



“RBZ Jewellers Limited  
Q4 FY26 Earnings Conference Call”

May 15, 2026



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**Moderator:** Ladies and gentlemen, good day, and welcome to the Q4 FY26 Earnings Conference Call of RBZ Jewellers Limited, hosted by Valorem Advisors. As a reminder, all participants' line 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.

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

**Hena Khatri:** Thank you. Good evening, everyone, and a very warm welcome to you all. My name is Hena Khatri from Valorem Advisors. We represent the Investor Relations of RBZ Jewellers Limited. On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the company's earnings conference call for the fourth quarter and full year ended financial year 2026.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings conference call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and the information currently available to management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and the financial year under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for opening remarks. We have with us Mr. Harit Zaveri, Joint MD and CFO of the company; Mr. Harshit Gandhi, Internal Financial Controller; and Mr. Bhavesh Sabhnani, Senior Manager, Accounts and Finance of the company.

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

**Harit Zaveri:** Thank you, Hena, and good evening, everyone. Welcome to our earnings conference call for discussing our performance for the fourth quarter financial year 2026. Before I give you the financials and operational highlights of the period under review, let me first start by giving a brief overview of the company for some of those participants that may be new to our company.

RBZ is one of the leading organized manufacturers of gold jewellery transforming itself into a B2C segment. We are a unique jewellery company with diversified business model wherein we offer products to national retailers on a wholesale and job work basis as well as direct to consumers from our flagship retail store in Ahmedabad.

We have a state-of-the-art manufacturing facility equipped with advanced casting laser, 3D printing technologies supported by 280-plus professionals and 200 skilled artisans. Because of our manufacturing setup and presence across both wholesale and retail segment, we are able to garner better margins than our peers.

We offer a diverse range of jewellery collection comprising of different manufacturing techniques and varieties but our specialty lies in antique gold bridal jewellery. Our flagship showroom Harit Zaveri Jewellers in Ahmedabad offers bridal, occasional and daily wear jewellery across diverse price ranges.

The product portfolio features of diverse selection of gold, silver, studded and other jewellery, including bangles, chains, necklace, rings, earrings, etcetera. We are also planning to expand our retail presence in Rajkot, Surat and Ahmedabad as well.

Now coming to the financial highlights for the period under review. The company reported a healthy performance during the quarter with the revenue growth broadly in line with the guidance and expectations shared with investors in the previous quarter. The growth momentum was supported by festive demand, particularly during Akshay Tritiya season.

For the quarter under review, revenue from operations stood at INR190 crores, registering a strong growth of 38% Y-on-Y. EBITDA for the quarter came in INR21 crores, reflecting a healthy growth of 46%, with EBITDA margins improving to 11.19%, up 63 basis points year-on-year. Profit after tax for the quarter increased by 36% year-on-year to INR12 crores, translating the PAT margins of INR6.17 crores -- 6.17%.

For the financial year 2026, revenue from operations stood at INR637 crores, reflecting the growth of 20% year-on-year. EBITDA for the year increased significantly by 43% to INR92 crores, with EBITDA margins improving to 14.44% and expansion of 233 basis points. Profit after tax for the yearly increased by 41% year-on-year to INR55 crores with PAT margins at 8.61%, reflecting continued improvement in profitability and operating efficiency.

In terms of segmental performance for the quarter, retail revenue stood at INR121 crores, registering a healthy growth of 31% year-on-year. Wholesale revenues stood at INR67 crores, reflecting a strong growth of 57% Y-o-Y while job work revenue stood at approximately INR1 crores.

Now coming to the operational highlights of the period under review. During the quarter, we actively participated in key exhibitions, including national level and state level across B2B and B2C segments further strengthening the brand visibility, market presence and customer outreach across market.

We launched multiple digital campaigns to strengthen customer engagement and brand visibility across both occasion wear and daily wear categories. In occasion wear segment campaigns such as Shwet, Kesudo for Holi, Akshay Tritiya and Red Breakers showcase companies Gold, Polki and antique jewellery collections.

Additionally, the company continued to strengthen the positioning of its lightweight and elegantly designed daily wear portfolio through targeted digital campaigns such as Vivaah and Polki-Bridal across social media platforms, enhancing brand recall and customer outreach.

During the quarter, we launched 730 new designs averaging 8 designs per day, primarily in occasion wear segment further strengthening our product portfolio. Additionally, we are set to

commence certain products in-house in the daily wear segment from quarter 1 FY27 with dedicated infrastructure in place.

On the retail front, encouraged by the strong performance of our Ahmedabad store, we are now planning to expand in other key Gujarat markets, including Surat and Rajkot, both the showrooms are targeted to commence operations by quarter 2 of FY27.

Further, we are actively exploring strategic location in Eastern Ahmedabad and nearby cities such as Gandhinagar for mid-sized stores of around 5,000 square feet and aimed at strengthening the regional presence and driving incremental growth.

Overall, we concluded the financial year 2026 on a strong note and remain focused on carrying this momentum into the current fiscal year, supported by the preparation of upcoming wedding season and key regional festive across core markets.

We continue to witness steady consumer demand in occasion wear segment ahead of the wedding season, while also optimizing our inventory mix with a greater focus on lightweight and budget-friendly product offering to cater to evolving consumer preference.

With this, I now open the floor for questions-and-answer session. Thank you.

**Moderator:** We take the first question from the line of Uchit Shah from Vimana Capital.

**Uchit Shah:** I just had a few questions. So first is due to recent increase in customs duty and the advanced authorization on import of gold that was announced yesterday. Do you see any impact on volumes or revenue or margins?

**Harit Zaveri:** So see, these are very immediate events or it has just been a few days that these all things are happening. And generally, we would take some time, let's say, a week or 2, in fact, a little bit more to understand what -- how the market and the consumers are reacting. While I understand that there are news and all, but this type of appeals the government has also done in the past. We have seen in the previous governments that things were announced.

Now what we are really waiting or what we are really wanting to see is what is happening on the actual ground levels, right? Like, are the customers slowing down? Or is there exchange happening more? So as like you, even we are studying. Certainly, I think these restrictions are not advantageous, but up to what level there is an impact is crucial.

Now when you talk about the industry quarter 1 post Akshay Tritiya remains low in terms of sentiments and all in the buying -- there is no buying season as such in late quarter 1. So even if there is an impact on -- it can be quite low because this has not come in the period of Navratri, Diwali, this type of announcements. So this is also seen as a positive sign that, okay, what will happen in the quarter -- upcoming quarters and in the year, I know we have to just understand and see.

But generally, like you, we are also understanding what is happening on ground. It doesn't look that discouraging, but certainly, on the wholesome perspective, we have witnessed things like

this in the past. I don't have my comments on this until and unless there is something really concrete to tell you. But we are sure on it.

**Uchit Shah:** Sure, sir. And then the second question is slightly more related to the geopolitical scenario right now. So has that changed any of our strategies around gold hedging, particularly around the gold metal loan, like we have been doing it in the past, but are we anticipating to increase that in future? Or we plan to keep it at the same level?

**Harit Zaveri:** So we will be exploring GML in this financial year perhaps for buying -- the new buying of gold that will happen for the upcoming stores. And we -- how we generally play a safeguard is we have our weighted inventory at about 20% to 25% lower than the current market price.

So whatever we buy, we try to maintain it in the range of, let's say, whatever the new buying or new absorption of gold has happened, it should still -- the weighted average still has to remain at least 15% lower to current market price. Now -- so if there is a correction in all, we can straightaway hedge it on the forward markets.

So to answer your question, yes, we are looking for GML. The practices are quite good. We are not a company who is looking forward to realize all our profits once the gold price has gone up and jump in to sell all the gold in the market, etcetera.

We maintain certain percentage of -- certain percentage wherein of cushion that is required to - - even if there's an absorption of gold, to what extent can absorb. And then obviously, once the pricing are coming to parity, we are sure to hedge it.

**Moderator:** We take the next question from the line of Raj Shah from RK Family Office.

**Raj Shah:** Am I audible?

**Harit Zaveri:** Yes, Raj.

**Raj Shah:** Yes. So -- hi. This year, there was a volume degrowth in our job work business. And in the last quarter, you had told that job work services are in demand and due to the price rise, job work services are in demand. So what is the outlook for FY27? How many kgs do we target? And what is the order book?

**Harit Zaveri:** So generally, if you see the value of merchandise in job work last year and this year, you will find that there is a significant increase. Now when you say about the quantity, if the gold price has doubled and, let's say, the revenue has not doubled, that means there is certainly going to be a dip in terms of quantity.

Now what we see and what I had told in the last quarter was that there is a preference that corporate jewellers are having because of steep increase in price that they are going for job work instead of wholesale business. And thus, there is a change in how the demand is getting to us. And we, as a company, will always prefer job work because we get gold a little bit in advance, hence it's a better thing for us.

But given that in quarter 4, we are seeing some difference. In quarter 4, the wholesale sales actually increased to 56%. And some of the people who were doing job work tilted their demand into wholesale. The better way of looking at this is combining the B2B segment of both the streams that is job work kg plus wholesale kgs or -- and then multiply it by the average value.

So just to give you a perspective, the total amount of value of merchandise this year that we have sold is INR1,251 crores. The retail segment has done INR408 crores, and the B2B segment has done INR843 crores. So this will be a better picture to look at. And thus, both the things will get combined.

So -- and looking forward, we don't know whether the demand will -- is going to come from job work much or the demand is going to come from the wholesale. But in whichever way the B2B demand is coming, we are just equipping ourselves to serve it. If you ask my preference, I would really go for job work despite it not should...

**Raj Shah:** Correct, correct.. So the reason I asked this question because I think in the current year, like bulk of our -- like a significant portion of our profit is because of our job work services. And if in next year, the job work services are lower, then it will take a good hit on our profits. So that is the reason why I'm asking about this.

**Harit Zaveri:** So if you check the value of merchandise, now if it is coming from job work or wholesale, the value of merchandise should actually increase. What is the value of merchandise? This year, it is INR1,251 crores. Now say, next year, job work remains -- for an example, just a case, if job work remains consistent at, let's say, INR621 crores and wholesale increases to, let's say, again a couple of hundred crores, still the bottom line will be secured.

If you're talking about margins that the margins will improve or not improve depending on the sales mix because job work is contributing highly in terms of the bottom margins, etcetera, then your point is valid. But if you're talking about the absolute number change, then we should look at the value of merchandise.

**Raj Shah:** Okay. Got it. Then currently, there is INR336 crores kg of gold on our balance sheet. And the gold price has risen and there is a reduction in volumes in all our 3 segments because of, of course, price has increased. So do we still need INR200 crores more gold for Rajkot and Surat or it has reduced and some of our current gold can transfer -- can get transferred?

**Harit Zaveri:** So there is a INR336 crores of inventory, which is lying, I don't think so it's kgs.

**Raj Shah:** Sorry, sorry.

**Harit Zaveri:** That is fine. So -- but the intention of your question is quite clear that how much do we need in Surat and Rajkot. So these are large format stores like how we have in Ahmedabad. A typical large format store will need an inventory of somewhere around INR125 crores to INR150 crores.

So there will be inventory shift. There will be an additional debt which will be required. And hence, all the showrooms will be funded. We see Surat and Rajkot both as a very potential market. Ahmedabad ranks number 7, Surat ranks number 9 and Rajkot ranks in the top 20

economies of India. Hence, the large stores are -- there has to be a large store, and it is in the right prominent location where the gold market is basically situated.

And thus, the amount of inventory that we are forecasting is required doing all the competitor analysis, the consumers, etcetera. We have previously done exhibitions also in these areas to -- and we have got sufficient marketing budget to push it. Yeah.

**Raj Shah:** So sir, the reason I'm asking is because...

**Moderator:** Raj, I would request you to join back in the queue.

**Raj Shah:** It's a continuation -- it's in continuation. This is the last question I'm asking. So what I'm asking is gold price has risen and volumes have reduced. And because of that, do you think that the earlier estimate of our INR150 crores, INR125 crores of gold in our new showrooms is required?

Because due to rise in gold prices, volumes have decreased. That's why I'm asking that INR120 crores, INR150 crores has it reduced. And because volumes is not coming in our current business, some of our current gold can get transferred to for Rajkot and Surat?

**Harit Zaveri:** Correct. Correct. So again, I think I had answered this. So there will be a transfer of stock in terms of kgs. But your fundamental question was that if we are allocating some rupees, then will it get reduced? The answer is no. Why?

Because people generally, when the gold prices are rising, still their value does not -- that the budget does not change, if they want to take 10 lakhs then they will take 10 lakhs like for an example Okay. Now, how much you will get in 10 lakhs is different. You will get 100 gram, 80 gram that is different. But generally people -- the behavior of consumer is to buy from a budget perspective. Now...

**Raj Shah:** The peak debt will be increased, right? Or what will be our peak debt after we take this loan? Because currently, INR120 crores are in short-term debt?

**Harit Zaveri:** We want to stay -- we want to keep the debt levels at 1:1 ratio ideally or 1:1 point, maybe leverage to 1.4, 1.5. But generally, right now, I think for these 4 showrooms, it will be around 1:1.2 at peak debt, at least for this fiscal year that I am understanding.

**Moderator:** We take the next question from the line of Shikhar Mundra from Vivog Commercial Limited.

**Shikhar Mundra:** Hi, Haritji, congrats on a good set of numbers. What was the approximate inventory gains this year because of the increase in gold prices?

**Harit Zaveri:** So -- it's a nice question. So currently, I do not have a number on it. But in future, let me take this up into a number of categories and etcetera, stuff. But I think assuming that around INR10 crores to INR12 crores or INR10 crores to INR11 crores or INR12 crores should be an inventory gain number. That is what we are anticipating on the -- I mean, if gold prices were not to increase, I think somewhere around INR40 crores, INR45 crores should be the PAT.

I'm still -- see this is just a very, very -- don't take me on numbers because if we are having it, I would have said it. Right now, we don't have that inventory gain number as such. What we really have is the cushion that we have from the current market price to the inventory, and that is around 20%, 25%.

**Shikhar Mundra:** Okay. Got it. But like assuming no inventory gains, then what would have been our profit growth like compared to last year, FY25, I'm just trying to get that. So if you say INR40 crores, INR45 crores, then that's not a big...

**Harit Zaveri:** Yes. So supposedly, it -- so generally, when we calculate gold, if we were to do a GML, like how other players do, then the interest cost should have been half, right? So we will be seeing somewhere around INR8 crores in our interest cost. And subtract the inventory gain maybe. And that will be the max.

But exactly, if I could have the number, I would have given it to you. Right now, we don't. But I hope that in future, this number transparency will be better. I just hope. There is no commitment.

**Shikhar Mundra:** Got it. Got it. Got it. And my second question is, our trade receivables have jumped like from 17 to 56, what's the reason for the same? So this must be...

**Harit Zaveri:** 24th of March, there was an exhibition in Bangalore, IIJS Tiritiya. And, of course, because of exhibitions, there was a spike in sales. That's it. Akshay Tiritiya this year came in a little early if you understand, from 30th of April 2025 to 19th April 2026. Hence, that last 10 days of March were a little bit of -- there was a little bit spike in sales, and the debtors. Now it has come down again to a normal level.

**Moderator:** We take the next question from the line of Yash from Dande Equity.

**Yash:** Hi. So just wanted to understand, I think you shared a number I kind of missed it. What would be the inventory required for the next upcoming 2 stores?

**Harit Zaveri:** So inventory generally, both the stores are large format stores. We anticipate about INR125 crores to INR150 crores of inventory for each store.

**Yash:** Are we anticipating any sort of dilution to fund this?

**Harit Zaveri:** No. I think the raise of debt plus inventory transfer, plus the profit gain would actually suffice it.

**Yash:** Okay. As far as the next 3 years are concerned, because I think you're very focused on Gujarat as a state, right? Just wanted to understand why the focus on Gujarat? Is it because you're a local player there? Because, I mean, you anyways, do a lot of wholesale, right? So I'm assuming you have supply chain networks throughout, why not Mumbai, right? Why not any other city, just curious, not questioning anything.

**Harit Zaveri:** Yes. So that is fine. It's a good question, in fact. So if you look at Gujarat and pinpoint the pan-India players that are present in Gujarat, there are 4 to 5 players who are having approximately a nil-level presence in Gujarat. They are having maybe some 6, 7 stores.

Just take out the data from any stats and maybe all the pan-India you can take it out. Apart from one player, there is no other player who has penetrated the Gujarat market or been successful. And in Gujarat, there is particularly no chain brand. So that's a clear white space that we are having.

**Yash:** But why is that?

**Harit Zaveri:** Why is that, if the market is great. There are southern pan-India jewellers who have not been able to cater to this market well. And hence, we are in -- we have an opportunity over here. I mean, we should realize this as fast as possible. We should become a good jeweller, a chain store in Gujarat and because there's a clean white space. Just take out the number.

I cannot -- but if you take out a number of, let's say, an Eastern player or a Southern player having X number of stores in a particular state in which it was their home ground, I think those many numbers of stores we should be having in our home ground, if the GDP data and population data matches and which matches, right?

Gujarat is a prosperous state, and that's a clear white space available. And hence, this thought, after a lot of debates and things have come out to be very clear that yes, we should go forward for this thing.

**Yash:** But is it -- do you -- so just the original question. Do you think in the next 3 years or 4 years or 5 years when you're looking at growing your retail business, which you obviously are, do you think it's wise to be concentrated in just one state? I got your POV in terms of the lack of retail chain presence in organized jewellery in Gujarat, but what would you think like 5 years ahead or 3 years ahead? Do you think it's wise for...

**Harit Zaveri:** There will be -- there is no -- yes. So there is a vision and aspirations, 100% are there in future to expand. We are certainly -- right now, we are a single flagship store. We are going to have, let's say, 4 stores in this calendar year. But -- and we are talking about becoming a good player in state of Gujarat. But we are not restricted to Gujarat itself. Let us first play out this 4, 5 stores, etcetera, well, and let the pulse come.

I think we are 100% aggressive in terms of scaling. If you look at post IPO things, you will understand that when we came to IPO our turnover was around INR300 crores. Now we have reached, let's say, INR600 crores. The profit margin was X, the PAT level was 22. We have reached, let's say, 50, 55. We'll be scaling and the company has got aspirations to become big. We are not restricting to any of our states or anything like that. Let the opportunity come, let the capital.

**Yash:** Right. So what will...

- Moderator:** Yash, I would request you to please join back the queue for follow-up questions. We take the next question from the line of Rajender Passi from NP Analysts.
- Rajender Passi:** Am I audible?
- Harit Zaveri:** Yes, you are audible.
- Rajender Passi:** Yes. So, hi, Harit. So, my first question is, initially, we planned that we are going to open the 2 stores, like one in early Q2 and the other one may be in late Q2. So is the time line still correct? And about the showroom third and showroom fourth, do we have any estimated time lines now previously because you didn't provide any estimated time lines for the third and fourth showroom, which you're talking?
- Harit Zaveri:** Yes. So I think the time lines for Surat and Rajkot remains same. And the time lines for the third and the fourth store, still, it is a little early to give, but we should be opening in the season time.
- Rajender Passi:** But within this year?
- Harit Zaveri:** Yes, within this calendar year.
- Rajender Passi:** Okay. And the other question would be regarding a sharp increase in the fixed assets as well as a sharp increase in the current work in progress. So is it related to these 2 showrooms which are going to be open in Q2?
- Harit Zaveri:** Correct.
- Rajender Passi:** Okay. And as you mentioned that Akshay Tritiya came in early this year, right, on 19th of April and you had a big sale in the Bangalore side in the late of March. And that increase our receivables to INR56 crores this year. So what is the current status of receivables as of today?
- Harit Zaveri:** The current status has gone to a normal level, basically, cannot actually disclose the number, but you will certainly get it in the quarter 1 of the results. But yes, there was a spike and it has now reduced. Generally, the debtor days in wholesale are approximately 30 days. So the realization has happened.
- Rajender Passi:** Okay. And how this quarter has been for us up until so far, since because now there has been a speech and the industry sentiment is very unsure though.
- Harit Zaveri:** No, no, no. Very honestly, I'll tell you, see, post Modi, we are also gauging, right, and you are also gauging. And whatever the anticipation is, I think ground level reality will matter the most. All the assumptions, etcetera, we will not be working on that. We will be working on what the customers and the real-time demand is. Now how has been April? April has been very good.
- Moderator:** We take the next question from the line of Om Gole from Adihit Wealth Advisory.
- Om Gole:** Am I audible?
- Harit Zaveri:** Yes, please go ahead.

**Om Gole:**

Sir, my question is recently that like our Prime Minister told that everyone should not purchase gold for 1-year, right? And also, we are planning to open new stores in Q2 and Q3, right? So how we are going to face the situation? Like, what will be our strategy to pull the demand and all? So this is my first question.

**Harit Zaveri:**

So see, the Prime Minister has requested -- you all know what the announcement is. And let us see what the impact of that words are and how will it remain. India is a much rooted and a traditional country. So certainly, if there is wedding, then the Prime Minister has said, etcetera, stuff, will that really stop the buying of gold jewellery and you need to have social status. There is a lot of traditions that are going on.

I don't think so things are going to really -- let's -- see, again, what you're telling me about -- what you're asking me is about strategy and what we are seeing is that there is a huge market, there is a new market that we are exploring. And -- we are in this game for a very long term. And hence, these kind of things will come. And because of our marketing spend, if we were expecting X, it will be X minus some percentage, but in the overall kitty, it has to really grow.

Currently, I really don't have exact strategy saying but exchange of gold is one thing that everyone is looking forward. Likewise, we will also look forward. Is that going to make everything just perfectly okay? We don't know.

The best part about our company is, we are in occasion jewellery more. Hence, all the demand is linked through weddings. So daily wear purchases here and there can really take a pause, but I don't think so daily wear, occasion wear we will actually take a pause. And perhaps let us go all in for the occasion -- the upcoming market, like the season time.

I think rest -- see, we, as an organization, will go all in for the season times. We will not -- I understand the sentiments and etcetera, but the announcement has come on a very favorable time. It's low season time. If the announcement has come on the Akshay Tritiya day and etcetera, it will be very different, but not that condition as of now. And let us see.

**Moderator:**

We take the next question from the line of Saurabh Dhole from Fyers Asset Management.

**Saurabh Dhole:**

I have 2 questions. First is, when you say the stores that you plan to have in, let's say, a city like Gandhinagar, I'm curious to know why would you start with a small store, is it for capital constraints or you're not as positive about this particular market versus, let's say, your current Ahmedabad market? So that is question one.

And the second one is, can you talk about the 2 stores, Surat, Rajkot. What is the -- how much time will it take for these stores to kind of come to Ahmedabad-level sales? You did about INR400-odd crores in FY26 from Ahmedabad. I mean, roughly on a volume and equivalent basis, when do you think it will -- I mean, Surat, Rajkot when will be touching these levels?

**Harit Zaveri:**

So first question was Gandhinagar location. Gandhinagar comes into the northern side of Ahmedabad. From center Ahmedabad, it's 10-kilometer or 12-kilometer radius kind of circle city. And Gandhinagar just comes at around 15 kilometers or so. It's a very good location to have -- basically, we are having a presence in the North of Ahmedabad.

It is going to act as a feeder store and also certain kind of -- it's the right catchment area because it is any catchment, which is spread 7 kilometers far is considered to be a good area to open a retail store. It is itself a nice city. It is one of the prominent cities in Gujarat.

A lot of advantages is what we are able to see. There is a market over there. And also the brand itself, the brand presence -- if the people are seeing multiple boards of that same brand again and again here and there in the city, the brand is going to increase, the visibility is going to increase basically.

So yes, Gandhinagar seems to a very promising and strategic location. The second store will be on the eastern side of Ahmedabad. Again, it will really have a good impact on the brand overall because then we are having 3 stores in Ahmedabad or in and around in Ahmedabad.

Now the second question about Surat and Rajkot, how the sales are going to turn up, etcetera. See, we are -- whenever the store is happening, it is happening for a very long period of time. We generally do a long-term lease agreement. So we -- this is too much a nascent kind of a stage wherein we would comment anything. And I don't know, ultimately, what it will land to.

But let us look -- let us be -- let the time pass, let a month pass. We will understand how the market is reacting, right? There might be another news coming up suddenly. We don't know. The market will change sentiments. And I think you people are much better in understanding how quickly market changes the sentiment. So we will just wait and watch.

We are good at our domain at what we do, and we will continue to do that, be it expansion, be it generating better profitability, be it growing the organization, be it fundamentally investing in the company's infrastructure, this is all things that we will continuously do.

**Saurabh Dhole:**

Right, right. Now, as per the first question, the main thing was that why would you start with a smaller store, is it just because you wanted to be a feeder store...?

**Harit Zaveri:**

It's a strategy. It's a strategy. It's a large format, mid-format and small format are 3 formats of stores that the company will generally have. We have got 2 large format stores in Surat and Rajkot and 2 mid-form stores to start with Gandhinagar and Maninagar, which are considered to be a strategic location. So any market which has a lesser population will have mid-format stores.

Let's say, if a market has a 50 lakh population, like Ahmedabad has some 70 lakh, 80 lakh population, this will be a large-format store is good over there. if Rajkot market has a population of, let's say, 20 lakhs, 30 lakhs, it will be a large-format. If a market is having the population of, let's say, 10 lakhs people or 8 lakhs people or 6 lakhs people, then there will be a mid-format store. It depends on the size of the market, and then the decision will be made. It has got nothing to do with other things.

**Moderator:**

We take the next question from the line of Sahil Patani from Strokes Capital.

**Sahil Patani:**

So I wanted to understand what is the capacity utilization for FY26?

- Harit Zaveri:** The capacity utilization is approximately 50% or 55%.
- Sahil Patani:** Okay. I know in one of your slides, you mentioned that you are targeting maximum peak capacity utilization by '26. So is this -- can we say like 50% to 55 percentage of peak? Or do you think we have more room to grow before like going into like further capex and taking on more expansion?
- Harit Zaveri:** See, when I did an IPO, it was in 2023 December, let's say, '24 fiscal year, the price was INR60,000, okay? My single artisan was able to do, let's say, 800 grams to 1,000 grams per month. And hence, I calculated the capacity to be, let's say, 2 tons, and we have 200 artisans. Now the gold prices has increased from INR60,000 to INR1.5 lakh. Now the same artisan is still doing 1,000 grams, okay? He has not -- his potential is to do 1,000 grams.
- So in rupee-wise, my capacity has increased to, let's say, INR3,000 crores from, let's say, INR1,200 crores before, right, when I did the IPO. So because of the value of commodity price gets -- getting increased, it is -- right now, we're in a comfortable state still despite doubling our revenue. And I think right now, we are not looking for any kind of capex in manufacturing setup. We are at a comfortable scenario.
- Sahil Patani:** Got it. Got it. Thanks for that. And my second question is, Harit, with these 4 new stores coming up this year, by how much are you expecting to grow your top line and bottom line for '27?
- Harit Zaveri:** I think in the scenarios like this, we would really not give out the guidance for this year. Not that we are not optimistic for it or anything, but let us reserve this guidance. Let us talk about the month of April or mid-May. It has been good. April has been very good.
- May, we are yet to have 15 days more. So we cannot even comment about the month, May. But I think we -- to talk about future or coming season or etcetera, we are optimistic. I can just say that. We are investing. But we don't know exactly what is going to be? How the scenarios are going to turn up, etcetera...
- The market is huge, market is big. It is not that India is a concrete consumer market. So nothing inverse is going to happen. We are -- and hence, we are looking for the market very aggressively. There might be a haircut here and there. But we don't know even if that is going to happen or not. Let us wait and watch. There is no guidance for this year, frankly saying.
- Sahil Patani:** Okay. Yes, that is fine. Basically because previously, whenever you've guided, you've more or less met it, right? So it's fine that you are taking a pragmatic approach. But we expect in the coming quarters, when you see kind of the picture getting clear, you kind of give some sort of an estimate in the future quarters.
- Harit Zaveri:** I would be very honest in that case, you would be getting guidance or etcetera, stuff. Once -- see, it is too early. The government has just announced it in a very recent time. We -- the market has reacted in a different way. We are waiting how the consumers are reacting. And it is too less time for me to judge, generalize or understand anything and tell you.
- Moderator:** We take the next question from the line of Deepesh J. Sancheti from Maanya Finance.

- Deepesh Sancheti:** Can you hear me?
- Moderator:** Yes.
- Deepesh Sancheti:** Yeah, hi. Hi, Harit, sorry, I've been late, just landed, that's why. Just wanted to understand, I have only 2 questions. One with Shringar coming into wedding jewellery, how much of a competition would you face? Have you -- especially into the B2B?
- Harit Zaveri:** Not really. I mean, seeing there -- I think they are coming into a plain gold segment of wedding jewellery. We are into an antique segment of wedding jewellery. So as such, there is no competition.
- On the other side, they are -- the Ahmedabad antique jewellery is very different from another regional antique jewellery. And generally, when a company comes, it takes time to mature itself in terms of any goods, whatever the product category they offer. Right now, we are not seeing any impact of Shringar as such.
- Deepesh Sancheti:** Okay. Great. That's we happen to know. And the second thing is now with the current -- I mean, the gold prices increasing, the government focus on reducing gold imports with more of -- especially with this duty and sales increasing, a lot of gold from the black market would come in. How much do you see that the corporate business will be affected because of this, because there will be a difference in the prices which the corporate will offer and what the normal jewellers can offer?
- Harit Zaveri:** So see, you are partially correct that the prices of the unorganized or the local jewellers would be different from the corporate jewellers or their cost would be different, let's say. But the consumer market will run on the brands and you know the trust that they have, etcetera. So let me -- again it is too soon for -- to gauge anything because the news are very recent.
- Let the time pass. I think a couple of months or 1 month at least to observe will be a very nice thing. In fact, a quarter will be a very right thing. I think by August 12, when we come up, we should be able to say something more better and concrete, and how the IIJS turns up. I know you have been visiting IIJS and etcetera. I think let us look at the market.
- And -- I think still from the company's point of view, we are optimistic, but at the same time, we are conservative. We are conservative in the sense that we will -- we are not the -- from the current market level, the inventory is 20%, 25% conservatively kept. And I think those are the good signals that we are having. Otherwise, we are optimistic in terms of a long-term expansion plan.
- Deepesh Sancheti:** Right. And if I can squeeze in one more question, that how confident are you, especially with the new store openings? You think that even in this kind of scenario, you will be having all the openings on the prescribed date only or you want to go slow. How you as an entrepreneur are looking into this?
- Harit Zaveri:** So we want to enter the market in a season time. Market is big. Opportunity is there. There is a clear transformation from the unorganized market to the organized market. We really think there

is an opportunity, doing all the studies about the pan-India players and etcetera, in Gujarat, their presence, etcetera, is really motivating us to go ahead very -- as fast as possible and covering the market of Gujarat.

I think we should -- from the company's point of view, we should not waste more time and scale as much as possible. Short-term hiccups and all are okay. We are here for the business and for the long term. So there is no question about consumption, and there is no question about the transformation, both are happening.

The short-term things can -- yes. I mean, ultimately, if you see, Modi has told that for do not purchase for 1 year. It will not be -- it is not going to be longer. Otherwise, also, this is a lighter note, but the statement will -- let us see in a month or 2, what is actually happening. Otherwise, we are in for store expansions.

**Deepesh Sancheti:** Okay. Always a pleasure to talk to you. And all the very best for the store openings. And we are looking forward to be in the store openings also.

**Moderator:** We take the next question from the line of Moksh Ranka from Aurum Capital.

**Moksh Ranka:** Sir, I want to understand, you made around INR92 crores EBITDA in FY26. So can you provide me a breakup how much of it was in B2C and some B2B, like a ballpark number to understand?

**Harit Zaveri:** I think I don't have the numbers very much handy as of now. You are talking about margins and etcetera. But what I can really tell you is I think from the revenue contribution side, sales of merchandise, if you look at it, we have INR1,251 crores, which is the total value of merchandise. Now if you divide into B2C and B2B, around INR850 crores or INR840 crores is into B2B and INR408 crores are into retail.

Now breaking that up, I think it's 33:66 ratio. And generally, we get a lesser margins in wholesale and in the B2B segment and in the B2C segment. I think there is a 3% or so margin difference. So I think that will be sufficient for me to derive every numbers, be it EBITDA, OPM, etcetera.

**Moksh Ranka:** Okay. And also like we are into antique jewellery and antique jewellery is like the highest margin segment in terms of markups or whatever. So...

**Harit Zaveri:** In terms of gold jewellery, yes. Otherwise, diamond would be the highest margin segment. But in gold jewellery, antique will be the highest margin segment.

**Moksh Ranka:** Okay. So generally, like what -- so the difference between gross margins in B2B and B2C would be just 3%?

**Harit Zaveri:** So when you talk about B2B and B2C, the gross margins -- I was talking about the OPM. But even if you say the gross margin, it depends on the national retailer or the regional retailer or the local jeweller whom you sell.

**Moksh Ranka:** Would you like to provide you a range at which like, for example, I think retail would be around 10% to 15% gross margins you might have and then...

- Harit Zaveri:** Yes, retail would be around 12% or 14% GP. Wholesale will be around 7% to 8% GP. B2B will be around 6% to 7% and 8% GP.
- Moderator:** We take the next question from the line of Raj Shah from RK Family Office.
- Raj Shah:** Am I audible?
- Harit Zaveri:** Yes, Raj.
- Raj Shah:** Yes. So sir, after considering Rajkot and Surat, what will be the peak debt? And are we comfortable at that number?
- Harit Zaveri:** See, business is fundamentally right. Now leveraging that, we are right now under leveraged. I think we are very much comfortable given the position we are in to even have this year, we are having an equity of INR300 crores. By the time we open showroom half year, we are almost in the quarter 2 of the next year. So I think we are in a very comfortable situation with respect to debt equity ratios, etcetera. I don't see any challenge over there.
- Raj Shah:** So 1:1, we are targeting, like INR300 crores of equity and INR300 crores of debt overall like broadly?
- Harit Zaveri:** 1:1, 1.2:1, 1.5:1 is what we are targeting. It should be good. I mean, that's the right -- we particularly believe even if you see in the peers competition, etcetera. People work at high debt levels and meet any of the larger companies, etcetera. And I think those debts are reasonable enough. 1:1 is in fact the right thing, but we can leverage it to 1:1.5 also.
- Moderator:** We take the next question from the line of Rishii Kothari from Capital Bridge Advisors.
- Rishii Kothari:** On the retail front...
- Moderator:** Sorry to interrupt you but your audio is not clear. Could you please use your handset.
- Rishii Kothari:** Is it audible now? Hello?
- Moderator:** Yes. Please go ahead.
- Rishii Kothari:** Thank you so much for taking my question. On the retail front, which more or less company's focus is on going forward. As you said that we have 2 sets of the retail store format. One is flagship and other is mid-tier market segment kind of a format, right? So that you categorize with population thing that all the sort of open this particular thing. We have our retail format channel property. But are there other factors that influence the sort of retail format we go with from opinion on that.
- Harit Zaveri:** So basically, the demographic study that you'll be asking for, what is the grammage of gold consumption per capita is what we will be understanding. We'll be studying the competitive markets. We'll be studying the space that we really have inside that area, etcetera. We would be wanting to study in the catchment area of, let's say, around 7, 6 kilometers, do we have another opportunity?

What -- there's a lot of research that goes into it. But ultimately, if there is a marketplace and if it's a growing market space -- place, we would certainly want to go in. We have an understanding about merchandise quite deeply as we are attracting into the same market of Gujarat, right?

So Ahmedabad, we have got a very good success despite having 0 legacy. The store is new, fresh, the brand is new fresh, and we have proved that in the few years in retail, even in the jewellery segment, things can roll up very easily. And it gives us a real motivation to actually go forward and dive in other marketplaces.

**Rishii Kothari:**

Okay. Understood. Makes sense. So following up to this question, I mean, of course, you already have 2 open new stores in Tier 1 cities, but do we have any sort of future plans? Because I know it's a bit early to ask for it, but Tier 3 or Tier 4 cities there is a small set of jewellery shop format that I think most of the market that you're looking at is pretty much unorganized in nature. I think that's where the real market capture could be for us. So are we have that sort of future focus for the company?

**Harit Zaveri:**

See, if you're talking about placing the brand into Tier 3 or Tier 4 cities, if there is a consumption, I mean, why won't the brand go? Let us map out which are the low-hanging fruits. And basis on that the strategy will be prepared where to really place ourselves or not. Currently, if you look at it in Gujarat, Ahmedabad, Surat, Rajkot, Baroda are 4 prominent cities. We should be targeting at opening these kind of cities and making the brand more stronger by opening more stores within the same city.

So if there is a good opportunity for a Tier 3 or Tier 4 city, we see that, we will go forward and we will do it. But as of now, in this calendar year, 4 stores is what is coming up, 2 large and 2 mid. But the company is open for any kind of retail stores in the coming years, if the opportunity is there.

**Moderator:**

We take the next question from the line of Yash from Dande Equity.

**Yash:**

Yes. So just wanted to understand, I kind of understood what you just explained about how your wholesale manufacturing capacities at 50% to 60%. With our retail growth endeavors for the next 2, 3 years, when you think our capacity will hit higher 80%, 85% digit numbers in terms of capacity utilization?

**Harit Zaveri:**

See, even if the retail stores are coming, the retail model is also getting the work done, we are also getting the job work done from other vendor players. So first is that using the in-house capacity versus doing the combination of getting the products sourced plus doing in-house. I think the combination really works well.

And at least for a couple of years, let us understand where the gold price is heading, what is actually happening and then take a call. See, to increase the capacity is not -- it is not going to be that much of a problem. The supply basically is not a problem. So the issue would be that if the gold price jumps from here to, let's say, 2x, I don't know whether it's going to happen or not.

Even INR60,000, we thought the prices are high. So if it -- then there will be almost no need of increasing capacity from here on. But let us study, let us understand the market better. Right now, we are at 50%, 55%, that is the truth.

**Yash:**

Right. My second question is regarding this whole studded jewellery segment, which seems to be the highest margin, highest growth business. You're looking at BlueStone, CaratLane, a couple of new-age players coming in, especially, I don't know about West India, but at least as far as South India is concerned, studded jewellery is doing very well as a segment in terms of margins, EBITDA growth, revenue growth, top line growth.

What -- I do get the focus on antique jewellery. But I want to understand from you that from lab-grown diamonds to studded jewellery, every day jewellery, what's your view on these segments? And when are we going to do something in this sort of a market?

**Harit Zaveri:**

So right now, we are not doing lab-grown diamonds. Right now, we are into the daily wear jewellery and the occasion jewellery, be it antique or diamonds. How much aggressively we are looking for studded jewellery, that is a diamond jewellery if you're asking that type of a question, company will have -- company as a whole has a view of still being into the segment of antique jewellery and realizing its potential.

So you have seen that, okay, diamond jewellery does well in terms of margin. But in gold category, being the safest category, antique has a very good margins. So -- and it's a very safe thing to play.

Now with gold, you can really take the risk of expansion and there is no cash flow stoppage in this because gold itself is liquid. So it's a good place to be and if you strategically look at it, you can explore, experiment. And if it fails even, let's say, 5%, 10%, then you can remelt it and reuse it.

With diamond it becomes tough, you need a very different kind of an ecosystem, etcetera. We, as a company, will be developing that. And the strength is antique jewellery, we will be utilizing the strength for the expansion. So we are keen on taking aggressive steps too in all the categories or taking forward the steps in all the categories, but aggressively looking at antique right now.

**Yash:**

Right. No. But do you see potential in the categories that I just mentioned to you?

**Harit Zaveri:**

Yes, yes, I see potential in diamond jewellery, studded jewellery. Why not, there is a market.

**Yash:**

Right. Because obviously, I mean, just on the diamond jewellery, I did read a post by Economic Desk saying that diamond -- natural diamond jewellery hit a decade low or 2 decade a low in terms of their pricing, right, natural diamonds jewellery. So that is one thing.

And the second thing is at least as far as the next generation is concerned, right, the Gen Z or the generation above that. As far as they are concerned, I think they are more into everyday jewellery, nothing too flashy and Solitaire and lab-grown diamonds and studded jewellery in a very basic sense.

So I really hope you kind of look at that segment too a little more seriously. The antique jewellery is a great segment, but I also believe that the studded jewellery is a low capital-intensive business compared to pure gold business.

**Harit Zaveri:**

I mean, let us look at the market, see the size of market for antique jewellery is very big. So when you're talking about other markets, like are we having diamonds? Yes, we are having diamonds as a category. Are we looking forward for that thing? Yes, we are looking forward for that thing.

Now lab-grown and all, we are really not looking for it. And as for the consumer behavior goes, the Gen Z and all, the first shopping that any girl does by herself is her wedding jewellery, right? So you can really take an example of your own families that when a girl genuinely selects a jewellery for her own, that is the first occasion, is always the bridal occasion.

And post then, when she enters the stage of 30s, she basically enters into the daily wear segments of jewellery, celebrating her anniversaries and joyous occasions, etcetera. So when they are selecting the bridal jewellery, we are right on it. We are sitting on the antique jewellery segment.

So who is catering to the first customer, who is going to be a Gen Z customer looking forward for a gold jewellery, it will be our brand, the positioning way. I mean the occasion wear. What you're talking about daily wear, yes, Gen Z will wear daily wear, but when?

Are they going to daily wear jewellery like gold and all in college times? No. Post the college time when they are getting married, they are getting married in the occasion wear and then they will be buying the daily wear jewellery on their anniversaries, etcetera, what I mentioned. Hence, this is how the consumer behaviour is working for us.

**Moderator:**

We take the next question from the line of Rajender Passi from NP Analysts.

**Rajender Passi:**

Am I audible?

**Harit Zaveri:**

Yes.

**Rajender Passi:**

So I wanted to ask like as the gold prices have risen so much, right? So across industry, we are seeing a trend that there will be exchange of gold will happen more as compared to the new gold buying by the customer. So what kind of trends are we seeing right now? And what do you anticipate from this part?

**Harit Zaveri:**

See, the sense of -- it is too early to comment on what is the trend that we are seeing. Like you, we are also observing. Are there walk-ins in the store? Yes, there are walk-ins in the store. Is the business happening? The business is happening. Now if you're telling me to show a trend, basically, we will be motivating people to exchange gold.

Do they really want to exchange? Depends on them. Do they want to listen, not listen, behave in whatever ways, we are here to analyse and then react, okay? Our intention is to sell jewellery in whichever mediums it is possible, be it exchange or be it a fresh buy.

Now, I think more or less, it is -- the gold prices have risen, etcetera. This has happened in past, in historic ways, gold has always risen. And we see that generally 40% to 50% of the jewellery is exchanged and 40% to 50% -- or 50% to 60% is a new buy. Will this trend change? I don't know. Let me gauge it for at least a month or 2 or a quarter.

**Rajender Passi:** So as of now, you're saying that it is already at 50%?

**Harit Zaveri:** Yes, it is showing the same momentum, a little bit exchange has increased, but this is too soon or data. I mean, what I will tell you in 3, 5, 10 days.

**Rajender Passi:** Yes, that is fine. And my second question is like from -- and if I have heard it correctly, you mentioned that from the starting of FY27, we have started on the daily wear segment as well.

**Harit Zaveri:** Yes.

**Rajender Passi:** So what kind of growth are we expecting? Or do we have any internal numbers from the retail side? Or what kind of orders are we expecting? Or have you had any discussions from our wholesale side, whether it is from the job work or B2B side? So any insight from that part?

**Harit Zaveri:** So we are in daily wear segment, we are already doing good daily wears in terms of our retail store. The consumption is approximately 35% of daily wear and 65% of occasion wear. Now when it comes to B2B segment, we are doing a pilot testing. In IIJS, we will be launching a few varieties of daily wear.

Let us sense how this comes across. And post that, I think -- post the learnings and the learning curve will be developed, and then we will be telling you how are we really launching it? Or -- this is just a pilot testing that we are doing for B2B side.

**Rajender Passi:** And in carat terms, like what all have we launched as of now, like from 10 carats or maybe 18 carats, 20 carats?

**Harit Zaveri:** Yes. So in antique jewellery, 18 carats is what we have really sold in the quarter 3, there is a good interest of corporates looking for 18-carat antique jewellery. The company has also made some color stone collection, which was needed again by corporate. And it has turned out to be a positive response. But these are collections, let us see the longevity of it. Let us then understand what kind of market.

Generally, the sense is that low carat antique jewellery is still an experiment. This season or this coming year, we'll actually be able to translate at what -- how much kg will be produced in that category. But yes, we are producing 18 carat jewellery as well as a little bit of color stone jewellery also that we have got orders than we have dispatched.

**Rajender Passi:** And what about from the daily wear side on the carat side?

**Harit Zaveri:** So daily wear side, we are -- I told you, right, pilot testing has been done. And in August, we will understand what is the -- how did it work? Did we get orders? Do we need to improve our products much better? What has to be done? That segment will -- we would understand it better

once we get the reviews from the market in a very stronger way. And that is -- the right platform for that would be an exhibition.

**Rajender Passi:** Got it. But as you already mentioned, that we are already doing 35% in our retail showroom, right? So can you provide like the details on that part, like what kind of carat are customers generally picking up?

**Harit Zaveri:** 18 carat is generally picked up more in terms of growth, 18 carat is gaining more growth than 22 carat. But 22 carat still remains as a preferred category.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, that was the last question. And we conclude the question-and-answer session. I now hand the conference over to the management for their closing comments.

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

**Moderator:** Thank you. On behalf of Valorem Advisors, that concludes this conference call. Thank you for joining us. You may now disconnect your lines.