



KEWAL KIRAN CLOTHING LIMITED

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Date: October 18, 2025

To,

<u>National Stock Exchange of India Limited</u> Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(East), Mumbai-400051 NSE Code - KKCL	<u>BSE (Bombay Stock Exchange) Limited</u> "Phiroze Jeejeebhoy Tower", Dalal Street, Mumbai-400001 BSE Code – 532732
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Dear Sir/Madam :

Sub: Transcript of the conference call on Q2 & H1 FY26 held on Thursday, October 16, 2025.

In continuation to our letter dated October 09, 2025 and pursuant to the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please be informed that the Company had convened and participated in the conference/analyst call, details of which is as follows :

Date & Time of Meeting / Call	Investor / Analyst / Event	Type of Meeting / Call
October 16, 2025 – 12.00 noon	Earnings Conference Call for the Quarter Ended September 30, 2025 - All Investors / General Public / Analyst	Virtual - Group Conference Call

We now enclose herewith the transcript for the said conference call. The same is also available on the Company's website at

<https://www.kewalkiran.com/investors.php#Press%20Release%20/%20Conference%20Call%20Recording%20&%20Transcript>

Kindly take the same on record.

Thanking you.

Yours Truly

For Kewal Kiran Clothing Limited

Abhijit B. Warange

President – Legal & Company Secretary

Encl.: a/a



“Kewal Kiran Clothing Limited Q2 and H1 FY’26 Conference Call”

October 16, 2025

Disclaimer: E&OE - Some portion of the concall audio spoken in language other than English has been translated in English language in this transcript for ease of reading. Further, in case of discrepancy, the audio recordings uploaded on the website of the Company will prevail.



**MANAGEMENT: MR. HEMANT JAIN – JOINT MANAGING DIRECTOR –
KEWAL KIRAN CLOTHING LIMITED
MR. PANKAJ JAIN – PRESIDENT, RETAIL – KEWAL
KIRAN CLOTHING LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Kewal Kiran Clothing Limited Q2 and H1 FY'26 Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone.

Before we begin, a brief disclaimer:

The presentation which Kewal Kiran Clothing Limited has uploaded on the stock exchange and their website, including the discussions during the call, contains or may contain certain forward-looking statements concerning Kewal Kiran Clothing Limited business prospects and profitability which are subject to several risks and uncertainties, and the actual results could materially differ from those in such forward-looking statements.

I now hand over the conference over to Mr. Hemant Jain – Joint MD, Kewal Kiran Clothing. Thank you and over to you, sir.

Hemant Jain: Good afternoon, everyone and thank you for taking the time to join us today. Welcome to Kewal Kiran Clothing Limited Q2 and H1 FY'26 Earnings Call. I am joined by Mr. Pankaj Jain – President (Retail) and Marathon Capital, our Investor Relations Advisor.

This has been another strong performance-lead quarter for KKCL. We have delivered double-digit growth on both consolidated and standalone basis, a clear testament to the strength of our brand, our focused execution and the resilience of consumer demand in a buoyant market environment.

Let me walk you through some of the key highlights for the quarter:

Consolidated revenue for Q2 FY'26 stood at Rs. 354 crores up 14.9% year-on-year, led by strong growth in both apparel volume and value. Standalone revenue grew by around 14% year-on-year to Rs. 288 crores with solid contributions from both retail and non-retail channel. Apparel volume growth on a consolidated basis was 17.3% year-on-year, highlighting robust consumer demand and improved market penetration. Average relations per unit improved by 22.1% year-on-year, driven by higher full-price sales and richer product mix. This performance underscores the strength of our portfolio and our ability to engage aspirational consumers through trend-forward, lifestyle-led merchandise.

On the profitability:

EBITDA came in at Rs. 71 crores, reflecting 11% growth year-on-year. EBITDA margins stood at 20%, ahead of our guided range of 17% to 18%. The margin expansion was supported by operating leverage from higher volumes, optimized product mix with stronger contributions from Killer, Kraus and Junior Killer and our continued focus on cost efficiency across the value chain.

On the expansion front:

Revenue grew 14% in the retail channel and 15% in non-retail, showcasing healthy growth across formats. We added a net 29 exclusive brand outlet (EBOs) during the quarter, taking our total to 652 stores as of September 30, 2025. These expansions were led by Killer, Lawman and Kraus. Killer alone now operates 437 EBOs, underscoring its dominant brand presence. Our store rollout this quarter focused on Tier-1, particularly malls. Tier-2 and Tier-3 cities aligned with our broader strategy of expanding lifestyle accessibility in under-penetrated markets.

Brand Movement:

We were also encouraged by the positive response to our spring-summer 2026 trade show across all major brands – Killer, Kraus, Junior Killer and Integrity which gives us strong visibility for H2 booking and reinforced channel confidence.

Coming to our outlook and strategy:

We welcome the recent decision by the Government of India to reduce GST on selected Apparel price points, a move that will enhance affordability and boost demand at the retail level. We see this as a significant tailwind and KKCL is well positioned to benefit.

In addition, India's favorable demographics, rising income and evolving lifestyle aspirations continue to make it one of the world's most attractive consumption markets. Early indicators for the festive season are also encouraging with positive channel feedback and an improved demand outlook, supported further by the recent GST changes. With our established and trusted brand, agile and stable retail model, KKCL is well positioned to capitalize on the structural growth opportunities ahead.

Our strategic priorities remain focused on deepening our presence across EBOs, national chains and MBOs, expanding our product portfolio and cementing our place as a multi-brand lifestyle powerhouse catering to India's diverse and dynamic consumer base. We are confident that our disciplined execution, design-led approach and deep consumer connect will drive sustained value creation in the coming quarters.

Our Vision 2028 roadmap continues to unfold as planned balancing scale, profitability and innovation and our results for Q2 and H1 FY'26 are a strong reflection of its successful execution.

With that, I would now like to open the floor for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited. Please go ahead.

- Sucrit Patil:** Good afternoon to the entire KKCL team. I have two questions, one for Mr. Hemant Jain and one for Mr. Pankaj Jain. Mr. Hemant Jain, my question to you is, looking ahead, what are the key priorities for scaling KKCL's brand portfolio, especially in terms of new categories, regional expansion or youth-focused formats? How do you plan to strengthen the brand's visibility and customer engagement over the next two years? Thank you, sir.
- Hemant Jain:** See, there are two, three things in that. Firstly, we are very much focused on opening of retail outlets. And secondly, we have to connect with the consumer, like social media or advertisement. So, the strength is that. See, and thirdly in the future we may acquire more brand for inorganic growth. So, this is what we have planned on till 2028. This is the way we will move ahead. So, our major focus is to open the first retail store. And now what we are doing is that earlier the stores that we were opening were around 600 square feet to 800 square feet, now, we are starting to open 1000-plus square feet stores. And we are encouraging, today we have Killer man, Killer Junior. We do not have it for women, so we are working on that and in future we are going to launch Killer Women wear. That is what our strategy is.
- Sucrit Patil:** Okay, sir. Thank you very much. And I believe Mr. Pankaj Jain is also on the call today.
- Hemant Jain:** Yes, he is with me only.
- Sucrit Patil:** Yes, sir. So, coming back to the same point, as you plan for the next phase of growth, how do you see the entire plan of action taking place across Tier-1 and Tier-2 cities? What is the plan that KKCL has going ahead with this?
- Pankaj Jain:** So, every brand has been planned, and their entire brand strategy is different. Killer is already under auto phase mode. We have already tried to penetrate the Tier-2 and Tier-3 cities. In fact, we have now started entering the Tier-1 presence there and the metro cities. On the Integrity brand, we have tried to penetrate the value segment. Lawman, we are trying to reposition it as a D2C brand and focus more on Gen Z. After acquiring Kraus, we have already added a separate TAM. So, every brand has been categorized differently and adding a separate TAM to it. And last year, when we launched Kids also, that also added to a separate TAM to KKCL. So, we are now trying to portray Kewal Kiran as a house of brands.
- Sucrit Patil:** Okay sir. Thank you very much for the guidance and I wish the entire team Happy Diwali and best of luck for the next Q3. Wish you all the best.
- Moderator:** The next question is from the line of Anuj D, Antique Stock Brokings. Please go ahead.
- Anuj D:** Hi, congratulations on a great set of numbers. Just two questions from my side. So, since the acquisition of Kraus, how has the working capital sort of evolved and has it now converged with the company's level of efficiency or is there more room for improvement in terms of integration and improvement in the working capital side? That is my first question.
- Pankaj Jain:** Are you going to ask the second question also or should I answer this first?

- Anuj D:** My second question is regarding the EBO store addition guidance. So, what is the target for EBO store expansion? And you had also mentioned that the square foot expansion that we are looking at is a bit higher than earlier. So, how is the CAPEX per store?
- Pankaj Jain:** Anuj, I could not get your second question okay, but I will answer the first one first. When we acquired Kraus, there was a detailed strategy or planning in terms of how the integration will happen. First, it was in respect of the margins. Currently, the EBITDA margins are in line with KKCL. That is one. Growth also has been in line with KKCL. Second, the priority was regarding the working capital. The working capital, if I see on a quarter-on-quarter basis, the working capital has been reduced, but it has not yet reached the level as what KKCL has reached. I think it should take more one or two quarters to achieve that level.
- Anuj D:** Sure sir, thank you. I was going to rephrase my second question.
- Pankaj Jain:** Just to add, the working capital for Kewal Kiran for the quarter 2 stand at close to 132 odd days, whereas for Kraus, it stands at 151 odd days.
- Anuj D:** Sure, that is really helpful for the numbers. So, my question is regarding the store expansion guidance. And since we are opening larger stores, how much is our CAPEX per store in these larger stores that we are planning to add? If you could share that, that would be great.
- Pankaj Jain:** The CAPEX as well as the OPEX or the working capital should stand at around Rs. 4,500 a square feet.
- Anuj D:** Thank you for your answer. I will join back into the question queue for the follow up. Thank you.
- Pankaj Jain:** Thank you.
- Moderator:** Thank you. The next question is from the line of Keshav Garg, Counter Cyclical PMS. Please go ahead.
- Keshav Garg:** Sir, I just wanted a clarification. Sir, last time you mentioned that within three years, company had plans to monetize the current corporate office of 5.5 lakh square feet in Goregaon. So, are we on track to do that and have some more clarity emerged on that? And sir, 5.5 lakh square feet is the total land that is there or 5.5 lakh square feet is the total built-up area that is there?
- Hemant Jain:** Sir, one thing is that the 5.5 lakh square feet is the completely built-up area. It is not the land.
- Keshav Garg:** Okay, sir. Sir, and how much will be the land?
- Hemant Jain:** The land is around 7,000 meters. It is around approximately 7,200 or 7,500 odd figures. So, that is the land size. But when we multiply into the FSI, it is a multiple of five for FSI. So, we build around 5.5, the parking space is free and a lot of other things are free. So, that is how 5.5 lakh square feet. Secondly, you said that we are doing something in the next three years. So, the first

thing was that when we acquired a land where we will build our office. Until our office is not built, we do not have anything in our plan whether we want to sell it, buy it or build it.

Keshav Garg:

Sir, will it be done in three years or will it take some more time?

Hemant Jain:

See, we are talking about shifting in three years. Like we are constructing a new building for our office. Until we shift there, we do not have any plan. And the plan is not that we only have to build it. May be we could do a joint venture or if someone gives a good rate, we may exit. It is too early to say anything, boss.

Keshav Garg:

Right, sir. Sir, and my second question is that, the multiple brand strategy. Sir, if you see, all the good companies have only one brand and they focus on that. You can see Jockey. And the rest of the people have opened 50 brands and are sitting in one company. And they are investing 8% revenue of sales in advertising. But sir, if you see Levi's, it is one brand. If you see Pepe Jeans, it is one brand. So, sir, why do not we focus on Killer? And these useless Lawman, Integrity and Easies. Sir, what does it mean to launch multiple brands? Sir, if you launch multiple brands, the mind space of the customer also goes away. Our advertisement spend also spreads out. And sir, when you have bought Kraus ladies jeans, then will not be any conflict with killer female between the two?

Hemant Jain:

Look, first of all, you have to understand the mindset of the consumer. In today's date, the more retail space you have, the more you can build your brand. Like Killer, Killer is still the flagship brand of Kewal Kiran. Even today, we generate 65%, 70% business from there. But in today's date, you cannot increase the company by taking only one price point and one segment. See, in future, we have told that we have to do Rs. 1500 crores in three years. But our internal is different. We have to become very big. We have to focus on retail in future and we have to bring the individual brand on growth. India is such a vast country. Can your driver sit with you in the same hotel and eat with you? Then why do you make him sit on a different table? So, this is a segment. You have a price segment for every brand. You have to do different work at different prices. If I am selling a garment for Rs. 1000, then you feel that the customer of Rs. 5000 will buy the same garment? So, you have to build a brand. You have to build a brand at different prices and different qualities. See, you are thinking for today? I am thinking that my next generation, like today is my first generation, our next generation should also make our company more bigger. So, you have to do it in that way. If any company plans strategically, then they do it after a lot of thinking.

Keshav Garg:

Sir, this was just an observation. But in any case, Sir, all these brands, are they owned by the company or the promoters?

Hemant Jain:

All of them are owned by the company.

Keshav Garg:

Right, sir.

Hemant Jain: We do not give any royalty on it. There is no royalty payment. Nothing. All are registered under Kewal Kiran Clothing Limited.

Keshav Garg: Great, sir. Sir, who is owning 50% of the Kraus that we have bought?

Hemant Jain: Ravi Punjabi, the actual old brand owners are with us.

Moderator: I am sorry to interrupt you. Sir, I would request you to join the queue for the question.

Keshav Garg: Sure. Thank you.

Moderator: Next question is from the line of Navin Baid from Nuvama Asset Management.

Navin Baid: Thank you for the opportunity. Sir, what is the channel mix that we are targeting over the next couple of years? Or across channels, retail or non-retail, what is the margin differential? This is my first question. The other question is across brands, if you could just highlight and categories also, so what is the margin differential?

Pankaj Jain: The retail as well as non-retail this quarter, both have grown close to around 15%. On the composite mix, on the EBITDA, almost it contributes similar also.

Navin Baid: So, going forward, the mix will remain the same for retail or non-retail over the next couple of years.

Pankaj Jain: Right now, it is 54:46. I think going forward also, it is going to remain similar.

Navin Baid: Okay. My next question was on the margin differential across brands.

Pankaj Jain: We generally do not comment on the margins across brands.

Navin Baid: Just some color which are premium brands where the margin is higher than other brands?

Pankaj Jain: Okay. On the overall business, I can just tell you that Killer contributes the highest and where the margins would also be the highest.

Navin Baid: Okay, got it. Just one more question if I can squeeze in. When we open a store, typically in the first year, if you were to compare that particular store with a mature store which is three, four years old, what is the revenue that you are able to generate? If your mature store is doing let us say Rs. 5 crores per year, then in the first year, how much does the new store generate? Roughly?

Hemant Jain: See, it is like that we map any store according to its per square feet. If I have a store with 800 square feet, then we are targeting to have a business of at least Rs. 1 crore. And year-on-year, we say that there should be growth of 10% at the SSG level but normally it sits between 5% to 7%. If we look at the last quarter, at the SSG level, our growth is 9%.

Navin Baid: Okay. My question was that if you target a revenue of Rs. 8 crores in an existing store, so for a new store and similar size store, typically in the first year, the revenue will obviously be not Rs. 8 crores. So, what revenue would that be?

Hemant Jain: In today's date also 85%, 90% business is operated with the FOFO model. So, we work on them with revenue. The revenue should be 12% in the first year and next year is the 18% and then 24%. Sorry on ROI basis. Accordingly, working is on that. According which area you are opening the store, what is the rent, how much is the square feet, on that basis our business plan is made.

Navin Baid: Got it. So, ROI metrics are 12%, 15% or 18%?

Hemant Jain: 12%, 18% and 24%.

Navin Baid: Okay, 12%, 18% and 24%. Sorry, my bad.

Hemant Jain: So, normally we try that ROI sits between 16% to 18% for the first year.

Navin Baid: Okay, got it. Thank you.

Moderator: Thank you. The next question is from the line of Pawan Kumar from RatnaTraya Capital. Please go ahead.

Pawan Kumar: Sir, first of all, the growth in Kraus was a little below expectations. Is it because we are trying to reduce working capital days? And going forward, what is our expectation in Kraus? And you said one more thing in your commentary that your Junior Killer, you seem to be saying it is contributing now. How are you thinking about how it can grow? And one final comment, sir. There was good growth in core brand so congrats for that.

Pankaj Jain: I beg to differ that Kraus has not been growing. In fact, it has grown by 20% for this quarter.

Pawan Kumar: I have taken the difference between consolidated and standalone. Is there any other way, Pankaj?

Pankaj Jain: Okay, on a standalone basis, we have grown by close to around 14% and the Kraus has grown by 20%.

Pawan Kumar: Okay, my number was 13. Okay, I will check. But you are saying it has grown.

Hemant Jain: If you look at consolidation, 14.9% growth is there. On a standalone basis for Kraus, 20% growth is there.

Pawan Kumar: Okay, sir. But going forward, what is our expectation in Kraus? How much can we grow?

Hemant Jain: As I told you, at the end of the year, we are committed to 17% to 18% growth plan.

- Pawan Kumar:** Okay. At a consolidated level or are you talking about Kraus?
- Hemant Jain:** No. When we talk about double-digit growth it is on a consolidated, is what we want to grow. See it is a women's wear brand. Sometimes, it will support Kewal Kiran and sometimes Kewal Kiran it will support Kraus. Indirectly, our mindset is that 17% to 18% growth should come.
- Pawan Kumar:** Okay, sir. Any comments on Junior Killer? I think two seasons have been over. Can you comment on that?
- Pankaj Jain:** We have started finding attraction especially on the chain store perspective. The number of counters has been increasing. Okay. Absolute number is very low to comment on. It has been growing at a faster pace.
- Pawan Kumar:** Okay. But do you think that when you make bigger stores, your strategy is to keep all the three brands together in one store or would you have different stores for different brands? How do you look at that overall?
- Pankaj Jain:** Right now, the strategy is separate for each individual brand. But we are formulating a strategy of what you have said.
- Pawan Kumar:** Okay. And Pankaj, what is the plan on metros and Tier-1?
- Pankaj Jain:** We are slowly penetrating that. We have also started our own D2C website for Kraus as well as Killer. There the numbers are coming, attraction from the metro centric cities only.
- Pawan Kumar:** Okay. So, we have started it now. And we are focusing.
- Pankaj Jain:** Yes.
- Pawan Kumar:** Okay. Thanks Pankaj.
- Pankaj Jain:** Thank you.
- Moderator:** Thank you. The next question is from the line of Ashutosh Jyotiraya Aditya from ICICI Securities. Please go ahead.
- Ashutosh Jyotiraya Aditya:** Hello sir. Thank you for the opportunity. I have two questions. One is on how has been the festive demand in last 15 days for October? If you can give some idea on that, that would be really helpful. And second thing is that what is your strategy to scale up the value brands in different Tiers of cities given there is already lot of competition. So, what would be the differentiating factor which the management would take to grow the value brands? Thank you sir.

Pankaj Jain: Integrity falls under the value brand perspective. We are trying to penetrate the modern trade channel there. The first six months for us was just transition period. I feel that the next six months will be very attractive because we have started getting the counters and the numbers look good on those counters also.

Ashutosh Jyotiraya Aditya: Okay, fine sir.

Pankaj Jain: Hello.

Ashutosh Jyotiraya Aditya: Thank you for that. I just wanted to check how has been the demand for first 15 days festive demand has been, especially just before Diwali buying and all those things.

Hemant Jain: It is positive. Demand is okay in the market, it is not like that in the markets, I cannot say it is extremely good or bad. But average market sentiment is very positive. And we are doing business also well.

Ashutosh Jyotiraya Aditya: Okay sir, thank you. Thanks a lot for this.

Moderator: Thank you. The next question is from the line of Pramod Dangi from Ratnaya Investments Management LLP. Please go ahead.

Pramod Dangi: Yes, hi. Thanks. Good afternoon, Hemant bhai and Pankaj. Wish you a very happy for Diwali. First of all, congratulations.

Hemant Jain: Thank you.

Pramod Dangi: First question is on the regional mix changes. We have a larger share in the north and the eastern part of the country. So, with our EBO are we targeting change in the mix and with the Kraus, obviously we have south also now. So, is there any meaningful change which we are seeing in our regional mix or the Tier-1 Tier-2 mix kind of thing?

Pankaj Jain: So, I would definitely agree that our presence is higher in the east because in most of the channels we have already penetrated in the east in all the channels of sales. Our focus is primarily now west and north in terms of retail EBOs. So, we are capturing one zone at a time, trying to penetrate and capture it very well so that you can have an entire focus on one zone.

Pramod Dangi: Okay. So, it is not like that we are opening more of the EBOs in eastern part where we already have the MBOs. Rather we are opening a newer zone for the newer region.

Pankaj Jain: See that zone is in an auto phase mode. That is already happening. There is not much of effort structure. Efforts are right now going in strengthening the northern as well as the western zone.

Pramod Dangi: Okay. And can you quantify in terms of three years back and today if any change happened in the product, you know, our revenue mix excluding Kraus obviously because the Kraus will impact the numbers.

- Pankaj Jain:** I will have to get back to you on this. You can take it offline.
- Pramod Dangi:** It will work. And secondly, I think GST has been reduced. So, is there any impact on demand because of this and will there be any impact on accounting? How we would tackle the GST and how it will impact. And second is this year winter is expected to be good. So, any thought on the seasonal demand from the winter?
- Hemant Jain:** We have two strategy in this. We have passed the benefit on the GST on MRP which is below Rs. 2,500 to the customer.
- Pramod Dangi:** Okay.
- Hemant Jain:** And the MRP of more than Rs. 2,500, if we look at revenue its effect is around Rs. 3,400. So, it is very first season for us also. We have deployed merchandise now for winters, what will the reactions and what will happen we do not know. Because it is compulsory that you had to give benefit to the customer for the MRP below Rs. 2,500. We have not increased the price for now. The stock which has been left with us, government has given both the benefits that you have to pass on, and you can increase the prices as well. But we have not increased the price. So, once this quarter gets cleared, we will have little bit of a clear idea and we will be able to talk more about it with you.
- Pankaj Jain:** We will also get to know what the competitor is also doing.
- Pramod Dangi:** Okay. And how is the winter wear demand, I am sure it would have started for the northern part right?
- Hemant Jain:** It is too early.
- Pankaj Jain:** Placement has started. Numbers are still yet to come.
- Pramod Dangi:** Okay. Thanks Hemant bhai and thanks Pankaj.
- Pankaj Jain:** Pramod ji just to add up, I feel that in case if we do not increase the price then may be the competition increases the price, I feel the fresh sell through percentage will increase.
- Pramod Dangi:** Okay. Got it.
- Moderator:** Thank you. Next question is from the line of Naitik from NV Alpha Fund. Please go ahead.
- Naitik:** Thanks for taking my question. So, my first question is can you give us a bifurcation of how much of our revenue comes from EBOs, how much from MBOs, how much from LFS etc?
- Pankaj Jain:** We give generally bifurcation of retail to non-retail. Right now the contribution is 55:45.
- Naitik:** 55 is non-retail, right?

Pankaj Jain: 55 is retail.

Naitik: Retail. Got it. And sir, we are going to roughly add say 250 odd EBOs. So, just wanted to understand is the mix of new EBOs opening also going to remain same like majority of them are going to be FOFO and remaining are going to be COCO?

Pankaj Jain: Yes. That is the strategy.

Naitik: Right, sir. Got it, sir. That is it from our side.

Pankaj Jain: Excluding for Kraus which is more COCO drive.

Naitik: Sorry, I did not get your last point, sir.

Pankaj Jain: Excluding for Kraus which is more COCO driven stores.

Naitik: Okay. Got it, sir. Thank you.

Moderator: Thank you. Next question is from the line of Pritesh from Lucky Investment Managers. Please go ahead.

Pritesh: Sir, my question is on Kewal Kiran standalone. So, if you look at a two year CAGR so obviously last year we had a challenge with respect to the just in time. So, if I look at a two year CAGR in the Kewal Kiran portfolio is about 4.5%. This is way different from what you have grown, you know at a double digit rate. So, if you could highlight any insights here and just not look at one year number because if you look at a two year number also you can just share some highlights if any, on this single digit number, it will be very helpful. Highlights whether there are any challenges or any other thing that we need to understand for this 4.5% growth and how do you see the Kewal Kiran standalone portfolio emerging over the next maybe four to six quarters.

Pankaj Jain: Hi Pritesh. I definitely would agree on the numbers you are saying but the placement what we had lost takes time to again grab back or the market share. So, I feel going forward we have tried and been able to achieve it within a year itself. So going forward the CAGR should stay into a double digit and the growth should also stay in double digits. The strategy for Kewal Kiran as well as Kraus is different and market responds differently also. I would say that okay you look at a consol number as compared to a standalone number

Pritesh: That we are looking but just as a further analysis we have to do. Because 80% of your revenue is still your original Kewal Kiran portfolio

Pankaj Jain: It is a house of brands but I am definitely saying the growth will be above double digits.

- Pritesh:** You did not still answer, we did not understand why it first of all ended up growing a single digit on a two year calendar. If you could just tell that, is there any challenge within that in a particular brand and I did not understand that you lost placement. Is it that you lost some counters or lost some distributors if you could just share something?
- Pankaj Jain:** Entire Kewal Kiran was under transition mode. We were trying one on the real time basis on the inventory okay. Lawman as a brand we have to restructure ourselves and okay we started concentrating only on retail format structure. Integrity was having a problem in terms of placement structure, so we started to target it on a value segment. Everything has now started to channelize back. So the past can be looked as a number but we have seen that okay we have restructured and I think the future looks exciting for us because all the strategies we have placed have now started to get executed.
- Pritesh:** So, the double digit CAGR in Kewal Kiran is not far away right? It will emerge in maybe a quarter down the line or it is slightly far away in your opinion.
- Pankaj Jain:** Not in the long run. You will see the numbers from next two quarters itself.
- Pritesh:** Okay. Thank you very much and all the best and wish you a very happy Diwali.
- Moderator:** Next question is from the line of Jayashree Bajaj from Trinetra Asset Managers. Please go ahead
- Jayashree Bajaj:** Hello Sir. Thanks for the opportunity. We performed a good number this quarter and half yearly but still our PAT is impacted. For H1 FY'26 is Rs. 20.7 crore. Earlier in H1 FY'25 it was Rs. 45.1 crore, so was it just a one-time gain or was it because of non-recurring items that has reduced?
- Pankaj Jain:** It was a one-time gain.
- Jayashree Bajaj:** Okay. That was one-time gain and what is the sustainable run rate for the other income based on current treasury and investment, strategy?
- Pankaj Jain:** Other income is in the range of Rs. 30 crores.
- Jayashree Bajaj:** Okay and my second question is as we can see many companies are integrating AI in their systems to reach the customers and follow the trends so what we are planning to integrate AI in to take the leverage of AI.
- Pankaj Jain:** So, we have also started it. We have started it from the supply chain perspective, we are trying to implement in the design execution part and more on the analytics part.
- Jayashree Bajaj:** Okay got it. Thank you.

- Moderator:** Thank you. Next question is from the line of Palash Kavel from Nuvama Wealth. Please go ahead
- Palash Kavel:** Yes sir. Thank you for the opportunity. So, my question is on Killer Juniors. Now that there has been some time after the launch of the brand, how has been the response and what are your understandings, what are your learnings from the brand and how do you see it going forward
- Hemant Jain:** See, we launched it in the last year, last year April was the first season. There are two seasons we have already completed and we are in the third season. So the response has been very good, double digit growth is there and there are some learnings, findings, which we are in the corrected mode also. So I feel that in future the brand will be established very well.
- Palash Kavel:** Okay sir. That is it from my side. Thank you for your response and happy Diwali to you and the entire KKCL team.
- Hemant Jain:** Thank you.
- Moderator:** Thank you. Next question is from the line of Harsh Dubey from LFC securities. Please go ahead.
- Harsh Dubey:** Yes. I was asking, if we are establishing our store, how long does it take to break even for one store like if we establish our EBOs normally? My first question is that.
- Hemant Jain:** Normally it is profitable in the first year.
- Pankaj Jain:** As we said, most of the stores are FOFO stores and we work more on ROI basis perspective where we see that the first year return should be around 12% to 15%, second year should be 18% and going forward should be around 24%. Generally if you remove the payback period it should be around three, three and a half years.
- Harsh Dubey:** Okay. So, three, three and a half year's means it is profitable from the first year but from three, three and a half years we get the full payback. Okay understood. Alright sir and our target is like EBOs. So what is the run rate per year that what are you expecting, how much the target will it be to establish EBOs per year by the management?
- Hemant Jain:** Put together all the brands, our expectation is 100 stores should be opened year-on-year. Sometimes we say 100 but sometimes it can be 80-90 because sometimes the property is delayed, if we have booked in a mall it can be delayed but our range is to open 90-100 stores every year-on-year.
- Harsh Dubey:** Okay. Understood sir. Thank you, so much and Happy Diwali, to whole team. Thank you so much.
- Hemant Jain:** Happy Diwali to you too.
- Moderator:** Thank you. Next question is from the line of Ankit Kedia from Philips Capital. Please go ahead.

- Ankit Kedia:** Sir, typically in Quarter 2 there is lot of primary selling because east is a big market for you as well so just wanted to know how Navratri was this time for you in the east market because there was lot of rainfall in those markets as well.
- Pankaj Jain:** Numbers were good Ankit. Not a problem if you look at the current SSG numbers also, SSG for the quarter was around 9%.
- Ankit Kedia:** And from the MBO placement perspective, how has been the buying and in which brand are you seeing more traction from the MBOs?
- Pankaj Jain:** Sir, Multi brand outlets. I think on the channel mix, Killer contributes the highest there.
- Ankit Kedia:** So, placements we are not worried. Currently the placements have happened in the market.
- Pankaj Jain:** Placements are already there in the market. So, I said the strategy for Lawman is more EBO driven, it is only Integrity and Killer which is more MBO driven as well as Junior Killer.
- Ankit Kedia:** Sure. Sir, and on the margins perspective are you confident to deliver 18%, 19% guidance for the full year?
- Pankaj Jain:** We feel 17% to 18% is achievable.
- Ankit Kedia:** Sure. Thank you.
- Moderator:** Thank you. Next question is from the line of Lakshmi Narayanan from Tunga Investments. Please go ahead.
- Lakshmi Narayanan:** I just want to understand what your full price across the women's wear and the men's wear. How has it changed compared to the last year?
- Hemant Jain:** Lakshmi Narayananji, it is the same. We target 60%, 65%. So, sometimes sale through is 61%, 62% fresh sale through and below 40% it happens on discount. So, when we talk about it, we work according to 60%, 40%.
- Lakshmi Narayanan:** We closed FY'25 at a reasonably high inventory and we had for the first time our cash flows actually declined. So, how are you thinking about this complete year and what kind of inventory level you would like to maintain because I understand women's wear requires little higher inventory level.
- Hemant Jain:** Just a minute. I think Lakshmi Narayanan ji inventory will be the same. There is not a lot of increase and secondly this season the festive season was a bit earlier. The deployment of winters will be now. Normally in November there are festivals, Diwali, our winter wear also starts getting deployed. This time it is opposite because Diwali is early, so the winter wear will be deployed in this quarter. There could be a little bit of difference but more or less it is same. You will not see a lot of inventory.

- Lakshmi Narayanan:** Okay. Usually expansion happens by volume growth or price growth as well as distribution growth rate in how many MBOs you actually have. Now in the last six months how have you actually increased your reach and are you able to increase reach in terms of your MBOs or EBOs and others?
- Pankaj Jain:** So, we have been able to achieve on all three fronts on the quantity as well as value as well as distribution.
- Lakshmi Narayanan:** Okay. any number you can give in terms of distribution, how much you have actually increased either number of your direct distributors or the end points where the customers can actually buy the quantity from?
- Pankaj Jain:** On the channel side I will say that overall number, retail has grown by 14% and non-retail has grown by 15% and the absolute margins also are similar on both the fronts.
- Lakshmi Narayanan:** Okay. And sir one last question, in terms of our e-commerce driven sales how it has actually expanded ? Is it actually growing at much higher than the companies average or can you just help me understand this part.
- Pankaj Jain:** Similar to what Kewal Kiran is growing at.
- Lakshmi Narayanan:** Okay and any price increases we are actually planning to effect?
- Pankaj Jain:** Price?
- Lakshmi Narayanan:** Price increases across the portfolio, any specific?
- Pankaj Jain:** We have not yet planned that strategy. For the current quarter as the government required to decrease the price or pass on the GST benefit, we have done that. We have not increased the price for the proportionate stocks which were above that price bracket. Going forward we are still strategizing of whether we will be having a price increment or not.
- Lakshmi Narayanan:** And any inventory price corrections we have to take because of this inventory in the system and there is a GST disturbance?
- Pankaj Jain:** As mandatory requirement was there, we have already done that.
- Lakshmi Narayanan:** Okay and what is the impact?
- Pankaj Jain:** The impact for Kewal Kiran was neutral
- Lakshmi Narayanan:** Okay. Thank you so much.
- Pankaj Jain:** Okay. Thank you.

- Moderator:** Thank you. The next question is from the line of Harsha from Bandhan AMC. Over to you and thank you.
- Harsha:** Yes. so I am saying vision FY'28 is like discovering new horizons you have mapped out various categories right - denims, semi-formal, ethnics and you have mentioned that categories in which you are present where you have pivoted and where there is a vacuum right? So, is it fair to understand and just like Kraus, let us say, if we look at acquisitions in future, we will look at more in the category where there is a vacuum or let us say even where you want to pivot you want to look at new acquisitions there.
- Pankaj Jain:** Sir, we are not discouraging on any of the channels even if it is a competitive brand I would still like to explore it. I can still have operational synergies there. Definitely adding a separate TAM would be better off but I am not discouraging to the idea that even if it is a competing brand.
- Harsha:** Okay. Got it. And this target of FY'28 of Rs. 1500 crores, is that largely organic or that would also include some element of acquisition.
- Pankaj Jain:** It is only organic.
- Harsha:** Okay. Got it. And any views on we have discussed in the past call as well but any views which we have formed let us say on the factory building which we have which basically was supposed to be any views there whether we are in talks to kind of sell it off, develop, etc., any views there?
- Pankaj Jain:** No not yet. Nothing planned yet on that.
- Harsha:** Okay. And by when would our, I mean what would be the CAPEX for this new office building and by when would that be ready?
- Pankaj Jain:** Entire requirement right now after the land, requirement will be close to around Rs. 90 crores and it will be required in three years period.
- Harsha:** Okay. That office will be ready after three years basically.
- Pankaj Jain:** Yes.
- Harsha:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Sahil Doshi from Thinkwise. Over to you.
- Sahil Doshi:** Hi sir. Good afternoon and thank you for the opportunity.
- Pankaj Jain:** Yes. Good afternoon.
- Sahil Doshi:** Yes. Just firstly just one clarification on the employee cost so we have seen a 20% kind of an increase in this quarter and even in standalone we have seen an 18% kind of an increase. Just

broadly want to understand is there any one-time year or how should we think about the sustainable number?

Pankaj Jain: It is mainly because of Kraus because we have tried to explore other channels of sales. So, the team is getting built up.

Sahil Doshi: Okay. Even in the standalone I actually see almost a large increase there, 18% kind of an increase compared to the past.

Pankaj Jain: Okay. It is also because of higher production during the quarter that the factory expenses are also built in the employee expenses

Sahil Doshi: Okay. So, this Rs. 33 crore number which we see per quarter in the standalone is this a sustainable number or there is some variable element in this?

Pankaj Jain: Little bit variable. It should be semi-variable.

Sahil Doshi: Okay. understood sir and second on the mix if I see this quarter we have seen others decline 32%. Possibly I understand there could be some impact because of the GST thing, could you give your thoughts here? And consequently we have not seen an improvement in gross margin because your mix has got favorable. Your bottom wear which is a denim plus trousers both mixes you know is the same in that sense. So could you just talk about why the decline in others?

Pankaj Jain: It is mainly because of accessories as a category and there the price bracket varies. So absolute number, or the absolute turnover has increased in that category also. Just the quantity mix.

Sahil Doshi: See, value wise there is a 32% decline right Rs. 30 crores to Rs. 35 crores.

Pankaj Jain: In value there is no decrease, it is a quantity decrease.

Sahil Doshi: Okay. I will clarify this later but just I am just saying if the mix changes happen on the gross margin we are not seeing any benefit here. Incrementally, how should I think about gross margins, meaning the band of 42% to 45% we used to say should be, where are we in that journey and how do we try and pivot towards improving it?

Pankaj Jain: Sorry Sahil. I just went through the numbers, what you saying is absolutely right. The absolute number has fallen down it is majorly because of the winter mix. Winter mix has been pushed maybe last year it was more driven towards Quarter 2, this time it should be around Quarter 3.

Sahil Doshi: Okay sir. The mix that has changed is favorable, but its benefit is not visible in gross margin because realization has also improved, and mix has also improved.

Pankaj Jain: Favorable or unfavorable, the mix should almost remain similar unless there is heavy discounting happening in that category.

- Sahil Doshi:** Okay. So, last quarter we said basically the decline was possibly because of higher discounting?
- Pankaj Jain:** Which could be in the case of Quarter 3 also, so it just got pushed away to Quarter 3 as compared to Quarter 2.
- Sahil Doshi:** Okay and we have seen that in the H1 we had a benefit; we were coming out of the inventory correction issue and that is why the growth number seems decent. Incrementally how should we think about it ? Also is the inventory correction largely done now and you said the market share is heavy. The placement in all the counters is it complete or how is it?
- Pankaj Jain:** You can still look at that the inventory level should stay stable here.
- Sahil Doshi:** Okay.
- Pankaj Jain:** And we will do double digit growth ahead also on the same inventory cycle.
- Sahil Doshi:** Okay understood. Lastly if I see standalone working capital days you know the inventory level is around 87 days. I understand Y-O-Y is not comparable but from the past levels also this seems a little higher so is there some change here in terms of strategy or is it because of EBO mix or something of that sort?
- Pankaj Jain:** So, as I said in terms of other categories, winter has shifted to a Quarter 3 scenario and that is the reason it has gone up. I think whatever the inventory cycle is there right now it should stay at this current level.
- Sahil Doshi:** Okay understood. Sir that is it from my end and Best Wishes for Diwali to your team.
- Pankaj Jain:** Thank you and wish you the same.
- Participant:** In the past you have spoken of an aspirational growth that we will grow 15% to 20% may be around 17% to 20% and now we are suggesting that it could be close to double digit but not that high double digit is that understanding correct that we are kind of toning down little bit of what we had earlier anticipated?
- Pankaj Jain:** Aspiration stays the same
- Participant:** Okay but more realistic number to work would be a double digit number.
- Pankaj Jain:** It should be a double-digit number.
- Moderator:** Ladies and gentlemen, we take that as the last question for the day. I now hand over the conference to Mr. Hemant Jain for the closing comments. Over to you sir.

Hemant Jain: Thank you once again for joining us today. We truly value your continued support and confidence in KKCL's journey. Should you have any further questions please feel free to reach out to our investor relations team. Thank you and have a great day and happy Diwali.

Moderator: On behalf of Kewal Kiran Clothing Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.