, we will look forward to another venture, another retail space.

Abhishek: Okay. And what will be the ROE trajectory going forward? Can you give some guidance or anything?

Harit Zaveri: ROE, we always focus that if we have INR100, we should be earning INR20 to INR25 net. 20% to 25% that is if we maintain our business in that sense.

Abhishek: So you want to bring your ROE to around 20% to 25% in the...?

Harit Zaveri: 20% to 25% is the sustainable ROE, and we have always been -- throughout the business journey, the ROC or ROE is 20% to 25%.

Moderator: The next question comes from the line of Ankit Agrawal from ValueCap Investments.

Ankit Agrawal: First of all, congratulations for a very good set of numbers. And also, I would like to thank you for meeting your guidance. Okay. So sir, my question is in one of the earlier calls, I think 2 quarters ago, you had mentioned that you are looking for some new land to expand your capacities for the B2B side of the business. So anything on that front, sir, you would like to say? Are there any plans that have come along?

Harit Zaveri: You are quite correct in this sense. But the gold trajectory has already -- when we were in IPO, gold was around 55,000-60,000. Right now, it is 85,000-90,000 approximately. So in this sense, there's already quite a build-up on gold and further, there could be further escalations we don't understand. So as of now, we are meeting our revenue guidance.

But we are not able to meet our volume guidance because of the very high growth in terms of gold prices. So in this case, again, it is not 100% advisable to build up a factory as of now. And even if there is a capacity expansion, that will not 100% lead to a demand expansion because we will again need a huge working capital.

So if we are having a 1,700 or 1,800 kg of facility right now, and we are doing, let's say, 1,200 kg, even if we grow at 20% next year or next, next year, we still have enough capacity and we can also do a job work outside. So doing the capex of INR40 crores odd right now I don't think so is what we are thinking. In the future, yes, once we at least come across 1,600 kg of quantity, we can still have like 300 capacity that can be expanded in-house only. So 2 tons is easy.

Next couple of years or at least 1 calendar year, we are not thinking of building up anything just because of a strong increase in gold prices. But yes, I think what we are looking in the business is there is a good -- because we are a manufacturer, we have got a cost advantage. And when we are doing retail, that profitability seems to come out in a much better way. So we are focused on the current business model.

Job work, yes, we are doing with corporates and wholesale and retail. So yes, these are the things. And we are focused on how can we increase the volumes despite the increase in prices? So can we increase -- let's say, can we increase the same percentage of revenue next year? These are all our questions and bring in the correct ROE, ROC and profitability.

Ankit Agrawal: So, sir, you think you can maintain this 35% top-line CAGR with the current capacities, both B2C and B2B included? For the next 2 years to 3 years financial?

Harit Zaveri: Yes, there is no doubt for 2 years to 3 years. Otherwise, we would have instantly gone for a capacity expansion. There is already a very high increase in gold prices.

Moderator: Thank you. The next question comes from the line of Prerana Amanna with Equity Research Program.

Prerana Amanna: Congratulations on a good set of numbers. So my first question is, in the first 9 months of this year, how many kg of gold have you done? And what is the target for next year?

Harit Zaveri: So first 9 months, we have done 1,005 kgs and we are focused, we should be doing around 1,250 kg or 1,200 kg to 1,300 kg by the end of this fiscal. So that will be an increase of 2% in gold volumes.

Prerana Amanna: And what about the next year, that is FY '26?

Harit Zaveri: It depends on what is the pace of gold prices. If the gold prices are going to skyrocket, you can expect that the revenue increase will be at least at around 35% or more. If I'm giving a guidance of INR750 crores, I am giving a guidance of 35% to 45%. So we will be meeting that guidance. That is what we are looking for.

The demand is strong. And the demand we are into an organized segment of doing retail or job work or wholesale. And I think the way we are operating, we will be meeting 35% to 40% of revenue guidelines.

Prerana Amanna: Okay, sir. And what has been the sales mix as of this Q3 how much has come from your B2C, your wholesale, and your sale of service?

Harit Zaveri: So volume-wise, we are 30% in retail and 70% in B2B. That is B2C is 30% and volume-wise, B2B is 70%. And it fluctuates internally, whether it is the sale of goods or whether it is job work because generally more organized player tends to go on GML, gold metal loan and they give us gold as an inventory day just 1 or 2, but they give us gold in advance for the finish and we hand over the finished goods, whatever we have produced to them.

So because of that case, sale of goods and sale of services are, we take sale of goods, like if you take B2B as one, we are 70% in volumes in that. If you build the revenue breakup, revenue breakup right now will be around 55% B2C and 45% B2B.

Moderator: The next question comes from the line of Deepesh Sancheti with Maanya Finance.

Deepesh Sancheti: What is the order book right now in terms of kgs? And how much does it come from the top 5 clients? I am talking about B2B?

Harit Zaveri: Order book right now will be around 65 kgs. That is still the month of February end. We will be completing that order. Retail does not have any order book to carry. And the month of March, we are yet to see. We'll be seeing the visibility will be there post-February 25. But I see that whatever the volume guidelines that I have given, I think we will be matching through that. We'll be doing a volume of around 200 kg to 300 kg this quarter. Quarter 1, we are on track.

Deepesh Sancheti: Because you said that in 9 months, you've already completed 1,005 kgs and you expected around 1,250 kg. So you already gave a guidance of around 250 kg for this quarter. Okay. And how much does it come from the top 5 clients?

Harit Zaveri: More than 50% -- 50% of the volume has come from the top 5 clients.

Deepesh Sancheti: 50% is coming from the top 5 clients. Okay. And do we also give it to the new company, which is of Aditya Birla Indriya? Do we also have those orders from there that company also?

Harit Zaveri: We are a strategic vendor partner to Titan in the category that we deal in, they have limited vendor partners. And we are a strategic vendor partner to them, our -- see, we have not declined in volumes in terms of job work. That clearly indicates the gold prices have risen by 25%, 30%. That clearly sees that we are -- even in volumes, we are -- we will be ending the year positively in terms of job work also.

So I don't see that, Aditya Birla will have a learning curve, like it will be a 5-year learning that will have. We are with Titan. And apart from Aditya Birla, there are major players be at Malabar & Joyalukkas is there, so there are ample of players, Senco is there. So we have been there and looking forward for a better partnership with all the corporates.

Plus our retail store is also doing pretty well in terms of PAT margins in terms of contribution to the overall bottom line. I suppose the cost that we are having an advantage as a back-end player is playing a very crucial role when it comes to contributing the margins in retail. So overall, yes, that is why we are able to maintain margins and the coming quarter will be -- I think will be -- so far, it is good. Let us see, around INR35 crores, INR36 crores should be the figures.

Deepesh Sancheti: INR35 crores, INR36 crores in terms of what?

Harit Zaveri: Yes, in terms of overall PAT figures.

Deepesh Sancheti: Overall PAT figures, that's for the entire year, right?

Harit Zaveri: Yes, entire entirely.

Deepesh Sancheti: Yes. No, I was trying to say is that since we are already a preferred supplier with Titan, we are already a preferred supplier with Malabar and other big names and other big corporates. Why not also incorporate a new and a more aggressive client like Indriya, I mean, which is already -- I mean, a lot of other B2B players who are listed also, they are also mentioning that they are going aggressively for Indriya because they're pretty aggressive. So why our company not looking at that kind of situation?

Harit Zaveri: See, when you are a wholesale player and you are a strategic vendor partner to Titan, then they are promising us of a very good volumes. We are into occasion category where designs are sensitive. And we are already getting good volumes from this all players. So right now, we are not looking forward for Indriya or Aditya Birla Group.

In future, let's say, in the coming 2 years, we don't know what could be the case. But as of now, we are fairly well placed in the category and in the clients that we are in. We are already expanding clients. We are expanding independent retailers. We are expanding corporate players.

We are penetrating corporate players. I think so far, the strategy has worked for us. Just, let's say, if I'm doing Indriya or I'm doing -- that will be a direct competition to most of our clients. And if we are having the confidence, they have already got the learning curve, it is better to right now penetrate the existing client.

And it's enough capacity that we have. We are just a ton player, right? If you actually see the headroom is very high. In any of the segment that we are in, be it retail space or be it wholesale space, the headrooms are very high. So company has got a long way to go. It doesn't matter that if we have -- like in Indriya market, he may be having, let's say, whatever store plans that Indriya has. I think a similar kind of expansion is already there in Titan and Malabar, Joy put together, not even put together individually also.

Deepesh Sancheti: I know you mentioned that you have a target of more than 5 tons going ahead. So I mean...

Harit Zaveri: We are -- you are true, but at that time, the gold figures were different. We are still -- if we have increased the volume this year also by 20%, the company has -- see, I have also told that I have raised INR90 crores or INR100 crores as, let's say, equity, net INR90 crores, what was available to us in our hand.

So company was at that point of time, let's say, INR100 crores of equity, we have added INR100 crores of equity. Again, INR100 crores of debt was there. We will be planning to raise debt in this year. So overall, this year, the profitability is INR35 crores. Last year it was INR22 crores. So INR22 crores to INR35 crores, INR35 crores to INR44 crores or INR45 crores that is what we are planning for next year.

So we are in sync with the numbers. But yes, volume number fluctuates because of gold price escalation. And to do 5 tons, like we can expand, but then we need working capital, excessive working capital for that.

Deepesh Sancheti: Right. What I'm trying to say is that your B2B, where you said that the inventory turnover is almost 1 day only, where most of your clients give you advanced gold. This is what you mentioned just to the previous caller. Just wanted to understand what is the capacity in terms of that angle?

Because these -- I'm sure that these are the companies which are like the Titans or the Malabar as you mentioned. So when these are giving you advanced gold and you're doing a faster turnover, then I mean what is the capacity? How much can we -- how much capacity utilization have we done? And how much is the legroom?

Harit Zaveri: So I'll correct you in this. One must understand -- I just want to clear the business model again. When in many corporates, when they have GML, they give an inventory holding days of, let's say, 10 days. Let's say, our manufacturing time is 45 days. So the inventory is being deployed by us almost at the stage of near about semi-finished goods to finished goods. They replenish their gold or they provide their gold and we give them the finish -- we deliver them the finished goods via job works there.

That is why if you see the inventory turns in RBZ would be lower as compared to other peers. But in actual, if you compare the volume data, we do a volume of 1,200 to 1,300 kgs versus the inventory of, let's say, 300 to 350 kg. That means the 4 tons are already happening, but in the books because the job work top line is booked at just the labor value. We are exactly not catching the inventory days.

Now coming again back to your question, the inventory holding days that are required, let's say, for an example, a corporate A gives me a 10 kg order of the finished goods that I already have. That means he will give me 10 kg of gold bar as GML and we will bill him by a job work route. Let's say, if it is INR100 per gram, for an example, then 100 kg will be -- let's say, we are booking INR1 crores of revenue, and we are giving them 10 kg, that is INR80 crores of goods or INR8 crores of goods.

So this is the cycle that we follow and in which inventory days of ours will be much higher and not just one day. Their inventory holding days will be one day.

Deepesh Sancheti: Okay. So just to understand, from the design being passed, till the actual jewellery being made, what is the time - what is the inventory time which happens actually 45 days is what you mentioned or is it less?

Harit Zaveri: 30 to 45 days will be the timelines.

Deepesh Sancheti: 30 to 45 days. Understood. Now in this quarter, have we booked any inventory gain because we have an inventory of about 300 to 400 kgs. Have we booked any inventory gain because of the price hike in gold?

Harit Zaveri: So whatever we sell, we buy. It is a natural hedge that we do. And we follow the fixed cost method when the FG is created. Other than that, we follow moving average price method whenever it is there from raw material to semi-finished goods. So during the business cycle, yes, there would be inventory gain and inventory losses per transaction or per things, but overall, yes, the whole -- if you look at the whole business, 50% business comes from job work that is replenishment of metal from metal.

So again, that is also completely hedged. And whatever we sell, we buy, so the hedging is always clear. Whatever gains that we have booked from the size of gold prices, I think that will be yet to determine, but there will be a gain because if we are not booking that gain, then we should be actually getting the gold metal loan at, let's say, 2% or 3%, whatever.

And we are paying the CC at around 9%, 10%. So 6% is what we are spending on CC if we are not booking the gold gain.

Deepesh Sancheti: Right. So we don't follow FIFO or LIFO method, right?

Harit Zaveri: No, we are not following any LIFO method. We are following from raw material to semi-finished goods, it's moving average price. Whenever that goods are getting into finished goods, it will be at a fixed cost and the price will be freezed.

Deepesh Sancheti: Okay. And what is the debt right now situation and how much are you planning to increase it?

Harit Zaveri: So the debt right now is approximately INR100 crores of short-term loan is there. And we have just paid INR18 crores towards the long-term loan that we have for taking the further working capital loan from the same collateral.

Deepesh Sancheti: Okay. And how much are we expecting the working capital loan increase INR100 crores?

Harit Zaveri: INR50 crores to INR70 crores minimum to increase from the existing collateral that we have taken out from the long term -- in which long-term loan was.

Deepesh Sancheti: Okay. And out of the INR80 crores, which we net utilized up to now until December, how much of the stock addition have we done in this?

Harit Zaveri: I'm sorry, can you come back again?

Deepesh Sancheti: Out of the INR80 crores, INR100 crores is what we raised from IPO, INR10 crores was your expenses. INR8 crores is I think what you already have right now in the banks. And what INR80 crores, which we utilized, how much of it went into inventory increase?

Harit Zaveri: Fully.

Deepesh Sancheti: At what average price is INR50,000 to INR55,000?

Harit Zaveri: No, it was around -- the average price would have been different because till the time we got the funds, it was already January and March and all it was something around INR70,000 to INR72,000, INR72,000 to INR74,000 that rate's there. And it was used as and when it was necessary.

Deepesh Sancheti: INR70,000 to INR72,000 that is what we have increased?

Harit Zaveri: INR70,000 to INR75,000 because it was used as and when it was necessary. So it was fully utilized after the quarter 2.

Deepesh Sancheti: Okay. And if I can just ask one more question that how much was in terms of kgs, how much was this quarter in terms of sale and how much was the job work because you said that the revenue mix was around 50-50. So is that -- can I assume that 230 kgs was the sale and 230 kgs was job work?

Harit Zaveri: Okay. So in this quarter, quarter 3, 461 kg was the total gold that we had sold in that 224 kg was job work.

Deepesh Sancheti: 224 kg was job work. And going ahead also we expect similar lines, 50-50 only is what we are looking at, right?

Harit Zaveri: Yes. Going forward also, we will be looking at 50-50 only. Yes, that's correct. It would be minor fluctuation of plus and minus 5% will always be there.

Deepesh Sancheti: 4%, 5% is okay.

Harit Zaveri: For a…

Deepesh Sancheti: Because I actually really wanted because you're looking at the ROE right now, your ROE is around 14% to 15% and you're looking to get an ROE about 20% to 25%. Now I was thinking that if you go ahead with your job work, which will actually increase your profitability and not increase your sales to that because it doesn't hit the sales figure. It increases your margin. So that will actually increase your ROE. So I just wanted to understand what is in your mind in terms of increasing your ROE from 14% to 25%?

Harit Zaveri: Correct. So when you talk about 14%, you are checking the last year fiscal data in which the IPO funds were just...

Deepesh Sancheti: Yes.

Harit Zaveri: So last to last year, if you check, my ROE was in line. It was around 22%, 25%.

Deepesh Sancheti: What is the ROE for 9 months?

Harit Zaveri: I don't have the figures in hand, but let's say, if my -- if the PAT is around INR35 crores, INR36 crores and if you divide it by, let's say, 0.2, I think if you just measure the ROE with that basis, I think.

Deepesh Sancheti: We generally do EPS -- I mean for me the calculation is EPS divided by book value. That is what we do?

Harit Zaveri: Yes, EPS divided by I think earnings per share will be -- we'll have to calculate that. And I think EPS divided by.

Deepesh Sancheti: That's okay. I mean what you have already 20% to 25% we are really happy with that. But firstly, I want to congratulate you, great set of numbers and all the very best as your new role for CFO. And are you looking to carry forward this role of CFO or you are looking to get a new CFO sometime in the future?

Harit Zaveri: So we have already created a position for internal financial controller. And the role of CFO for me would be on the temporary basis. Eventually, it will be led by a professional, but yes, right now, for an interim period of time I would be handling the role. And yes. But ultimately, the accounts and finance team will be headed by an internal financial controller which will be appointed in 2 months to 3 months. We already finalized the candidate.

Moderator: Thank you sir. The next question comes from the line of Sahil Patani with Strokes Capital. Please go ahead.

Sahil Patani: Congratulations on a great set of numbers. I have been invested since the IPO, so really good to see the growth. Most of my questions were already asked by the...

Moderator: Sorry to interrupt you. Sir, may I request you to use your handset, sir, your audio is slightly muffled now, sir.

Sahil Patani: Sure, sure. So most of the questions that I wanted to ask were already covered by the previous participants. So nothing really to add. Just wanted to know that the growth momentum that you saw in the previous quarter and since we are already halfway down this quarter as well, are you seeing that momentum to continue or what sort of trajectory are you seeing now since you're already in the middle of February?

Harit Zaveri: So whatever the fresh capital that was deployed has resulted into the set of results that we have declared, I think INR35 crores, INR36 crores is what we are projecting this year and INR44 crores to INR45 crores for next year. I think the growth trajectory will continue. We will be continuing at, let's say, 35% to 45% -- 35% to 40% of CAGR in terms of revenue. And the bottom line, let's say, if this year is INR35 crores to INR36 crores, it will again continue by around 30% or so -- 25% to 30% so.

Sahil Patani: Okay. Got it. And were there -- in this previous quarter, were there any kind of client additions or major client contracts that happened as such or nothing like that, Nothing material for you to announce?

Harit Zaveri: See, there is already a growth and expansion plan for corporates once we are a B2B organized player, we are -- their expansion plan will derive automatically into our hike in volumes. So I think that goes hand in hand as we are a back-end whole -- it's a B2B player in that case. And as far as retail is there, we have increased the space from, let's say, 3,000 square feet has already been increased. So next year, you will be again seeing retail revenue growth to go up by 40% to 45%. So that is for this -- that is what will be coming for the next fiscal.

Sahil Patani: Got it. That's all I had. Congratulations once again on a great set of numbers and all the best for the future.

Moderator: Thank you. The next question comes from the line of Ankit Agrawal with ValueCap Investments. Please go ahead.

Ankit Agrawal: Yes sir. Thanks for the follow up question. So I wanted to ask the nature of your job work business. So do you book the revenues that come from the job work business? Do you book it in the top line or is it directly accumulated in the bottom line?

Harit Zaveri: Yes please.

Ankit Agrawal: Sir, I wanted to ask a question regarding your job work. So how do we account the revenues in that, does all of the revenues flow directly to the bottom line or we add it to the top line as well?

Harit Zaveri: Correct. So stones and other charges are added to the top line. The waste cases are added to the bottom line in the closing inventory.

Ankit Agrawal: Thank you.

Moderator: Thank you. The next question comes from the line of Abhishek from AB Capital. Please go ahead.

Abhishek: Yes. I just wanted to ask one more thing like what is the moat in our B2B business like do we specialize in antique jewellery or do we make all types of gold ornaments?

Harit Zaveri: We specialize into occasion wear mainly into Antique Jewellery. We do Polki Jewellery as well in our product mix.

Abhishek: We do only that asset only that kind there. We do only that kind not the other types we don't do?

Harit Zaveri: We do Antique oxidized Antique jewellery. We are specialized into it. As a part of our product mix, we also do Polki Jewellery which constitutes around 5% of the total sales.

Abhishek: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Sahil Patani with Strokes Capital. Please go ahead.

Sahil Patani: Thanks again. So I wanted to know that this role of CFO that you've taken over, obviously, it's interim. So is there any timeline that you're looking for 3 months, 6 months when you'll be hiring like other professionals? The reason I ask is that, obviously, your role in the company is more about product development, business development, and you don't want that to really impact that part of the business. So just trying to understand what sort of timelines are you looking at to hire the CFO?

Harit Zaveri: Yes. So the timelines to hire a CFO-- see, once the internal financial control position has been there, we will be looking at, let's say, 1 year or 1.5 years, and then we'll be promoting from that position to a CFO position.

Sahil Patani: So, for the next 12 to 18 months, you will be the interim CFO?

Harit Zaveri: Correct.

Sahil Patani: But do you foresee that kind of role impacting your role within like what you do today, which is business development and product development. Do you think that it could impact or not really, you don't foresee that?

Harit Zaveri: IFC will already be there to look after the business. My role would be more on the -- we both will be there on the same pace to connect on the strategic level. And I have already been taking reports of CFO. And to take the designation, yes, there will be addition of responsibilities, but also a dilution of responsibilities.

IFC role is a new role which will be taken up. And in the course of time, we will also want to hand over more of the responsibilities. And once he is there with us for a decent period of time, we'll be promoting him to the role of CFO.

Sahil Patani: Got it. Thanks for that sir, that's all I had.

Moderator: Thank you. The next question comes from the line of Deepesh Sancheti with Maanya Finance. Please go ahead.

Deepesh Sancheti: Harit, just a few questions regarding what you said. You said that the debt was INR100 crores short term, and you have already paid off long-term INR18 crores. So is there any long-term debt which is standing on your books?

Harit Zaveri: As of now, there is no long-term debt standing on the books.

Deepesh Sancheti: And we are planning to again increase the working capital by around INR50 crores to INR70 crores?

Harit Zaveri: Yes, correct.

Deepesh Sancheti: Now we are not going for a Gold Metal Loan. We are only getting via working capital because I don't know what is the cost of your debt right now?

Harit Zaveri: Cost of debt would be around 9% to 10%.

Deepesh Sancheti: 9% to 10%. So why aren't we going for a Gold Metal Loan, which will be a cheaper option?

Harit Zaveri: Gold Metal Loan, see, right now, the business or the inventory levels are already too small. And once the moving average price is very comfortable to absorb any of the ups and downs or volatility in the gold. Let's say, if the gold prices goes less than the book value of gold, at that time, we are still hedging in that case. But as far as -- and the business model right now, we are in 50% is job work. So we are getting gold to gold.

As of now, yes, we are not into the Gold Metal Loan business as we are not a prominent retailer. In retail model, it is still much more expectable, but wholesale also deals with debtors. So to hedge it again in the MCX and all, it is better that whatever goal that we have sold, we just buy it and it's a simple routing model for us. It is working well with us.

Other than that, what will happen if we are going into GML, once there is a fluctuation of, let's say, let's say, right now, the goal has got up from INR75,000 to INR87,000, we have to support it with an additional limit to banks, additional margins to banks, and that will create a very different kind of a scenario because we will have to dilute stock and then we have to convert that stock into currency for just providing the margins to banks. That is not advisable at the interest that we have in the company as of now.

Deepesh Sancheti: And you also don't get the benefit of increasing gold prices, right? Is that a sign?

Harit Zaveri: I think that is also -- see, increase in gold prices should happen beyond 6%, right, to just actually, if you say. But the higher problem is, let's say, if the gold prices tomorrow gets to INR1 lakh, okay? And if we are in Gold Metal Loan, then if we are taking 100 kg loan at right now, INR87 crores, if it goes to INR1 lakh, we have to provide an additional limit of INR13 crores just to sustain the volume of gold that we have. That is a challenge.

Deepesh Sancheti: So as investors, we would be very happy if it goes to INR1 lakh and if RBZ jewellery has more than 500 kgs with its inventory, our book value will increase. But coming back to the working capital, the entire working capital will be used in terms of bullion only? We'll be taking a bullion? Where is this working capital being used?

Harit Zaveri: From raw material or we are doing retail, so purchase of credit goods also.

Deepesh Sancheti: Okay. How big is your manufacturing space? And how big is your retail space in terms of square feet?

Harit Zaveri: Manufacturing space is around 24,000 square feet. The retail space is around 11,000 square feet, 10,000 square feet is pure retail plus 3,000 square feet is the admin work. So overall, again, 4,000 square feet is the additional lease space that we have taken for admin work. So the pure manufacturing space is 24,000 square feet.

Deepesh Sancheti: 24,000 square feet. And right now, you are comfortable that in this 24,000 square feet, you'll be able to go to 2,000 kg, right?

Harit Zaveri: Correct.

Deepesh Sancheti: And what is the book value as of 9 months because we had that conversation blocked as well.

Harit Zaveri: Yes. So I mean, when you consider the book value, you're talking about the result and surplus plus equity, right?

Deepesh Sancheti: Yes.

Harit Zaveri: That would be around INR235 crores.

Deepesh Sancheti: INR235 crores divided by equity, so INR4 crores. So around INR58 crores or INR59 crores, right? Because your equity is around-- number of shares is INR4 crores.

Harit Zaveri: INR4 crores, correct.

Deepesh Sancheti: Right. And you said that your -- I mean, reserve and surplus, everything is around INR234 crores.

Harit Zaveri: Yes, INR234 crores-INR235 crores, yes.

Deepesh Sancheti: INR235 crores. That includes your inventory, that includes everything else, right?

Harit Zaveri: Everything.

Deepesh Sancheti: Perfect.

Harit Zaveri: Going forward, when we increase our debt to, let's say, to the ratio of 1:1, which was before the IPO, it was -- the equity was INR100 crores and the debt was INR100 crores. And we could have got an ROE of 20% to 25%. But similarly, there is an instant push of IPO funds into equity. So from INR100 crores, this has gone to, let's say, INR200 crores or INR235 crores this fiscal year.

Once we are increasing the debt proportion to, let's say, 1:1, let's say, additional it was INR70 crores this year, plus, let's say, next year, there is some fuelling of debt happening. That will -- eventually, the profit has to go from INR35 crores to INR45 crores and then eventually INR55 crores or INR60 crores. So in that space, in the coming 2 years, the addition of debt and whatever the earnings that we are inculcating from the debt that will be flowing the return on equity.

So that is how the return on equity will be generated at 20% to 25%. As of now, yes, the return on equity for the next financial year will also not be at that level. But in the long run, coming -- after the 2 years, yes, that will be the case that, if we are able to generate debt at 1:1, the return on equity will be maintained at 20% to 25%.

Deepesh Sancheti: I have to give it to you that you have a good hold on your numbers. I mean, because your graduation didn't show that that's -- I mean it was mentioned something. So I mean, it's really good that -- I mean you should be the CFO, you should remain the CFO. That's really good. Congratulations again. Great talking to you, Harit. And hope to see you in one of the IIJS.

Harit Zaveri: Sure. That can happen any time. We can 100% meet at IIJS.

Deepesh Sancheti: You always there at IIJS?

Harit Zaveri: Yes, I'm always there at IIJS.

Deepesh Sancheti: Perfect. I will see you at the IIJS.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Harit Zaveri: So RBZ has successfully completed its quarter 3 and numbers are in line with the expectations that we had. Going forward also, I think the plan is to sustain growth on fundamental levels. And there will be expansion in retail as well as we are already having a very strong quantum of capacity, which is already there in wholesale and job work.

The next year will also be continued with the same revenue contribution and the volume contribution. We have got a warm response of investors today, making sure that whatever we have told and promised, it is an ethical responsibility on our side that we will be working hard and toward the numbers that we have projected INR44 crores, INR45 crores by next year, yes, there will be a raise of debt. Only by the raise of debt, there will be a return on equity that will be generated at 20%, 25%. We'll be maintaining that.

There are times when there are good questions that comes in and -- but it's always nice. Actually, we are not on the two sides of table. The table is just one, and we are all investors to it. And I hope that my efforts gets into the right quality of results and we all enjoy the fruits of it.

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