

**RBZ<sup>®</sup>**

**JEWELLERS LTD.**

(Formerly Known as RBZ Jewellers Pvt. Ltd.)

24<sup>th</sup> May 2024

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

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

**Security Code: 544060**

**Security ID: RBZJEWEL**

**Symbol: RBZJEWEL**

Dear Sir/Madam

**Sub: Earning call Transcript with Analysts and Investors for the Quarter and Year ended as on 31<sup>st</sup> March 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, 22<sup>nd</sup> May 2024 at 10.00 am hrs. for discussion on the financial performance of the Company for the quarter and year ended on 31<sup>st</sup> March 2024.

Path: <https://rbzjewellers.com/wp-content/uploads/2024/05/Investor-Earn-Call-Transcript-22.05.2024.pdf>

**Title: Investor Earn Call Transcript\_22.05.2024**

This is for your information and records.

Thanking you,

For, RBZ Jewellers Limited

  


**Heli A Garala**  
**Company Secretary & Compliance Officer**  
**ACS 49256**



“RBZ Jewellers Limited  
Q4 and FY‘24 Earnings Conference Call”

May 22, 2024



**MANAGEMENT: MR. HARIT ZAVERI -- JOINT MANAGING DIRECTOR --  
RBZ JEWELLERS LIMITED  
MR. HARSHVARDHAN BHARDWAJ – CHIEF FINANCIAL  
OFFICER --RBZ JEWELLERS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 and FY24 earnings conference call of RBZ Jewellers. We have with us today Mr. Harit Zaveri, Joint Managing Director, and Mr. Harshvardhan Bhardwaj, CFO of RBZ Jewellers Limited. As a reminder, all participants' 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 touch tone phone. Please note that this conference is being recorded.

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

**Harit Zaveri:** Yes, hi thank you all for attending the conference. On the quarter on quarter basis, the RBZ Jewellers Limited has increased the top line from INR78 crores to INR86 crores and the PBT has gone down from INR640 lakhs to INR423 lakhs and the PAT has similarly had an effect of 487 to 269.

I'm sure that all of you might have already visited the results and the explanation for the clear drop is related to the gross profit margins part and that is more on the on the cost of goods sold. So the GP has got hit because we were following the weighted average accounting method in which the procurement of gold, which has been done at a higher rate, has affected the total average cost of goods and thus there is a dip in GP.

However, another reason was the disparity in purchases and sales. That means that let's say, the Akshay Tritiya of last year was at April 22 and this year it was in May 10 there was a deferred -- the event was deferred by around 20 days already and in the month of -- from February 15 to March 31st there was a clear spike in gold prices this had halted the purchase or this has deferred the purchase for Akshay Tritiya due to which whatever the procurement was done what is at a higher price was at standstill and in the coming quarter to go, at quarter and two to go I think the inventory would be sold and we could have the GP back to normal in the proposition.

However, I'm sure that there would be a lot of questions and you all might have gone through the financials. So this is it from my side.

**Moderator:** The first question is from the line of Saurabh Aksar who is a Retail Investor. Please go ahead.

**Saurabh Aksar:** Sir, what is the growth of our company in future?

**Management:** Okay, Saurabhji, so already the previous earnings calls was mentioned that we will be doing the volume growth of around 1600. For the target, we have revised to 1500 kg of volume growth due to the spike of around 25% in gold prices. And this would be contributed by, you know, the top line to be around INR600 crores. And the service business will again progress by around 15% to 20% by volumes and the retail part of it is going smooth so in that case whatever the projections we have made for around 600 kg of top line, we are on track of it.

It's already a one and a half months you know post the financials, so I think the Akshay Trithya which has deferred has not really deferred that -- not really has denied the demand part of it and the demand is there and the quarter one, I think we will be showing you a better picture than the last year quarter one obviously the effect of the quarter four of financial year '24 you that -- the positive impact will be there because the quarter four has really gone negative because of higher box but yes in future the prospects are -- we are finding that there is a demand for gold and demand for our goods surely we will be showing the results.

**Saurabh Aksar:**

Okay, thank you. Sir, this quarter has not grown so well, right?

**Management:**

Yes, it has not grown. What are you saying? Sir, in the last 45 days, if from February 15th to March 31st, the movement of gold prices has been very strong, then because of that we are wholesalers or manufacturers. So, whoever is a retailer thinks that the price movement has increased so much, then suddenly a slight fear comes that we don't want to buy the goods now, we will do the stock procurement after some time.

So, because the retailers already have stocks, so the goods that they had to buy for Akshaya Trithiya, if they had purchased smoothly today then they would have bought it in March. Now, if the price has increased so much, then not in March, I will buy the goods in April. Akshaya Tirthiya is already on May 10th. So, the procurement has definitely been a little deferred in these 45 days. And because of this, if you see in the last quarter, then Akshaya Tirthiya was at April 22.

But nonetheless, March is always a snapshot. In that, we have progressed the top line by 9%. If you look at the quantity of gold, then last year we did 214 kg, so this year we have done 219 kg in quarter 4. So, quantity-wise also we have improved only. The reason is that this year there was no business performance. The reason is that the inventory that we purchased at a higher price, because of this our costing of goods sold increased.

I want to give you an example. For an example, if you have shares of a particular company that you bought many years ago and you are continuously buying that thing. Let's say, its current market price is INR3000 and you have accumulated 1000 shares. Assume that, you get some new funds and you buy 500 more shares. So, the 500 shares that you will buy now, you will buy at the current market price. So, in that case, if you sell only one share, then you will have an average. If I have added INR2000 plus INR3000, then my average price has become INR2500 or INR2300. So, if I am selling this at 3000, then my average profit margin becomes this much.

So, keeping that in consideration, it is just because of the weighted average reasons that the business is showing lesser performance. Otherwise, on the fundamentals of business, there is no question. Okay, sir. Thank you.

**Saurabh Aksar:**

Okay. Thank you.

**Moderator:**

Next question is from the line of Thomas from Suva Capital.

**Thomas:** Hi, I would like to know how this kind of pricing fluctuation won't affect profit in the future. How are you hedging the pricing fluctuation now?

**Management:** Yes. So, Thomas, we follow a weighted average principle when it comes to inventory valuation. So, as far as hedging is concerned, we generally try to hedge gold quantity with gold quantity rather than gold quantity with rupees.

So, in principle, let's say in future there are strong purchases of gold that has taken place. We have now gone out of our legacies. We will be soon going out of our legacy software and we are adopting SAP as our software in which the final cost of -- when the gold is purchased, the purchase value of that particular will be mentioned with the batch ID and there will be a batch valuation and till the raw material, it will be according to weighted average.

But once the goods are finished, the cost will be freezed for that particular portion of goods and the batch ID will be there. So, I think in future, the procurement of gold will not affect the totality in which the GP -- on the accounting front, the GP shows the negative fall. So, yes, but the method will again remain the same. It is just that because of the software, we will be able to trace out every batch of procurement that has been done and we will be able to separate it from the previous batches that we have purchased.

On the part of gold hedging, again, I am repeating that it will be we hedge a unit of gold and not a unit of gold with rupee. And if you were to do so, then we would have to pay, let's say, you know, if you had purchased, let's say my balance sheet right now has a gold of let's say 250 kg, 300 kg. So, if I had to hedge that thing, then I had to pay a margin money, which would actually, if you just calculate 15,000 into 300 kg, that will be INR45 crores. So, you know, that would not that have eroded all the capital that I have already raised from this proceeds. So, I think right now, we are in the step of evolution. And according to the size and structure of the company, the method of unit-to-unit gold purchase is much better. I hope I am clear with the answer.

**Thomas:** Thank you. Thank you. May I know the one-off, if we remove the one-off effect of gold price fluctuation, what is the normalized profit if you remove the one-off impact?

**Management:** So, the normalized profit would be around INR23-24 crores, you know, in general because, the sales has gone up, the unit quantity of gold sold has gone up. The only thing was that Akshaya Trithya was late and 20 days deferred. So, that's the reason the quarter could not show very, very strong numbers in terms of top line increase or quantity increase and also the spike in gold prices that has resulted into a psychological back push of gold purchases.

But in general, still keeping all fundamentals in place, the patch should have been at least once a year more compared to last year. That would conclude the balance sheet around INR23-24 crores, if you remove the effect of COGS. Thank you.

**Moderator:** The next question is from the line of Thomas from Suva Capital. Please go ahead.

**Thomas:** Yes, thank you. Thank you for the opportunity. Sorry to interrupt you, sir.

- Moderator:** May I request you to use your handset, please?
- Thomas:** Yes. Yes. Thank you for the opportunity. If you could talk about this year expansion plans in terms of production capacity and...
- Management:** Yes. So, this year, okay, so there is already-- we are trying to find a factory outskirts of the current manufacturing facility. And for that I think once the procurement of land and things are done, it will be more or better in shape.
- But yes, the factory will be coming up, which will be at least having 5x of the capacity which is currently installed. And in future, we are certainly forecasting the demand of, that type. But let's say the important factor would be again spotting of land and the whole operations going there.
- So currently as of now, we do not require such an expansion of factory because we have already a current capacity of 1700 to 2000 kgs of gold to be produced. And we are right now at 1115 kgs. So let's say that by next year, yes, we should certainly switch and hop to the new premises or we should extend the manufacturing -- expand the manufacturing facility so we can get a comfortable time to go forward for the upcoming -- we can go for the factory or, you know, expand the capacity to another location. Thank you.
- Moderator:** As there are no further questions, I would now like to hand the conference over to Mr. Harit Zaveri, Joint Managing Director of RBZ Jewellers for closing comments.
- Harit Zaveri:** Yes. Thank you all for asking questions. And as the year has ended, I think we have completed with the quantity of around 1,115 kg. The expectation was around 1,200 kg or so, but due to the last quarter and the price rise, certainly it has pushed back. Nonetheless, in quarter one and quarter two of this year, we are expecting a strong recovery. And I think we remember quite well our commitments and we are strongly focused on the business operations and on the business to fulfill that. Thank you all.
- Moderator:** On behalf of RBZ Jewellers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.