RBZ®
JEWELLERS LTD.

17th August 2026

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 2026.

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 August 2026 at 16:00 hrs. for discussion on the financial performance of the Company for the quarter ended as on 30th June 2026.

Path: https://rbzjewellers.com/wp-content/uploads/2026/08/Investor-Earn-Call-Transcript-12.08.2026.pdf

This is for your information and records.

Thank you,

For, RBZ Jewellers Limited

HELI AKASH GARALA
Digitally signed by HELI AKASH GARALA
Date: 2026.08.17 14:55:17 +05'30'

RBZ JEWELLERS LIMITED
AHMEDABAD

Heli Garala
Company Secretary & Compliance Officer
Mem. No: 49256

"RBZ Jewellers Limited

Q1 FY27 Earnings Conference Call"

August 12, 2026

MANAGEMENT:	**MR. HARIT ZAVERI – JOINT MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER -- RBZ JEWELLERS LIMITED** **MR. HARSHIT GANDHI – INTERNAL FINANCIAL CONTROLLER – RBZ JEWELLERS LIMITED** **MR. BHAVESH SABHNANI – SENIOR MANAGER ACCOUNTS AND FINANCE – RBZ JEWELLERS LIMITED**
MODERATOR:	**MS. RHEA DHARIA – EY INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to RBZ Jewellers Limited Q1 FY27 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 * then 0 on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Rhea Dharia from EY Investor Relations team. Thank you and over to you, Ms. Dharia.

Rhea Dharia: Thank you, Ranju. Good afternoon to all participants on the call. Welcome to the Q1 FY27 Earnings Call of RBZ Jewellers Limited. Before we proceed with the call, let me remind you that the discussion may contain 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 future results, performance or achievements to differ significantly from what is expressed or implied in such forward-looking statements.

Please note that we have mailed the results and the same is available on the exchange. In case you have not received the same, you can write to us and we will be happy to send the same over to you.

To take us through the results today and answer your questions, we have the management of RBZ Jewellers represented by Mr. Harit Zaveri, Joint Managing Director and CFO, Mr. Harshit Gandhi, Internal Financial Controller, and Mr. Bhavesh Sabhnani, Senior Manager Accounts and Finance. We will start the call with a brief overview of the quarter gone past and then conduct the Q&A session.

With that, I hand over the call to the management. Over to you.

Harit Zaveri: Yes, good evening, everyone, and thank you for joining us today for RBZ Jewellers Earnings Conference Call to discuss our performance for the first quarter of fiscal 2027. On behalf of the management team, I extend a warm welcome to all the investors, analysts, and stakeholders participating in today's call.

Before I take you through the financials and operational highlights for the quarter, I would like to briefly introduce our company for those who may be engaging with RBZ for the first time.

RBZ Jewellers is one of India's leading organized gold jewellery manufacturers and is steadily strengthening its presence in retail jewellery segment.

Over the years, we have built our business founded on three core pillars: trust, craftsmanship and design excellence. These values have helped us earn enduring relationships with customers, retail partners and stakeholders and continue to guide our growth journey.

I would like to take a moment to share the core principles that define how we conduct our business and create long-term value for all our stakeholders. A key aspect of our philosophy is conducting business with the highest standard of transparency and governance. At our retail business, Harit Zaveri Jewellers, we strictly follow zero cash transaction policy, ensuring complete transparency and traceability in every customer transaction.

We believe trust is not built only through the quality and purity of jewellery we offer, but also through the integrity of professionalism with which we operate. As a listed entity, we are committed to maintaining robust corporate governance, regulatory compliance, financial discipline and ethical business practices. We aspire to be recognized not only as a leading jewellery player, but also as a company who is known for clean, transparent and professionally managed operations.

As you all know, RBZ operates a unique diversified business model. We cater to leading national jewellery retailers through wholesale and job work relationships, while simultaneously serving end consumers through our flagship retail brand, Harit Zaveri Jewellers. This integrated presence across manufacturing and retail provides us with valuable insights into customer preferences, while allowing us to capture opportunities across multiple segments of jewellery industry.

Our manufacturing operations are supported by state-of-art facility equipped with advanced casting, laser and 3D printing technologies. Backed by a team of more than 200 plus professionals and around 250 skilled karigars, we combine cutting edge technology with fine craftsmanship to create jewellery that resonates with today's consumers.

One of our key differentiators is our strong in-house design capabilities. We continuously invest in design innovation and product development, enabling us to offer distinctive collections that blend traditional artistry and contemporary aesthetics. This design-led approach has been instrumental in strengthening our consumer appeal and enhancing our competitive positioning in the market.

We offer a diverse portfolio of jewellery across multiple categories, techniques and price points. While our collection caters to bridal, festive, occasion wear and everyday wear requirements, our strength lies in antique gold bridal jewellery, a segment where we have established a strong reputation for craftsmanship and design excellence.

Through Harit Zaveri Jewellers, customers can choose from an extensive range of gold, silver, studded, and other jewellery products, including bangles, chains, necklace, rings, earrings, and several other contemporary and traditional offerings. Looking ahead, we remain focused on further strengthening our retail presence and brand recognition across Gujarat.

Leveraging our strong brand equity in Ahmedabad, we are focused on expanding our key markets in East Ahmedabad, Gandhinagar, Rajkot, Surat, while also continuing to deepen our footprints in Ahmedabad. Our long-term vision is to transform Harit Zaveri Jewellers into India's leading Indian jewellery brand, recognized by exceptional design, superior craftsmanship and transparent business practices and an outstanding customer experience.

We believe that our integrated manufacturing capabilities, design expertise, governance-led approach and a growing retail presence provide a strong foundation for sustainable growth. As consumer preferences increasingly shift towards organized and trusted jewellery brands, we are well positioned to capitalize on the opportunity and create long term value for all our stakeholders.

With that, let me now take you through the financial operations performance for the quarter. We are pleased to report a healthy performance of Quarter 1 fiscal 27 delivering a revenue growth in line with the guidance shared in the previous quarter. For the quarter under review, revenue from operations stood at INR121 crores registering a strong growth of 60% Y-o-Y with a revenue growth in line with the guidance shared in the previous quarter, driven by robust consumer demand, higher jewellery sales and strengthening brand recall.

EBITDA for the quarter is INR18 crores reflecting a healthy growth of 39% Y-o-Y, with EBITDA margins coming in a healthy 14.9%. Profit after tax for the quarter has been 28% at INR9 crores translating PAT at 7.5%. In terms of segmental performance for the quarter, retail revenue stood at INR78 crores registering a robust 70% Y-o-Y growth.

Wholesale revenue stood at 42% reflecting a strong 47% Y-o-Y growth. Job work revenue stood at approximately INR1.2 crores. During the quarter, we also strengthened our market presence through active participation in five major jewellery exhibitions and trade shows across Saurashtra region, North Gujarat, Ahmedabad and other key locations.

These platforms enabled us to showcase our latest collection, deepen engagement with trade partners and enhance our reach among prospective customers. In parallel, we continue to invest in brand building initiative through a series of targeted digital marketing campaigns that highlight both our occasion-led and everyday jewellery offerings.

For our occasion wear portfolio, campaigns such as Akshaya Tritiya, Aangan, Godh Bharai, Mother's Day, Polki should effectively showcase our antique fusion and traditional Shringar collections, resonating with consumers during key celebratory moments. At the time we strengthened our positioning of our lightweight and elegantly crafted daily wear range, including our growing 18 karat rose gold collections through campaigns such as Homecoming, Samayu, Rose and Vintage.

These initiatives helped us improve customer engagement, enhance brand visibility across digital platforms and reinforce our positioning as trusted jewellery to both aspirational and everyday jewellery needs. With that being said, I would like to open the floor for question-and-answer session. Thank you and over to you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Isha Shah from Malhotra Family Office. Please go ahead.

Isha Shah: Hi Sir. So, the management has indicated plans to expand into Surat, Rajkot, Gandhinagar and Maninagar. So, could you please explain the expected timeline for these store launches and the estimated investment per store and even the anticipated break-even period?

Management: Okay. So, Surat will be launching in Quarter 2 and Rajkot in early Quarter 3. And same, I think Maninagar and Gandhinagar both will be launched in Quarter 3 itself. So three stores in Quarter 3 and one store in Quarter 2, that is Surat. The large format stores are typically around 10,000 square feet carpet area and mid format stores are 5,000 square feet carpet area. The inventory deployment in large format stores is typically around INR125 crores to INR150 crores. While in small format stores are around INR50 crores, plus and minus 10%, 15%. The capex when you say about the break-even point, the capex break-even will be achieved in a year or less.

Isha Shah: And so, what are the initial customer responses and pre-launch indicators for the Surat and Rajkot flagship stores?

Management: So, the company has done enough exhibitions in all these cities before coming to the conclusion of launching stores over there. And as we go near, there are a lot of marketing initiatives and campaigns that has been planned before the launch of the store. Once it is done and the store is operational, we would get engage the exact response.

But we are expecting a lot of positive response as, in Ahmedabad we are not a legacy player, the store came into the operation in store in fiscal '21 when it was a INR24 crores turnover and last fiscal year we closed at INR408 crores. So, seeing that there is no legacy and the store we are able to deliver a very high growth rate,we hope that in Surat and Rajkot we deliver strong performances because we have done that in Ahmedabad too.

Isha Shah: Yes. And over the next three to five years, how does the management see the revenue mix between the wholesale and the retail segments and additionally what is the level of contribution you expect retail operations to make?

Harit Zaveri: For revenue mix, we see that job work percentage right now in Quarter 1 stands at 54% and, the mix has to, I think the B2B to B2C mix has to be 50-50 or so in a year or two and in long term it will be 75-25, 75 being retail.

Isha Shah: Thank you so much sir. That's all from my side.

Moderator: Thank you. The next question comes from the line of Subhi Gupta with Trinetra Asset Managers. Please go ahead.

Subhi Gupta: My first question is that I think our long-term plan is to open about seven stores if I am not wrong. Sir, and in general also long term do we plan to sort of open everything in cluster around Gujarat or do we plan to open pan-India? First. Second , also if you could just give some colour on our debt-to-equity ratio, what is our target for that, since our borrowings have sort of increased, also I think that's due to short term borrowings for inventory. So if you could just give some colour on that also.

Harit Zaveri: So because we had a store in Ahmedabad and there was a clear success, we had same demographics in Surat, Rajkot and Gujarat market. So, we are first primarily wanting to tap that. The eye is set for expansion across India but we would want to understand how and when, the timelines. Given that we have a sanctioned debt of around INR300 crores.

And we are yet to utilize it, which is sufficient for the four stores that is coming in this financial year. By the end of this financial year, we will be still below 1:1 ratio. I guess 0.8 will be debt and 1 equity. Over the period of time we are wanting to gear up this to 1.5 or 2:1 debt equity ratio, wherein major leverage will be through Gold Metal Loan, because the interest cost then, even if the debt equity ratio are 2:1, the cost of GML is around 3%, 3.5%, which allows us to leverage more and pay the similar kind of interest that we are paying right now in that debt equity of 1:1.

So, this is about the leverage that we are wanting to take. Not that we are not doing any exhibitions outside Gujarat, we have done exhibitions in Bombay this year. We are scheduled for Indore doing exhibitions. So we are exploring cities, we are understanding demographics, we have got a strong learning curve from B2B about the merchandise, but we are taking our steps in a right manner and focusing on retail transformation on an overall basis.

Subhi Gupta: Okay sir. All the best. Thank you.

Moderator: Next question comes from the line of Deepesh Sancheti with Maanya Finance. Please go ahead.

Deepesh Sancheti: First of all, I just wanted to ask how was the IIJS show and how many orders, and how is the orders from the customers and how is the consumer confidence before the festive season?

Harit Zaveri: So IIJS has been really warm this time, like it was really good this time. It was encouraging and we have seen a buyer growth. We have seen a good order backing. I think Quarter 2, we think that because of the orders and all, we are hoping that performance will be very much in line with whatever we have projected in earlier commentaries.

Deepesh Sancheti: Right. And was there any new customer addition in this IIJS?

Harit Zaveri: So good amount of family jeweller were added. Customer penetration was there. So because of the variety mix, wherein the lightweight and the look versus the weight ratio was achieved in a very strong way. We have seen that the orders are better from a particular customer. So penetration has been high. There has been a good, successful appreciation of designs even from corporate end, because of which the July, August order kitty are full. So right now, company is very much in line with the orders that we are receiving, and I hope that the response continues further.

Deepesh Sancheti: Right. And so have we introduced anything in below caratage also, as in like below 22 carat, 18 carat or 14 carat or 9 carat?

Harit Zaveri: So we have introduced this since December, our sales mix in corporate, before it was 100% 22 carat, I see by the end of this year, it will be at least 20% will be of 18 caratage.

Deepesh Sancheti: 20% 18 caratage. Now, just wanted to understand our B2B business for this quarter, it was approximately 125 kgs, including the sale as well as the labor job work what we did. And we did about 49 kgs in our retail. How much was out of this 49 kgs was our own production?

Harit Zaveri: Approximately around 20%.

Deepesh Sancheti: 20% was our own production.

Harit Zaveri: 15% to 20% should be,I don't have numbers in hand. But yes, that is what the ratio generally remains.

Deepesh Sancheti: Okay. And so what is our capacity utilization of our factory? Just wanted to understand that.

Harit Zaveri: The total capacity still remains at around 1.8 to 2 tons a year. And the production that we are doing or the consumption that we are able to do is somewhere around 900 kgs to 1000 kgs. So, we are utilizing factory at around 50% of capacity.

Deepesh Sancheti: Okay. So you expect that going ahead in Q2 and Q3 where the festive season would actually start, will we have a higher number, I mean almost 70, 80% of our capacity utilization?

Harit Zaveri: In the season times, currently as of now, our capacity utilization generally goes at 70%, 80% minimum, 75%, 85% sometimes, depending on which days are all, sometimes it is near to 90% or so. But not on the off-season time, these are the core season times July, August, September. Quarter 2 is very heavy for corporate job workload.

Deepesh Sancheti: Right. And just wanted to understand also that why was the margin lower in spite of sales growth in volume and numbers being there? I mean, I'm talking year-on-year.

Harit Zaveri: Yes, so can you tell me which margins, net profit margins or EBITDA?

Deepesh Sancheti: No, no. EBITDA.

Harit Zaveri: EBITDA level is approximately 40% and generally there are two components that we have understood. One is that the average gold rate has remained stagnant and thus there is negligible inventory gain in the system as of now. So, on the Quarter 1 side the EBITDA margins have reflected that. There is other two impacts that are there: The amortization of lease assets is INR76 lakhs and the impact of lease liabilities is at INR115 lakhs.

So, because of these two also, there has been a sluggishness in margins. And because of Surat store opening, in the month of September, we have already booked, we have already offered and engaged the employees for the BTL activities and training and stuff. So even for that the employee expenses have been a little higher and the stock engagement and stock planning was done, so you can see that finance cost is also a little up, in that case.

So just because of this new store ramping up, we are wanting to have everything in more advanced as a plan goes and thus some of the booking of expenses like advertisements and all has also happen. So not one, there are several reasons put together. But I think we overall have done around INR9 crores or so which I think when the store are opened and things are more in line, I think it will it will reflect onto better revenue growth or so and maybe on the PAT levels also.

Deepesh Sancheti: Right. Coming on the stock level as well as what you mentioned for the previous participant about going for GML. Wanted to understand that will this GML be for a new retail store or will we apply entire inventory of our 350 kgs for the retail and for the business, for the factory and B2B business we will have the GML. Just want to understand that where are we going in the next two to three years?

Are we looking at being a prominent retail company? Or are we looking at B2B as an equal, participant?

Harit Zaveri: So we are going to transform into a retail side. So if I say in a medium long term, I said that the ratios will be 50-50 in terms of retail versus the B2B. Given that the profit from the side of value of merchandise will come more from retail, we see retail as a scalable business and this is the right moment as 60% of the industry is unorganized and there is not such retail players in Gujarat or Rajasthan, Madhya Pradesh. There is a clear white space available.

Also, there is a gap between what the product offerings of corporates are and what the family jewellers have an approach. So we see that the scale will happen in retail. Not anywhere that wholesale business is going down, we are going good in wholesale business. If you see even in this quarter our wholesale numbers have been very strong.

Both sides B2B are getting very strong. The order book levels are also very strong for coming quarter also. But the focus is remaining in retail. In the long term you will see that major amount of profits will come from retail. The sales mix might be different, it might be, 50-50 or 60-40 or whatsoever, but profitability will come from retail side.

Deepesh Sancheti: And if you can also mention the stock allocation and where do you use the GML?

Harit Zaveri: GML we are planning that during the course of the journey we should actually have an inventory which is hedged. We have already started using GML in this quarter, a little bit, but as and when the quarter passes we want to completely churn over the whole inventory to go hedged. But that will take three year of time that I, as you have said. So slowly and steadily, yes, we are moving towards hedging. And basically, hedging means use of GML.

Deepesh Sancheti: Okay. So the current inventory of ours will not be hedged right? As in we are not doing anything to our current inventory?

Harit Zaveri: No, current inventory, no, I mean the current inventory will also be hedged. On the long run, why not really go for maybe 90%, 100% hedged, whatsoever. These are just percentages. The whole idea is we need to hedge gold as a commodity on USD levels.

Deepesh Sancheti: If I can just ask that, how are you going to currently hedge? Let's say, you have around 350 kgs of gold. Are you going to sell it and then convert that entire loan into a GML? I mean, just want to understand how are you going to hedge your current inventory?

Harit Zaveri: Yes, so what you are telling is the methodology of hedging, like methodology of how you are going to do it. So whatever the sales happens in retail, there will be a cash flow and that whenever we want to utilize the bank from that cash flow, it will be done via GML. So currently we are in negotiation with banks regarding the sub-limit as GML and we will be using all our bank limits plus the equity, everything there will be rotating. Things, slowly and steadily as the sales happen, things will be more on the GML level.

Moderator: Thank you. Mr. Sancheti, please rejoin the queue for more questions. Next question comes from the line of Sahil Patani with Strokes Capital. Please go ahead.

Sahil Patani: Hi, Harit, most of my questions have been answered. But just a clarification. So, the remaining three stores that you are planning for next year, are they also going to be based out of Gujarat?

Harit Zaveri: So, when you say remaining three stores, do you mean apart from the four stores that are coming right now?

Sahil Patani: Correct. Yes, correct.

Harit Zaveri: So yes, couple of them what we have for which the lease has been signed is from Gujarat itself.

Sahil Patani: Okay. All right. And just to piggyback on previous participants question on EBITDA margins, because obviously we have the three stores, four stores coming up this year. So do we kind of see the similar range of margins for like the rest of the quarters as well because you will obviously be spending on the stores, marketing and stuff like that.

Harit Zaveri: You will be seeing an increased amount of marketing expense. In this quarter also, a good amount of expenses have been there, we have accounted or recorded for the expenses. So that it does not come heavily on a single quarter. There is a spread of expenses.

But seeing that we are invested in brand building, upcoming stores are very crucial, it will actually show us how we are performing in retail, in chain store level. Given that the longer-term outlook is more on the transformation of retail, we are positive that the brand building exercises will lead us into a more scalable approach.

Sahil Patani: Okay. Got it. And since obviously your Surat store is slated for Q2, so we are already in the middle of August. So should we expect something in the next three, three to four weeks, like some sort of an announcement?

Management: So, Surat store date is coming approximately coming on the last week of September. It's coming closer to Navratri. The whole thing is that, can it be closer to Navratri. If Surat and Rajkot both the mega stores are opening closer to Navratri, it is best. Navratri is at 11th of October. So, Surat might be in quarter two and Rajkot might be in quarter three.

Sahil Patani: Got it. Thank you Harit, thanks.

Moderator: Thank you. Next question comes from the line of Rahul Varma with Alpha. Please go ahead.

Rahul Varma: Hi, good evening sir and thank you so much for taking my question. Apologies I joined in a bit late, but I have a few questions. So basically sir, I wanted to understand on the volume, our wholesale volume grew modestly while retail remained the key growth driver for us. So how do you view the demand trends from large retail partners, such as maybe Malabar Gold or let's say Titan?

Harit Zaveri: So, the demand, all the corporates are giving us orders because of the upcoming season that is Quarter 3 and demand in corporates for Quarter 1 has also been good. I think we are anticipating a good response from the B2B side as well. B2B side will go on doing well, I do not see growth constraints, but major leap of growth is still going to happen from retail.

What we are delivering numbers is a store which, the growth has happened in five years. So basically, it's the same store sale growth which itself is very promising. So if we really are going on building up new stores, I think we will be getting good response.

Rahul Varma: I understand. And on the client addition, if you could provide some color during the quarter, how many clients we added and maybe the opportunity to increase wallet share from the existing marquee customers we have?

Harit Zaveri: Sure, I think, let me understand how can I share the data about but these are mom and pop stores which we have added, the family jewellers, and there's a good amount of family jewellers that have come in. Even the penetration, a good amount of penetration also that we have done in the existing customers. Generally, the B2B volume and the revenue mix would be able to give you an idea of that, but if there is any addition in numbers that are required, we would be sharing those numbers.

Rahul Varma: Understood. And just a last question from my end, on the job work segment basically. So this segment is supposed to be the highest margin and most asset-light business, is what I understand. So what initiatives are being taken to increase its share in the overall revenues for us?

Harit Zaveri: So, we are approaching everyone, be it a family store or be it a corporate, to give us gold in advance so that less amount of working capital is blocked to do this. And we have at least remained consistent, if you see the mix, the job work mix is right now still at 54% and I think you are true at saying that it helps, it is a very, it's a very fast-moving cycle, the working capital cycle.

And our approach will be there. But to what extent can we convince a B2B player to still give us a job work is let us see in the coming season, the improvement should be there, I believe. But we cannot comment because it generally depends on the consumers preferences, if we are able to convert them in job work - great, otherwise we are ready to supply them even in the wholesale manner, the sale of goods manner.

Rahul Varma: Okay, sir. Understood. All right sir that's all from me. Thank you so much for these answers. Thank you.

Moderator: Thank you. Next question comes from the line of Rajender Passi with NP Analysts. Please go ahead.

Rajender Passi: Hi, Harit Bhai. So my first question would be from the demand side, like Q1 has been sluggish in between, like for few weeks because of whatever happened in the past. How are we seeing the demand for Q2 as half of the Q2 is almost gone.

Harit Zaveri: So July has been good. August so far has been right. IIJS has gone good, but still we would not want to really comment on numbers. I think company so far is on a right track, be it the transformation that is taking place, on a directional move, be it a developing team. I believe that with this kind of a transformation and changes that we are undertaking, we are all set to grow fundamentally in coming years.

And the demand side looks to be good and promising for Quarter 2, as we are approaching. And Quarter 3 will be led by retail, and in Quarter 3, we are all our stores are going to be operational. So it is going to be an exciting quarter.

Rajender Passi: Okay. And one more question would be from as you already said that from the long term side we are already in the right directions. We are opening stores we have plans to open three new stores in maybe in the next financial year.

So that part is going good. But what are seeing right now is from our peers is the light weight jewellery section is performing well or the companies which are in the lightweight jewellery section, they are giving like crushing numbers. And you already mentioned that by the end of the year we are going to have 20% of our B2B work coming from the lightweight jewellery which is in like the 18 karats.

So, what more are we doing on that side to cater more market share on the lightweight jewellery side?

Harit Zaveri: So we are in occasion wear business, what we understand is the preference of consumer and the preference that comes from the merchandising or the store end to us. We still believe that 22 karat is going to be dominant in our category.

Yes, doors of 18 karat have opened. This time, the success of IIJS was very evident because the look to weight ratio has been very strong. There are certain categories which people do not want to compromise karatage on and those are categories like mangalsutra wherein people still believe in purity, and there are certain demographics which people do not really want to go into 18 karat, also makes things more interesting and complex actually.

So we are not seeing demand across India for 18 karat to rise in occasion wear. In certain parts there is good demand of 18 karat that we are witnessing. And for those areas we are developing designs, we are understanding how to cater them better. The whole play on our end being a B2B manufacturer is how fast we can deliver the goods, how good we can make the aesthetics, that is design, and how fast we can, so I think company is doing well in all this three.

Rajender Passi: Got it. Got it. Thank you.

Moderator: We have lost the line of the participant. We will move to the next. That is Shikhar Mundra from Vivog Commercial Limited. Please go ahead.

Shikhar Mundra: Hi Harit ji, is it possible to share the EBITDA between the different divisions, retail, wholesale and job work?

Harit Zaveri: So as the company is actually transforming from B2B to B2C, right now we are not sharing it because of competitive reasons. But in future, we very well will take your feedback and evaluate.

Shikhar Mundra: Okay. And for in Q2, what expenses did we incur for the Surat store? Like have we already started stocking up the inventory? And for the employee cost, how much of employees have we hired for the Surat store which hit our P&L in Q1?

Harit Zaveri: Approximately 52 to 60 people were hired. And we are also making because there is good number of stores coming up, the whole change on HR is happening. Be it the roles of head merchandisers, head supply chain, head vigilance and security.

So, the team development is going to be continuous in nature and that is how when I say the business will move fundamentally, that is how I understand the team, tech and the whole experience to the customer have to be made in a right way. So growth has to fundamentally remain. So this employee cost will be on a rising trend I expect and in this fiscal year yes 60 employees were added. I am yet to see the data of an average cost.

Other than that, there is lease liabilities of INR115 lakhs that I have told and amortization of assets at INR76 lakhs which is which was there.

Shikhar Mundra: Okay. And what is the capex incurred for the Surat store? And you said a breakeven of one year on the capex. So what is the capex incurred? And what are we estimating the sales for the first year for the Surat store?

Harit Zaveri: Approximately INR10 crores is the capex incurred for Surat store. I am sorry can you repeat the second half? The revenue forecast,let us step into it. It is too early for all the forecast. I think Quarter 3 we will be more clear and visible of what we are having.

But I suppose that we should be, let us right now not spill out the forecast numbers. I will keep it with myself, let the store begin. After a month or two, let us gauge, let us put all efforts in for marketing activities, and yes we are thinking that we should be able to break even in a year or so with all the capex.

Shikhar Mundra: All right. Thank you.

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

Deepesh Sancheti: Harit bhai, actually it's not a question, it's actually an observation. Now when you said that you are going asset light and basically the Titan way, if you are planning to do, and if you are planning to hedge your entire inventory. So, correct me if I am wrong, but your current inventory value is almost your market cap.

So, if I were to assume that in one to two years you are going to liquidate that entire inventory, get it converted to maybe a GML and a more ROI sustained business, then as an investor I am getting the company for free, only the debt part which is there, just if you can correct me I mean is that the right assessment or am I going wrong somewhere?

Harit Zaveri: So Deepesh, how I see is that the commodity of gold is volatile. In India, it becomes stable because of dollar appreciation and custom duty. What we are trying we say that we are using GML, what we are really trying is we are trying to arrest the volatility of gold and gain benefit from the low cost of loan that we are getting from GML that is let's say 3%, 3.5% versus 9% that we are getting on the interest rate that we are paying.

So that 5.5% is giving us a very good amount of interest and also the business becomes more fundamentally right. Now what you talk about the inventory levels, it is a directional call that we have taken that on an ongoing business if we were to, put our inventory and this amount of inventory onto, let's say in an open position, it is going to call for risk.

The second point is we are able to leverage more if we are using GML, because the cost of interest doesn't go up and if we are able to leverage more than the scalability and the visibility of stores are spread across. So because of these two stances, we think that GML makes a lot of sense to us. Not currently, completely indulging into it, but slowly and steadily progressively moving towards that.

So maybe by this fiscal year we see that can we have some portion, in next year let's say that portion really becomes more better, can it be 50% and then third year can we really make it at 75%, so on and so forth. Now if you calculate the cost of inventory currently in the book value versus the market value, the difference is obviously around 18%. But I would certainly see this as a directional view of hedging gold and taking no risk on the commodity level of gold at USD prices.

Deepesh Sancheti: What is the book value right now?

Harit Zaveri: The book value versus market value still remains at around 18% or so, the difference that that we observe basically on a weekly basis.

Deepesh Sancheti: Right. No, I'm talking about the book value of per share, the book value as a financial parameter? What is the updated book value?

Harit Zaveri: Right now, I think the inventory is around approximately INR400 crores.

Deepesh Sancheti: INR400 crores. Okay. Great, that's really exciting. And so, we basically are saying that we will go the asset light model for a better ROE and for a better business performance. That is really exciting and yes.

Management: Thanks. Thanks, Deepesh.

Moderator: Next question comes from the line of Yash Modi with Ashika Group. Please go ahead.

Yash Modi: Good afternoon, Harit bhai. Congratulations on a good set of numbers and congratulations on taking the hard steps which was required prior to opening up the new stores.

Continuing with the last participant's question, so earlier when we were basically not taking Gold Metal Loans and saying that we would prefer cash credit limit, because obviously gold going up, we would need to give margins and all. So, I wanted to just understand, what has changed fundamentally in our thought process, that now we are open to taking the Gold Metal Loan. That will be question number one.

Harit Zaveri: So, Yash, if you see on a CAGR basis, the gold has increased at about 13% a year in India. Now gold as a commodity in India is split into three parts. One is gold at USD levels, another is gold at the dollar composition, the dollar appreciation, depreciation, and the third is custom duty. These three variables together make gold INR a value.

Now, what we notice is that gold in USD has fallen or corrected 30% from its peak of 5528 to let's say USD4,000. The dollar has appreciated and custom duty has gone up from 6% to 15%, which has given a negligible impact in gold INR. Now if you go on historical data, gold as a commodity drops heavily and rises heavily, but on a CAGR basis, it has a 7% appreciation.

If I were to arrest the gold volatility through GML, by keeping the dollar and the custom duty component separate, then I am playing a good part by just giving this 5.5% of margin that is 3%, 3.5% versus 8.5%, 9% and then sacrificing the 7% with 5.5%. So, I am remaining on a very, very long-term basis at minus two. But it helps me a lot to scale the business because my debt leveraging capacity increases robustly. So, this composition overall seems to be a better composition.

Now, why we are not taking in before because of these margins, etcetera, that is true. And over here also we have said that in the long-term approach, we will be getting it to 100% thing, not in a year or so. So slowly, when the credit rating improves, from let's say BBB + positive outlook to let's say an A band and plus and plus, and we see that the banking relationships are strengthening and the accounts and department, the finance department is able to take care, that is how we will slowly progress.

Yash Modi: Got it. So basically, what you're trying to say is that because our balance sheet size has increased, the ability to, if there is some margins hit also, the ability to take that margin hit has also improved, plus it is also acting as the natural hedge, which now that we are becoming more and more retail in nature, we would prefer to be more hedged rather than take that volatility on. Is that the correct understanding?

Harit Zaveri: Yes, yes, it's a correct understanding.

Yash Modi: Okay, sir. Second question would be, now that we have planned these seven stores, what is our plans of going the franchise route? Taking on the previous participant's question, obviously now that you take the gold metal loan, the operating cash flows will improve, but now another lever of improving operating cash flows will also be the franchisee route. So, what are your thoughts on the franchisee route?

Harit Zaveri: So, when we say that we are opening Surat store and Rajkot store, which are mega stores, and there is a heavy spend on marketing that we are doing or brand building we are doing. We are not looking or keeping our eye on higher side of developing unit economics. What we are really doing is, we are investing in brand building so that tomorrow the brand is lucrative for franchisors.

So, before we go to these people or to take our franchise, we want the brand robustness to be there so that when they take it, the good from their shelf moves faster. Hence this exercise is taken. It is just an effect that there is a Surat and Rajkot store coming up, so this is the expenditure that we are doing, but we know inside that this expenditure is not done only for Surat and Rajkot.

The whole approach for doing this exercise is to build the brand, so that tomorrow we can go onto the franchise route. But today it is too early to say anything, so let us stick onto the brand building word itself.

Yash Modi: So, in the long run, is it fair to assume that there will only be two verticals for our business? One will be job work and the other will be retail and typically all our franchise stores and our other retail stores would be acting as our clients for the B2B part of the business that we are doing? Is that the right way of thinking about say the Titan job work business stays.

And obviously the retail and the franchise business become so much that the B2B part of the business that we are doing right now goes to those people now that we obviously, because we have manufacturing excellence and capabilities. Is that the right way to think about the business in say three, four years from now?

Harit Zaveri: So B2B will remain, be it Titan or family jewellers. But B2C will really transform and accelerate, the brand building will happen, we will explore routes for bringing high store visibility, expansion, and building the brand that relates to consumer on a better space. The sales mix would change for sure, the profit that you see today comes, let's say if it comes from B2B a good share, tomorrow it will come a higher share will be taken by B2C.

So that will be our long-term story, approximately that is three to four years as you quoted. And yes, hopefully if we are building the brand in a right way, if we are going on franchise, it is going to be a different scale altogether that we would want to achieve. But yes, yes, your overall opinion is right.

Yash Modi: Thank you. Thank you so much, Harit bhai. All the best. I look forward to the next call.

Moderator: Next question comes from the line of Shikhar Mundra with Vivog Commercial Limited. Please go ahead.

Shikhar Mundra: Just wanted a clarification. Our net worth was INR300 crores as on March 26, and we have earned like INR9 crores, so our net worth should be around INR310 crores, right? Because you mentioned INR400 crores, so just wanted a clarification on the same.

Harit Zaveri: Inventory levels were mentioned at INR400 crores.

Shikhar Mundra: Okay, that was the inventory. Because you were discussing the book value. Okay, got it.

Moderator: Thank you. Next question comes from the line of Rajender Passi with NP Analyst. Please go ahead.

Rajender Passi: As I was asking earlier as well, so Harit bhai, we were discussing on the part that from the long-term perspective, we are doing good. We are taking all the right steps to build a brand and we are obviously into occasion wear jewellery which generally goes into

22 carats. But my question was from the lighter weight side, be it 18 carats or even lesser.

Do we have any plans or are we looking something to grow our business on that side as well or our focus is only going to remain on building the brand on the retail side and whatever we are getting along with that in the lighter caratage from our B2B consumers, we are going to do that?

Management: So, we see business of B2B very separately from B2C. In B2B, we have registered a very strong growth, be it wholesale or a complete segment, our volumes itself have grown in B2B segment. So, there is no doubt that B2B is neglected in any case. Now, given that we are a B2B player, we understand demographics, we understand consumer demand, we understand merchandising taste, and the change of taste and preferences that we see, we are developing products and we are seeing a very encouraging response in IIJS for that.

Now, 18 carats, currently there is a shift, but what proportion of shift it is, I have said that the revenue mix that we are getting from 22, was 100% before, now it is 18%, 20% is 18 carats. To that level, the change is there. And design aesthetic wise, I don't see much of change.The people are still asking for superior designs, better designs, but on the lighter weight. So, when it comes to lighter weight, the look versus the look aesthetic ratio has to change, which we have again delivered in this exhibition.

So overall, we are agile and we are very much there to address the need of the market, which is there, and we are doing it so. When you say about lightweight jewellery, we are not into categories like daily wear, but we are an occasion wear player. In B2B, we remain as an occasion wear player in B2B. Yes, we are very much flexible and agile on the shift of caratage that is happening.

Rajender Passi: Okay. But we are not going to basically entertain the daily wear side as of now.

Management: So, if you see even in the research reports, there is, from a 50% or 55% of daily wear, occasion wear proportion, occasion wear proportion are event linked purchases, and this has gone up. So, steady or steep increase in price makes occasion wear segment very resilient to demand, weakening of demand. In daily wear, people purchase daily wear on their anniversaries, birthdays, but those are for the moments of joy. Occasion wears are purchased on the compulsory basis.

And we are in a segment wherein the demand is more resilient, and hence I think it's the right proposition to be in this segment and grow in a profitable gold segment that is an antique category. Even in the gold category, if you look at it, we are in an antique domain which is in industry-wide is known to be a profitable gold segment. Not unlike a plain gold segment wherein you don't have stones or where you don't have margins.

Rajender Passi: Got it. And the second question was regarding the store opening part. So, Surat one is going to come up towards the end of September. And we are going to have three more openings in in Q3, right? So, can we expect those three openings towards the early Q3, since that is going to be the main season?

Harit Zaveri: Yes. So, the large format stores are opening at the right time. I think Surat is well before Navratri and Rajkot is going to be somewhere before October itself. So, I think we are, we are in the timelines and both the stores will have a good attraction. Given about the Maninagar and the East Ahmedabad and the Gandhinagar timelines,we will be opening in Q3. They will be witnessing the wedding season on a whole. But we are not really sure of opening it before Diwali or in the month of October.

Rajender Passi: Got it.

Harit Zaveri: And those both the stores are mid format stores. So, we want that both the large format stores to leverage the complete season demand. The mid format stores can come in November.

Rajender Passi: Okay. And according to you or the plan is to have a breakeven in just one year, right? That's what we are targeting right now.

Harit Zaveri: Yes.

Rajender Passi: Got it. That was all. All the best.

Harit Zaveri: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Harit Zaveri: Thank you all for participating in the earnings conference call. If you have any further questions or you would like to know more about the company, please reach out to our Investor Relations Manager at EY. Thank you.

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