



“Sky Gold Limited Q2 FY2024 Earnings Conference Call”

November 10, 2023



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Sky Gold Limited
November 10, 2023

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY2024 Results Conference Call of Sky Gold Limited hosted by Kirin Advisors. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing “*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors. Thank you and over to you Sir!

Gopal Chandak: Thank you. On behalf of Kirin Advisors I welcome you all to Sky Gold Limited’s Q2 FY2024 con call. From management side we have Mr. Mangesh Chauhan, Managing Director and Chief Financial Officer; Darshan Chauhan, Whole Time Director; Mr. Mahindra Chauhan, Whole Time Director; Mr. Shivang Goyal, Secretarial Advisor; Mr. Jayesh Sanghavi from Finance team. Now I hand over the call to Mr. Mangesh Chauhan. Over to you, sir.

Mangesh Chauhan: Good afternoon. I am Mangesh Chauhan, Managing Director and CFO of Sky Gold Limited. Happy Dhanteras to all of my investors and shareholders and well wishers. A warm welcome to each of you as we convey our investor conference call for Sky Gold Limited, leading you to the financial performance of Q2 FY2024.

Allow me to provide a brief overview of Sky Gold Limited. We established it in 2008. We emerged as a leading Mumbai based jewellery manufacturers specializing in designing, manufacturing, marketing of executive gold jewellery.

We specialize in lightweight 22 carat Jewellery and 18 carat jewellery featuring in extensive portfolio comprising plain gold jewellery, studded jewellery and Turkish jewellery, with a collection of 9 lakh designs we have, we strive to cater to the diverse based of our esteem customers. We are operating on the B2B model, we are B2B manufacturer, we collaborate with esteem jewelry retailers such as Malabar Gold, Joyalukkas, Kalyan Jewellers, GRT Jewellers, Senco gold, along with other large wholesale partners also. This collaboration ensures our products are showcased in more than 2000 showrooms across India, notably 65% of our revenue comes from these customers and 35% of from distributors.

Let me reply to the highlight and financials: Let me talk about that we are a jewellery solution provider in this jewellery industry. We own the designs, in simple terms, we are an outsource design manufacturer. We need to keep in reinventing ourselves to scale up our business as witnessed there is a shift from unorganized jewellery retailers to organized players, this benefits players like Sky Gold also. The market opportunity is large both in the



Sky Gold Limited
November 10, 2023

domestic and export markets, India is gaining share from traditional jewellery manufacture hubs like Turkey and China.

Let us now take you to the highlight and financial of Q2 performance. Sky Gold Limited successfully transmitted to our expanded 81000 square feet manufacturing facility in Navi Mumbai from 18000 square feet. The strategy moves as empired us to process 750 to 800 kgs per month We can produce 750 to 800 kgs per month in this facility. Our Q2 performance strength is a testament for commitment reflect the domestic financial results. We take pride in the growth of witness in this revenue property building. It is a historic good Q2 quarter for our Sky Gold Limited revenue wise. So we have had this positive outcomes are the direct result of heightened professional efficiency. The new facility gives us opportunity to improve margins, constituency of state of features including cutting edge, filtration equipment that minimizes gold loss also during the production process.

I will now hand over to Mr. Darshan Chauhan, our Marketing and Sales Director. He will explain about those facility and all.

Darshan Chauhan:

Hello, good afternoon to all of you. I am Darshan Chauhan, Whole Time Director of Sky Gold Limited. I am mainly looking after the sales of the company's domestic and international markets. So going ahead Q2 was really good for us as per the sales view domestically and internationally also. So slowly, slowly we are looking to explore that the export market also because there is a huge lot of demand of Indian jewellery all over the world. So recently I have been visiting to Malaysia market, Singapore market and the Dubai market. So everywhere the Indian jewellery demand is going good and as it is Indian market is really very strong as there are the festive seasons coming on ahead in this Q3 and Q4 quarter. So festival seasons and wedding seasons will add on to our sales and revenue and we are ready with all kinds of products. We are exploring different, different products also from lightweight to the wedding collection also. So there is a mixed range of our products and diversified products as per the state and region, each and every state and every region in the country. So we are mainly focusing on the traditional based, the regional base and the taste of the customer to give them the best output and with the best production facility available with us and good labor and machinery we can thoroughly, take this opportunity to expand our sales domestically and internationally. International market also there is a very good demand for lightweight jewelry, what we are producing right now. So we had explored that market also. So slowly, slowly going ahead in 2-3 years we will focus more on the export segment also. So that will help us build up the revenue of the company more, and we are dealing with all the good corporates, big corporate office for bulk manufacturing. So we are giving them good services and good products so we are getting good response from that. Overall the sales strategy is to focus mainly on the domestic



Sky Gold Limited
November 10, 2023

market and slowly, slowly explore the export market also and we are adding whatever good clients are there in the market, south market, north market we are adding good clients also. So there are very new clients to explore in domestically also and in export market also. So going ahead with this new manufacturing facility we will do good product mix also, we have a large design bank with us. So we can explore lot a number of clients there. So looking ahead good Q3 and Q4 quarters. Thanks a lot. I will hand over to Mr. Mahendra Chauhan, the Whole Time Director regarding the further brief.

Mahendra Chauhan: Hello everyone and good afternoon to all. I am Mahendra Chauhan, the Whole Time Director of Sky Gold Limited. This is the first time I am interacting with investor and shareholders. Let me mention that we are god fearing people with complete transparencies and welcome you with any constructive feedback. I am taking care of all designs at this point of time we are catering to fine jewellery and even within fine jewellery we are presented in plain gold jewellery, studded jewellery, perl jewellery, kids jewellery and different type of segments and there is a lot of opportunity to expand beyond fine jewellery as well as also. We would be getting categories like wedding jewellery, rose gold jewellery, watches collection, teenage collection more in this facility. We have shifted our facility during Navratri and we have totally 300 people in our old facility. Now the number of count 450 workers, and the total capacity would be more 900 to 1000 people. Our focus here is to reduce the gold loss and improve the quality of manufacturing with the new machines, we are confident about the target. Thank you all.

Mangesh Chauhan: So this was our directors, whom one of directors are looking all the sales and manufacturing one of our Mahendra Chauhan is looking over to designing and development of the products and machineries and all. So I will summarize all this thing. I would like to speak in Hindi also maybe much better.

Basically we are a design solution provider. Though corporate skill solution provide, (hindi) designing (hindi). The hand mate and machine made combination (hindi). Finishing, polishing or filing (hindi). The global concept in India (hindi) so 81000 square feet facility in Maharashtra (hindi) number one. So the best quality manufacturing with lower cost is our target now. We are targeting focusing on B2B space return on capital opportunity, see as far as the 22%-25% return (hindi) improvement with quality and higher share of corporates. We can import (hindi) inventory turnaround (hindi). So we target our receivables from 30 days to 15 days (hindi) inventory days (hindi). (hindi) our high tech machineries will also help the employees. It will help us to grow and take this to our target of achieving 5000 Crores revenue with a good profit and PAT margins. This is our summary, we all promoters up together we brothers are together to take this journey ahead and to achieve the targets of



Sky Gold Limited
November 10, 2023

our company so let us take the questions of the shareholders whatever they have and we can answer them.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Harsh Shah from Dimensional Securities. Please go ahead.

Harsh Shah: Good afternoon and congratulations for great set of number. My first question is on the debt and the investment on our book. So our debt has increased to around 180 Crores, but if I see we also have investments in certain shares we are holding HDFC and TCS shares on our balance sheet. So just wanted to ask why is the management not selling off the shares because these are not core activity of our business. So why do not we sell off these shares of 75 Crores and pay off the debt that we have.

Mangesh Chauhan: So we had the shares before 3-4 years, five years back and we gave them as a collateral to the bank to take the facility at the time we have the demand of cash in our company. So we take took the debt from the company. So it is the valuation is of 30 Crores is got up to 70 Crores. So now we have taken the round of preferential round of 100 Crores. We will be receiving the funds by 20th November and we will be start planning to take care of some debt and sell off this security also. So it was the need of 4-5 years back of need of the company. So we pledge the shares to the bank and take the limit and got our work done. So we had made of the capital. So now we have to completed our preferential round of 108 Crores company will have the huge fund in our accounts and we will do as and when required. This is a good suggestion, it was a need of 24 so the years back now it is not needed to take much debt from the bank, so we are planning to spreads out some debts also and send the security also.

Harsh Shah: That is great to hear and on inventory part. So currently we have inventory of 100 Crores on our book. I think the nature of our business is such that we should not be needing much of the inventory. Just wanted to understand why we have this inventory of 100 Crores.

Mangesh Chauhan: I will tell you the major inventories is in work in progress. So we have 500 employees out of that 250 to 300 employees are working in making the gold. So day in, day out every worker in hand they have 200 to 500 of gold close to them. So we need to hold, this is a manufacturing process, we process that daily process it takes 7 to 8 days to release the jewellery and dispatch to the customers. So work in progress inventories any time of 20-25 Crores inventory ready inventory is there with us to show the new products to the customer, new clients, new corporates which are going to be added to us. We are targeting India's largest one or two leading retail channel stores. So we need to make some new inventory, new items and all. So other than that 75% of work in progress which is needed to produce the jewellery, so it is in day in, day out process new gold comes and gets into the production



Sky Gold Limited
November 10, 2023

unit, some are ready and it get delivered. So this inventory is for just work in progress they daily get dispatched, daily new good comes and it gets into the manufacturing. I hope you understand.

Harsh Shah: Understood, yes, I certainly got it and as you spoke about leading retailers so just wanted to get an update on where we are in terms of our potential tie up with Tanishq if you can give some update on that.

Mangesh Chauhan: I will not name any jeweller, but we are in talks with top most two jewelers, retail jewelry seller stores and we are hoping that we will acquire them in these two quarters. So let us hope we have the facility as per the measures all that norms it is good for that facility should be there. We have facility for our employees of saloon facility, gymnasium recreations, all the facility we have created here for our employees. So this type of facility which the promoter has created for the employee environment is good for the employees to work. Everything is provided to them from food to safety, security, medical, we have kept doctor, permanent doctor for the medical checkup and all for the employees for first aid. So this type of facility is very unique in Maharashtra which we own. So this is a winning point for us that corporates will attract to this and let us see we are in talks with major two retail channel stores and we are targeting them.

Harsh Shah: And last question is on the margin side. So Q1 we were at around almost 5%, which is come down to 3.85%. Just wanted to understand is there any impact of seasonality and what would be the sustainable margins for FY2024 and going ahead?

Mangesh Chauhan: Q1, Q2 quarter (hindi).

Jayesh Sanghavi: Yes, let me explain majorly there is an increase in the other expenses and employee cost and depreciation all of this is because of the shift to the new facility, some of these are onetime expenses incurred for the purpose of shifting, some of them are increase in the fixed cost because we have moved to a larger unit. So all other impact has come in the current quarter because for short time the production was not there, for short time there was simultaneous work going on in both the places. As regards the guidance for margins, this looks to be as in the next few quarters look to be good only because as the quantum increases in this facility the fixed cost will get absorbed better and the margins are likely to improve.

Harsh Shah: Great. That is very heartening to listen and congratulations to all of you Shubh Deepavali and Shubh Dhanteras. Thank you.



Sky Gold Limited
November 10, 2023

- Moderator:** Thank you. The next question is from the line of Pritesh Chheda from Lucky Investment Managers Private Limited. Please go ahead.
- Pritesh Chheda:** Sir, your balance sheet turn was 4.5x until last year when you did 1100 Crores of revenue and 250 Crores of balance sheet. When I look at the balance sheet your working capital at a 3% margin. Now what you are mentioning in the call is working capital reductions further and margin whatever is the last two quarter is the higher margin. So what will drive this shift from 4x or 4.5x balance sheet. We have 4.5 working capital turn whichever you want to put it.
- Mangesh Chauhan:** We are asking for the customers for the best and carry business like large corporates, they give their own bullion to us, own gold to us. So we do not need not to fund our inventory from our side to this large corporates give a gold from their side. We have to just manufacture from them and deliver them and we can create a label. So we are into it. Our receivables are going down. We are taking receivables down by improving our extending facility when the production time is 8 days, we are targeting in this new facility to take to five days, our debtors we are trying to give minimum credit maybe single credit. So this will take us to increase our working cycle capital.
- Jayesh Sanghavi:** These are the methods you are being employed to reduce our working capital investment and bring in more efficiencies whereas on the per kg or a per gram basis the conversion cost or the labor income that is there remains the same whatever lower capital requirement.
- Pritesh Chheda:** So until last year when you were doing 65% of your business with organized retailer and 35% wholesale. You did not have clients which are doing business from cash and carry by giving gold to you.
- Mangesh Chauhan:** Already we are doing with the corporates we are doing by our inventory right now we do not have, only one or two big larger corporate only in India gives them the gold to manufacturer, other corporates of 20 corporate, other 16 to 17 corporate which we have in our bucket of, they take by our inventory only, they do not give, they have that policies but we are targeting like those corporate there then they will give us bullion and we can use labor from them. So this will help to take production high also and utilize the maximum facility. So we are targeting to reduce our finance cost also by taking some measures which is helping these two quarters.
- Pritesh Chheda:** Which means that until last year it was a model which was a fully used or utilized model on this 4.5x inventory turn. If you had the customers which were not using you gold. Then the model is what we see in the last year which is basically some 3.5%, 4% margin and EBITDA with 4.5 inventory turns right.



Sky Gold Limited
November 10, 2023

Mangesh Chauhan:

No. We are not taking in consideration of this large corporate. Whenever they come they are welcome and they will add up to our balance sheet. We are just concentrating on our existing customer, they are on the board. So we like example Joyallukas were giving them credit of 30 days now they are converted to the cash payment we have requested we have given some deals to them and they are converted into cash and carry business. So we are converting our existing customers, so those who are on 20 days we are taking to 10 days closer on 15 days we are taking them to the cash and carry. Now how we will take them is our inventory we are making new monopoly products exclusive products which are not available in the market with other suppliers or manufacturers who cannot make this till one and a half year, two years they cannot copy also then, so this backdrop line of products they are convinced to give us cash fast and the rotation is there. So we are not relying on the huge corporates that will come onboard there will be additional to our balance sheet, but we are looking towards our existing customers changing them to the credit time to lower the credit time increasing our manufacturing facility from eight days to four days to produce the product and all. So these are taking the measures to reduce our finance cost now preferential round also is oversold we have a huge funds and we will not be needed so much huge funds so as and when measures will be taken to improve our quarters.

Pritesh Chheda:

Just speaking the new customer which is to come we keep that aside, or with the existing customer this 4.5 balance sheet turn or let us say some 70, 80 days of working capital, 70 days of working capital that we keep in that system. This can be reduced by how much, 15 days, 20 days, let us say the existing customer only and can you scale up this new facility that you have put from 18000 to 80000 which means that we could have earlier done about 100-150 kg now you can do 750 kg can you just tell if you do it with the existing customer. So my first question is how much can you increase the balance sheet turn and with the existing customer only and how much more can you sell to the existing customer, keeping that new customer whenever he comes aside.

Mangesh Chauhan:

Yes, right now we are making 200-250 kgs per month. So from existing customer we can go up to 500 kgs anytime because as you give the example last quarter Tanishq announced 83 stores, Malabar Gold our existing client announced 85 store in this quarter, Joyalukkas announced 40 stores, Kalyan Jewellers opened 60 stores in last two months. So this existing client only we are expanding. So these corporates for them the stores are getting expanded internally there is a competition (hindi) this is also our client they are also listed Thangamayil is our client. So they are drastically expanding their stores because they have good funds and they have good revenue response in the stores. So those customers already our corporates for them the store count is increasing and already when we were in the old facility they asked us to expand your facility, be ready that we are expanding drastically in next two years. So (hindi). So they are very fast selling manufacturer so they have the



Sky Gold Limited
November 10, 2023

software all over in software the software I guess Sky Gold product (hindi) fast selling. So they refill us and back to back all the orders (hindi) they open account of them because they do not want to deal with them because they are not organized compliance wise and not that all. So (hindi) no large corporates they have capacity of 750 to 800 Crores so we can accommodate them also so we had made the provision for both existing customer (hindi) every year we are doing with them 20%, 30% with every corporates so (hindi) overseas maybe Singapore, Malaysia and maybe (hindi) but domestics (hindi) we can target this with 500 kg (hindi).

Pritesh Chheda: And that working capital (hindi) so 60-70 days is what you are operating now 4.5 time balance sheet turn.

Mangesh Chauhan: Yes, we are targeting this to 35 to 40 days taking just to 40 days. (hindi) so this scenario the new facility which has come so this all scenario is good positive vibes to go ahead.

Pritesh Chheda: So you operated 6% GT and 4.5% margin. (hindi).

Mangesh Chauhan: Our operation margin we are in a capital 20%, 25% run rate (hindi) our gross margins will also improve because (hindi) quarter you will see the results and or shoots of that. So rough margin which is also improve and data will also improve basically our concentration on return on capital (hindi). So let us see our facilities would clients are onboard challenge sales wise the challenge (hindi) sales wise is also good. (hindi) gross margin will improve, EBITDA it will be outstanding I feel.

Pritesh Chheda: Thank you very much sir.

Moderator: Thank you. The next question is from the line of Hasmukh Mushara from SU D Life. Please go ahead.

Hasmukh Mushara: Yeah. Thanks for the opportunity. I have one question, how we are located right behind your sales team or corporate team or to get to let's say 5000 crores sort of a turnover and similar to that? Let's say when. When you say customers like, let's say. Then how do we let's say approach for any new customer or how the whole let's say transaction happens if you can highlight? some throw some light on that.

Mangesh Chauhan: So I will not name anybody but India's largest retail channel, we are having a good conversation with them we have shown our products. We are doing quarterly exhibitions, every quarter we do exhibitions. Export Commercial Council which is our body for jewellery industry, we interact internally also so when they have exhibitions so every quarter we have exhibitions in which our largest stall will be there. All new products will be



Sky Gold Limited
November 10, 2023

displayed. There all international buyers all over the world and India all will visit it. So every quarter when there is an exhibition our new products gets displayed, our existing clients they also come in, their managers come, their bosses come and all clients we want to acquire, the largest corporates they also come to the exhibition, they see our products, our pricing, they visit our facility to see what is our capacity what are our norms. So let us see through exhibition we acquire our clients. (hindi) they are small customers for us, we are seeing them as large customer in the future in two to three years they will get added to us. Every year they will add, they are also increasing one or two stores every month, so if they introduce 25-30 stores every month, this is a mix and match between small, medium and big corporates so exhibition is our main target all big corporates come and we can achieve this target from this line of business and adding new clients.

Hasmukh Mushara: Understood, understood. Any thoughts on how you, let's say, build your sales team or corporate team to get to 5000 crores sort of a turnover in next 2 1/2 years?

Mangesh Chauhan: I have already answered this, but my sales teams and main directors, Darshan Chauhan who has the expertise of sales and marketing over last 15 to 18 years so they are into it for exhibition to go and exhibit and our products reach. Marketing we are not making much expenses because the exhibition expenses we are not able to spend much on marketing (hindi) this corporate come to look, (hindi) so their question is from looking this, we have to just improve our products, quality products, designing should be very cautious and the game is ours.

Hasmukh Vishariya: Thanks for that that is it from my side.

Moderator: thank you. The next question is from the line of Raj Sanghvi an individual investor. Please go ahead.

Raj Sanghvi: Hello, good afternoon sir. Congratulations on a very good set of numbers. Sir just wanted to understand one thing from the export side. I think previously in export I think we were exporting to our existing clients overseas store I think Kalyan Jewellers and Joyallukas and Malabar. So this time have we acquire new clients which are altogether different from the existing one.

Mangesh Chauhan: Yes we have acquired one or two new big client also like in to Dubai also we have 130 stores the corporate I do not name the customer but we have 130 store in Dubai so one of the large corporate Damas jewellery so we have acquired that customer last month only we started business with them so now Darshan bhai also visited Singapore, Malaysia that also we will be delivering them products in next month so we have quite some new clients apart from existing customer already we are giving them.



Sky Gold Limited
November 10, 2023

- Raj Sanghvi:** Second thing I mean we are focusing mostly on the lightweight jewellery, which is somewhat 50000 jewellery. So wanted to understand one thing maybe a few months or few quarters down the line can we think of scaling up this to a midsize jewellery let us say 2 lakh or 3 lakh jewellery since we already have the existing clients and existing relationship with this clients so it will be easier for us to get those kind of jewellery also onboard along with the lightweight jewellery.
- Mangesh Chauhan:** Frankly speaking our vision is not that, we can test it but it is not our vision, day by day we are seeing in the market the youngsters' who are coming, they are not liking heavy, they like jewellery of 5000 to 50000 maybe we go to 60000-75000 but (hindi) every customer can buy seasonal (hindi).
- Raj Sanghvi:** One last question, I understand that we have taken bank loan in cash. So metal loan is also available with quite a branch and I think interest rate is a bit lower so is that option we can consider in future.
- Mangesh Chauhan:** Correct. This quarter only we started exploring the metal gold loan (hindi) we have to give cash component to pay the M2M every day in way out of this loans so now we have completed the preferential of the heavy cash is there in our company will be coming so we will shifting our loan to GMN slowly, slowly which will maybe earlier as I told finance cost reduction is what we are thinking and finance cost will also get reduced in GMN, we are already doing it, it is time to go for gold loan.
- Raj Sanghvi:** Thank you sir, I will get back in the line for another question.
- Moderator:** Thank you. The next question is from the line of Mihika Joshi from Vimana Capital. Please go ahead.
- Mihika Joshi:** Hi, I just wanted to understand that you had a B2C setup in the US right so are there any updates on that.
- Jayesh Sanghavi:** No we are drastically looking that but we have some planning is going on but there is no, we have not sold anything to that subsidiary. So we are just many orders domestic market (hindi), but there are scope at B2B so we are just now concentrating only on B2B manufacturing because the product (hindi).
- Mihika Joshi:** Just wanted to understand (hindi).



Sky Gold Limited
November 10, 2023

- Mangesh Chauhan:** Subsidiary is there we are planning on the backend what to do, launch a new product in next two, three quarters will explore that market what is the potential in that right now we are not looking after that.
- Mihika Joshi:** And what about B2C plans in India if that also something that we are not considering as of now.
- Mangesh Chauhan:** As of now we have something in mind but we are not aggressively going for B2C in these two, three, four quarter because we have unexpected growth in B2B only in manufacturing only as they had corporates are going new corporates are coming, new channel stores are coming so we are seeing a tremendous growth and expansion in this vertical only so we are right now considering in the B2B on the manufacturing unit. We are not considering B2C right now.
- Mihika Joshi:** Okay alright that is it from me.
- Moderator:** Thank you. The next question is from the line of Varun from EVK Limited. Please go ahead.
- Varun:** Hi, thanks for taking my question. First if you can let me know about quarter-on-quarter volume numbers what was our volume in this quarter versus previous quarter?
- Mangesh Chauhan:** Yes, I think I have given the numbers, we have flash the numbers already on the exchanges and you must be have got the balance sheets and all. So let me know if you have any questions maybe I missed that.
- Varun:** How many kgs have we processed in this quarter versus last year how many kilo.
- Mangesh Chauhan:** Okay kgs I have to get back with the figures right now I have not taken that in kg right but only rupees wise and all you can drop up the mail. So right now I do not have that numbers.
- Varun:** Other than debt reduction any other plan for utilizing the preferential money which we will be getting I mean one is the debt reduction any other plans and you already have the capacity it is more like a debt reduction working capital or anything else what you are planning for that.
- Mangesh Chauhan:** No we are just using the capital to, major capital will be used in working capital, some of the part will be used to reduce it, but major for working capital we can introduce new, new products, new jewellery we are targeting now Gulf market Singapore, Malaysia market is open first so they will be giving huge orders we are expecting these two quarters so we have



Sky Gold Limited
November 10, 2023

to process that order also so we will be leading the inventory the working capital for that raw material needed to achieve this goal and acquire this customers and go with them. So right now we do not have any plan to use this capacity we will be using major capital will be use for working capital only and to new design R&D new designs and launch new designs and take the orders from the customer.

Varun: In the business call you mentioned that you are using approximately monthly volume it was around 250 kgs so we are now with this new facility what is the average any incremental which has come up.

Mangesh Chauhan: In these two quarters we are expecting that it will grow up by 20%, 30% we will be growing up the 250 kg, let us see as the quarter is going on so we are achieving in these two, four quarters the quantity will grow gradually.

Varun: So you are saying 25% to 30% increase in volume is expected now. From now onwards itself in the new facility right.

Mangesh Chauhan: Yes, 100% first two months were too little bit we were changing the facility to new some employees were hiring in this September quarter we were hiring the employees, designers and we were getting set up in the facility but from last October first we were very set up to take this advantage so October, November, December, let us see this quarter we are utilizing properly and we will get the benefit of that.

Varun: And the revenue which is increased on quarter-on-quarter basis is it an element of gold price increase also in this or it is majorly volume driven.

Mangesh Chauhan: Gold price has not increased much you can see this SEBI last quarter's SEBI so (hindi). So I do not have the numbers of that ready but I can provide you. So the gold prices you can see last few quarters say 2%-3% here and there, pricing is not much, quantity we have improved, manufacturing quantity has improved (hindi).

Varun: Last question with regards to margin now this quarter I think for the new facility and the changeover it would have impacted now next couple of quarters we will go back to our old margin of around 5% which is expected right.

Mangesh Chauhan: 100% (hindi).

Varun: (hindi) we have reached through a stabilized number or still we are hiring more people last time also you are saying around 400 to 500 you have hired.



Sky Gold Limited
November 10, 2023

Mangesh Chauhan: (hindi) we will not be at that 1500 we will gradually (hindi) and gradually we have to hire 50% of them (hindi).

Varun: One last thing. Sir (hindi) because of new technology.

Mangesh Chauhan: (hindi) it will help us to improve our EBITDA, PAT margin (hindi) we should take us to remind a target to turnover. So it is efficiency related margin improved (hindi) I am sure it will take some time estimate (hindi).

Varun: So in nutshell considering all this is it possible we increase our margin and it may go more than 5% also on a net basis.

Mangesh Chauhan: I will not take about the percentage in numbers maybe I am not about to that but (hindi) I think in one or two quarters it will be best in all the things turnover wise and margin wise and all so let us hopeful to this number. Thank you so much.

Moderator: Thank you. The next question is from the line of Harshil Shethia from AUM Fund Advisors LLP. Please go ahead.

Harshil Shethia: Hi, Sir. Sir (hindi) the large corporates are there like Malabar, Kalyan both are in percentage or in (hindi).

Mangesh Chauhan: Maybe 65%, 68% or something.

Harshil Shethia: Okay, (hindi).

Mangesh Chauhan: (hindi) that they are the distributors distributing our products in that retailer stores.

Harshil Shethia: So (hindi).

Mangesh Chauhan: Yes, different, different products, different, different scenario (hindi) they have to sell that inventory again to the retailers so some little bit benefit we have to give to the distributor but products will depend (hindi).

Harshil Shethia: Okay thank you.

Moderator: Thank you. Next question is from the line of Rahil Shah from Crown Capital. Please go ahead.



Sky Gold Limited
November 10, 2023

- Rahil Shah:** Hello, Sir. Good afternoon. (hindi) 5000 Crores (hindi) PAT margin, EBITDA margin target (hindi) you have shared that.
- Mangesh Chauhan:** I will not talk into the percentage (hindi) so I think it will help to grow our margins at good numbers, but I will not talk about the percentage number but I think it will go good.
- Rahil Shah:** And just to confirm you said inventory days target is 35-40 days, right.
- Mangesh Chauhan:** Yes.
- Rahil Shah:** How much time (hindi).
- Mangesh Chauhan:** I think in 3-4 quarters (hindi).
- Rahil Shah:** Okay. Thank you.
- Moderator:** Thank you. Ladies and gentlemen, we will take that as a last question. I would now like to hand the conference over to Mr. Gopal Chandak for closing comments. Over to you Sir.
- Gopal Chandak:** Thank you. Thank you very much for joining the conference call of Sky Gold Limited. If you have any queries you can write us at kirin@kirinadvisors.com. Once more thank you everyone for joining the conference.
- Moderator:** Thank you. On behalf of Kirin Advisors that concludes this conference. Thank you for joining us. You may now disconnect your lines.
- Mangesh Chauhan:** Thank you so much. Thank you all of you my investors, happy Diwali and happy Dhanteras to all of you. Thank you.