



**KHAZANCHI LTD**  
**JEWELLERS**

*(Formerly Known as Khazanchi Jewellers Private Limited)*

**Date: August 21, 2025**

**To,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001**

**Ref: SCRIP: 543953 | KHAZANCHI | INE00WC01011**

**Subject: Transcript of Earnings Call for Q1FY26**

We wish to inform you that the transcript of the earnings call hosted by Khazanchi Jewellers Limited ("the Company") for the Unaudited financial results of Q1FY26, has been made available on the Company's website.

We are also attaching the Transcript of the earnings call with this intimation.

Kindly take the same on your records.

**Thanking You  
For Khazanchi Jewellers Limited  
(Formerly Known as Khazanchi Jewellers Private Limited)**

**Sakshi Jain  
Compliance Officer & Company Secretary  
Membership No.: A68478**



**“Khazanchi Jewellers Limited  
Q1 FY '26 Earnings Conference Call”  
August 19, 2025**



**MANAGEMENT: MR. RAJESH MEHTA – CHAIRMAN AND JOINT  
MANAGING DIRECTOR – KHAZANCHI JEWELLERS  
LIMITED  
MR. VIKAS MEHTA – CHIEF FINANCIAL OFFICER –  
KHAZANCHI JEWELLERS LIMITED**

**MODERATOR: MR. HARSHIL GHANSHYANI – KIRIN ADVISORS  
PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Khazanchi Jewellers Limited Q1 FY '26 Earnings Conference Call hosted by Kirin Advisors Private Limited. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harshil Ghanshyani from Kirin Advisors. Thank you, and over to you, sir.

**Harshil Ghanshyani:** Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Khazanchi Jewellers Limited. From the management team, we have Mr. Rajesh Mehta, Chairman and Joint Managing Director, we have Mr. Vikas Mehta, Chief Financial Officer.

Now I hand over the call to Mr. Rajesh Mehta, over to you, sir.

**Rajesh Mehta:** Hello, everyone. A very warm good afternoon, and thank you for joining us today. It's my pleasure to share an update on our performance, strategic initiatives and the industry outlook. Our company, Khazanchi Jewellers Limited founded in 1971 and headquarters in Chennai, is a trusted name in gold, diamond and precious stones jewellery.

With the legacy spanning over 50 years with, BIS Hallmark Certification and recognition as an authorized dealer of India International Bullion Exchange, the company serves both B2B and B2C market.

In Q1 FY '26, we sustained healthy growth momentum with a significant momentum in our revenue mix compared to Q1 FY '25, with gold prices raising, we strategically focused on lightweight jewellery, foaming jewellery, lightweight diamond jewellery and traditional close setting jewellery.

These initiatives contributed to an improve in EBITDA margin from 3.53% in Q1 FY '25 to 5.24% in Q1 FY '26. While PAT margins rose from 2.41% to 3.75% during the same period. This reflects our continued focus on higher-margin business, driving both revenue quality and overall profitability.

As you all know, the first season, Akshaya Tritiya, the sale was very good and due to which there was a raise in our margin. Over the last 2 years, we have delivered exceptional results with revenue ranging from INR481.82 crores in FY '23 to INR1,772.53 crores in FY '25, reflecting a CAGR of 92%. EBITDA increased from INR16.78 crores to INR64.92 crores, delivered a CAGR of 97%, while PAT grew from INR0.56 crores to INR44 crores and CAGR of 44%. These achievements demonstrate our ability to scale volume efficiency.

We remain confident of sustaining this trajectory as we strengthen our market position, extract our retail presence and deepen customer relationships. Our flagship showroom in Sowcarpet Chennai continues to be the key pillar of our B2B business, offering a curative selection and addition of new product categories and adding 100-plus new designs in our design library. At the same time, our company caters to bulk buyers and institutional clients national-wide ensuring both scale and liquidity.

Looking ahead, our flagship showroom 10,000 square feet showroom in Sowcarpet Chennai slated to open soon, will mark a major step forward in strengthening our B2C presence. We see this as a catalyst for margin improvement.

Now I come to the financial highlights of this quarter. In Q1 FY '26, we reported total income of INR403.8 crores, up 5.94% year-on-year. EBITDA grew by 57.07% to INR21.15 crores with EBITDA margins of 5.24%, profit after tax stood at INR15.15 crores up 64.73% year-on-year with EPS raising 64.52% to INR6.12.

These results clearly demonstrate our ability to deliver growth with improved margins even as several industry players face margin contraction. I would like to conclude our strong Q1 FY '26 performance combined with our dual B2B, B2C strategy, upcoming retail expansion, digital innovation and favorable industry reforms position us for sustainable growth and improved profitability.

We are confident that the pace of the growth achieved over the past 2 years will continue and we aim to build on this momentum in the quarters ahead.

I would like to thank our shareholders, customers and employees for their continued support. Thank you so much once again.

**Moderator:** Yes sir, should we open up for question and answer session?

**Rajesh Mehta:** Yes.

**Moderator:** Okay. Thank you very much. We will now begin the question and answer session. The first question comes from Mahesh, an individual investor.

**Mahesh:** So a couple of questions. So as the company grows rapidly, so what steps are being taken to strengthen the risk management in terms of like gold price volatility, inventory control and credit risk in B2B clients?

**Rajesh Mehta:** That's what. As the company is growing and since the management has a wide experience with regards to it and the fluctuation of prices have been happening in gold from a very longer period. And the management has a very systematic plan for taking care of that. And regarding inventory part, we have always taken a special care to check what is required in the market. And we manufacture things accordingly, which are fast moving and which are high in demand.

**Mahesh:** And something regarding the credit risk from B2B clients?

**Rajesh Mehta:** That's what, the average credit period for B2B client average, the stock inventory cycle, what we keep them and the manufacturing period, all work out to maximum of somewhere around 55 to 60 days. So the credit period, what we provide to our B2B client is 2 weeks to the max, average.

**Mahesh:** And my next question will be like with rising urbanization and like disposable income for the people. So are you considering expanding your product categories like such as like lightweight daily wear jewellery or new age design to targeting like younger demographics?

- Rajesh Mehta:** Yes, yes. We are working on it. And we have already started production of lightweight jewellery, and it has been on high demand among our clients, and we have already started that. And we are catering all categories of clients. We have product range for all range of people, all clients for working women, for marriages and for all type of festivals.
- Mahesh:** Okay. So like we are already starting entering into that segment. Got it.
- Rajesh Mehta:** Yes, yes. That's what, don't -- we are analyzing the market as and when the things are changing or requirement of the clients are updated. We bring up the product so that we can improve our sales.
- Mahesh:** Next one will be like how is our company is leveraging its position as an authorized dealer on India International Bullion Exchange, like to enhance sourcing efficiency or managed costs?
- Rajesh Mehta:** That's what, being a member of India International Bullion Exchange, we are getting the bullion as and we have been selected as a qualified jewellery. So there is an allotment of gold, which is quite a little cheaper compared to the market.
- Mahesh:** So that helps us for cost management and everything, okay.
- Rajesh Mehta:** Yes, obviously. Correct.
- Moderator:** The next question comes from Palush Kumar, an Individual Investor.
- Palush Kumar:** Sir, your company has demonstrated from B2B traction with a 29% year-on-year growth, how do you -- how are you looking to balance your B2B scalability with higher margin opportunities in B2C without straining resources?
- Rajesh Mehta:** The main criteria for improving the sales in the B2B sector in the jewellery industry is the designing part and the consumer demand. As the prices are increasing, we have already been into the manufacturing of lightweight jewellery and latest minimal jewellery also.
- And we are already into the, what they say, bigger type of jewellery, which are made for marriages and all. So in that case, as the demand in the market for which product is improving, we are focusing on that production. And as we have a very vast experience, so all our designs are highly approved by most of the B2B jewellers.
- Palush Kumar:** And sir, with this increasing demand for lighter hallmark jewellery and transparent pricing. How do you plan on capturing the market share against larger organized players in the industry?
- Rajesh Mehta:** So there has been competition in the jewellery industry for always. But those who produce a better product, which are highly acceptable in the customer -- among the customers, then they are continuously growing. That's what I'm seeing.
- Palush Kumar:** And sir, with EBITDA margin improving to 5.24% in Q1 FY '26. What is your medium-term margin guidance and which factors will drive the further expansion?

- Rajesh Mehta:** That's what, we have been focusing on the production of lightweight jewellery. And even on the lower carat jewellery, as 18 carat jeweller, they have started coming up in the South India also, the demand is gradually increasing. The margins are quite high in that.
- And we have been focusing on the manufacturing of diamond jewellery also. So we are catering all type of customers from, what they say, daily use jewellery and on higher segment jewellery also. So the margins will gradually improve.
- Palush Kumar:** And sir, digital innovation was mentioned as a growth lever. So if you could provide more clarity on the digital initiatives being implemented and your expected impact on sales and customer engagement, it would be really helpful?
- Rajesh Mehta:** Yes, sir. Now the digital platform is gradually the demand for online customers is increasing. We have already been into customers' purchase the plan that they save in multiple rupees and then get the gold at end of the period. So that we are doing it. And on the opening of our flagship showroom, we are going to have an online presentation of all our goods, which are going to add up an additional sales on it.
- Moderator:** The next question comes from Sanchita Sood with RoboCapital.
- Sanchita Sood:** My question was that over the past 3 years, we've been growing at a CAGR of almost 90%. So going forward, can we expect the same growth rate for the next, say, 2, 3 years?
- Rajesh Mehta:** We have been growing at a faster pace, but conservatively, we define that we grew at a pace of 25% to 30%.
- Sanchita Sood:** And sir, you mentioned that we'll be seeing margin improvement gradually. So would it be possible to quantify what kind of margin improvement we'll be seeing and by when?
- Rajesh Mehta:** As an opening of our flagship showroom. We are -- since we are going to have a better B2C sales. And that has a higher margin, say, non B2C sales when we are going for diamond jewellery, Jadau, Kundan, Polki and all premium items, then the margins are around 13% to 14%.
- So in that case, and we have been focusing on various other lightweight jewellery are -- which are of high premium jewellery in our B2B segment also. So the margins are gradually going to improve.
- Moderator:** The next question comes from Dhruv with Tiger Asset.
- Dhruv:** First of all, congratulations on your growth results. Sir, my question is as on the press release, I have seen that there is a strong presence in southern part of India, by both operations in wholesale and retail market. Sir, can you give me the split of the wholesale and retail markets like how do you -- like for the revenue side for the Q1?
- Rajesh Mehta:** Yes. On an average basis, we have 90% of our contribution from B2B segment and somewhere around 10% in the B2C segment.
- Moderator:** The next question comes from Dinesh Saney with invest4Edu.

- Dinesh Saney:** Congratulations for a good set of numbers in quarter 1. So my question was regarding your new upcoming showroom of 10,000 square feet in Chennai. So can we know that the operations will be commenced?
- Rajesh Mehta:** That's what, it will be shortly -- we will declare the date of opening very shortly.
- Dinesh Saney:** So in last call, you mentioned about it will be in quarter 2 of FY '26. So can we expect in this month or maybe next month?
- Rajesh Mehta:** Yes, yes. We are working on it. There was some delays in approval. And since we are making it an exclusive showroom, so initially, it is taking time, but would be -- surely in the second quarter.
- Dinesh Saney:** So overall revenue which you mentioned of INR150 crores for this showroom, so is it -- can we expect that it will be the same revenue for FY '26?
- Rajesh Mehta:** Yes, already we have -- yes, we have defined at a very constrained level. We will surely be achieving better than that.
- Dinesh Saney:** Sure. And one question is on the recent partnership. So you have partner with Malabar Gold & Diamonds. So can you specifically tell us what will be the impact on your B2B revenues?
- Rajesh Mehta:** No, no. The revenue part and all, we cannot declare it, but we have just added in as our client.
- Dinesh Saney:** And one last question from my end. Can you tell us about your plans to invest your increased profitability to expand your retail footprint over the next year, maybe 2 to 3 years?
- Rajesh Mehta:** That's what, after opening of the -- our initial flagship showroom and working with it and getting good numbers of revenue from that showroom. We have an expansion plan, which we have already previously defined.
- Moderator:** The next question comes from Palush Kumar, an Individual Investor.
- Palush Kumar:** So sir, you have delivered a pretty good CAGR across revenue, EBITDA and PAT over the last 2 years. Now as you scale further, what structural growth levers will help sustained this trajectory and what do you see the inflection point for operating leverage kicking in?
- Rajesh Mehta:** That's what, we have given a very good performance in the past 2 years. But constantly, we always define that we grow in the pace of 25% to 30%.
- Palush Kumar:** Sir, this upcoming 10,000 square feet flagship showroom in Sowcarpet is expected to be a major growth catalyst. What is your broader road map for retail expansion? So like do you intend to replicate this flagship model in other Tier 1 and Tier 2 cities and...
- Rajesh Mehta:** Yes, we do have an expansion plan, but everything would be decided after the opening of the showroom and we get a good set of revenue numbers from this and later on.
- Palush Kumar:** And sir, what incremental revenue contribution do you project from this format?

- Rajesh Mehta:** That's what, constrainedly, we define that we will have an additional B2C sale of INR150 crores.
- Palush Kumar:** Sir, with consumer preference shifting towards lightweight hallmark jewellery, how are you innovating in designs and product categories?
- Rajesh Mehta:** We have -- we already have a design team who have been working on it. And day-to-day we get lots of input from all the factories from which we are working. And we are getting a design update. And then we are already into the production of lightweight jewellery.
- Palush Kumar:** So I can see there is an increase in segment -- ornamental segment. So by 88% year-on-year in Q1 FY '26, what specific strategies or customer engagement initiatives are driving this growth? And how sustainable do you see this momentum in the coming quarters?
- Rajesh Mehta:** So we have improved and good customer base, and we have been producing goods, which are in high demand for them. And gradually, we are focusing in production of lightweight jewellery. And we have improved in our marketing. So we have able to reach that.
- Moderator:** The next question comes from Harsh with Shree NS Jewellery. Sorry to interrupt, sir. Harsh has left the queue
- We'll move on to the next question is from the line of Prajakta Khadam, an Individual Investor.
- Prajakta Khadam:** And my question is, the company has received a stronger PAT growth in Q1 FY '26 and how much of the profitability improvement is structural versus seasonal? And can we expect similar levels going forward?
- Rajesh Mehta:** Yes. There is always -- in every quarter in South region, if you see, there is a season. In the first quarter, you can see Akshaya Tritiya, second quarter that is Navaratri and Rakhi, and third quarter, we have got Diwali and the fourth quarter Pongal. So every quarter, there is a season. And along with that marriage seasons are there.
- And always, we have been focusing on the lightweight manufacturing and lightweight jewellery also. So it will be equally distributed in all quarters. The growth will be the same as projected.
- Prajakta Khadam:** And I have one another question. With the retail showroom in our Sowcarpet already playing a key role. And how do you plan to replicate this model in other urban centers, and what criteria will guide your location strategy?
- Rajesh Mehta:** Initially, we have been -- since we have been in this area for a longer period of time, we have plans to open our flagship showroom here. And based on the success of this flagship showroom, and we will always expand as per the analysis of the management.
- Prajakta Khadam:** And the jewellery sector is seeing a gradual shift towards the branded and organized players. And what steps are you taking to strengthen Khazanchi Jewellers brand recall and customer loyalty?
- Rajesh Mehta:** That's what, since we have there in the past 5 decades, we have been operating in this area, we have got a huge customer base and goodwill. And we have been following all the government



norms, and we have been giving up all certified jewellers. In that case, we are always on the right part and growth.

**Prajakta Khadam:** And sir, B2B sales remains the largest revenue contributor for our Khazanchi, and how exposing the business or fluctuations in our wholesale demand cycles? And what safeguards do you have to mitigate these reviews?

**Rajesh Mehta:** We have been manufacturing all -- different type of jewellers, which are required by all our B2B clients. And based on the requirement and based on the experience of the management, it has always been accept -- our designs have been widely accepted.

And we are also producing jewellers which are of high margin and we have been on the marketing on a day-to-day basis, and we are updating our designs accordingly. So we are getting a better B2B client range and our products are widely accepted.

**Prajakta Khadam:** And sir, our financial show a steady booming in EPS. Do you have any plans to enhance shareholder returns through dividend or a buyback in these new terms?

**Rajesh Mehta:** Yes, the management have some discussions regarding it, not yet decided, but it will be updated shortly.

**Prajakta Khadam:** And sir, on gold price volatility is a structural industry challenge. So beyond hedging, how are you planning to insulate your business model from such a fluctuation, perhaps through product diversification, branding or customer financing schemes?

**Rajesh Mehta:** Regarding fluctuations, the jewellery industry has been on the fluctuation segment from a very long time, and the management has a very wide experience of managing that. And we have gotten what they say as per the business model to reach our target, we have been always working on design. And for our B2C expansion and good customer base, we have been working -- making on marketing.

**Prajakta Khadam:** And sir, the company has shown stronger margin expansion with EBITDA margin improving to 5.2%. So what is your medium term to long-term margin expectations or targets, and what specific operational or product mix improvement will drive it?

**Rajesh Mehta:** So the margins have improved since we have been -- the margins are improved, and for every quarter, we'll be working at this pace and the margins are going to improve since we are going to produce -- we are into diamond jewellery for B2B and all premium segments also, we have started in B2B.

**Prajakta Khadam:** And as organized retailer, penetration in the jewellery sector, competition is intensifying from both the national chains and regional players. What differentiates Khazanchi Jewellery brands, proposition and how do you plan to gain a share in this competitive landscape?

**Rajesh Mehta:** We have a strong presence, yes, and all our products, what we have been manufactured is widely accepted by all our B2B clients and we have been always understanding customers' requirements and manufacturing goods accordingly. So the competition has been lasting forever in all sectors, but we have been overcoming with all our experience and our product lines.

- Prajakta Khadam:** And sir, digital innovation was mentioned as a growth lever. Could you elaborate on your digital strategy? And are you looking at the e-commerce omnichannel retail or technology-driven customer acquisition models to expand beyond physical presence?
- Rajesh Mehta:** Yes, we have been on the -- as the opening of new flagship showroom, along with that, we are going to represent all our products online. And for the development of B2B segment, we have been participating into various executions, which are very popular in South India and expanding our B2B presence.
- Prajakta Khadam:** And sir, can you provide revenue guidance for FY '26?
- Rajesh Mehta:** For FY '26 is going to be a very good year as the demand in the first quarter and even the prices are high, we were able to achieve a higher margin and good business. So it is going to grow -- the constant basis, we can define that it will grow at 25% to 30%.
- Moderator:** The next question we have from Palush Kumar.
- Palush Kumar:** I have some last couple of questions. So the first one is, are there plans to diversify to adjacent categories such as silver, platinum or even luxury watches to capture wallet share and mitigate concentration risk on gold?
- Rajesh Mehta:** Yes, we -- the company do have plans to expand to silver jewellery as the demand for silver jewellery is gradually increasing. But the major portion would be gold only. We'll be focusing on gold only.
- Palush Kumar:** And sir, with the profitability improving sharply, do you have plans to reinvest aggressively into growth, so buying new stores, branding or digital platforms or will the company focus more on strengthening balance sheet metrics and shareholders' returns?
- Rajesh Mehta:** That's what, the -- whatever the profit making is reinvested into the company only. I mean the company is always focusing on expansion plans. And whatever the -- and it is going to operate -- expand its digital presence after opening of the flagship showroom.
- Moderator:** The next question comes from the line of Mahesh, an Individual Investor.
- Mahesh:** So I had some couple of more questions. So first of all, like could you elaborate on how like this strategic shift is impacting your overall working capital requirement and profitability profile?
- Rajesh Mehta:** Requirement of working capital, we have been always working with the existing capital only. And whatever the earnings the company we invest into the -- for the betterment and progress of the company.
- Mahesh:** And next question is our upcoming flagship showroom, which is around 10,000 square feet in Sowcarpet Chennai, what incremental revenue contribution and like margin uplift do you expect from these expansions?
- Rajesh Mehta:** That's what I defined you, it is on constrained basis, we see that there would be a B2C sale improvement of somewhere around INR150 crores, and the margin ratio what we are predicting there is somewhere around 13% to 14%, growth margin.

- Mahesh:** And if you see the CAGR of revenue, which is at around 92% and CAGR of around 143% nor 144% for the last 3 years. So like how do you plan to sustain such high growth rates at kind of base gets larger, what will be the key driver going forward?
- Rajesh Mehta:** Yes. We have been performing good, and we have got good results for the past 2 years. But on a constant basis, we always -- as a management, we define that we are going to grow at a pace of 25% to 30%. And if something is better is there, it is always there.
- Moderator:** The next question comes from Priya Jain with Green Capital.
- Priya Jain:** I'm actually new to the company, but very interested to track, looking forward. So I have few questions with me like with the rapid urbanization in Tier 2, Tier 3 cities are becoming more jewellery consumption now. So how does Khazanchi plan to expand into these geographies? And what would be your preferred entry mode like company-owned showrooms or franchises?
- Rajesh Mehta:** That's what immediately since we have a very strong presence in the area where we are here. Here, we are going to open our flagship showroom. And based on the success of this flagship showroom, we are going to diversify mainly in the southern part of Tamil Nadu.
- Priya Jain:** Are you like exploring a multi-brand strategy to address both the premium and mass market segments, like organized players are increasing rapidly launching sub-brands to tap into different price point and demographics?
- Rajesh Mehta:** So we have been already into the both premium segments and regular items. We are into both. And we have been supplying premium items to most of the B2B jewellers also. And on a future after opening up our flagship showroom, expansion plans will be declared accordingly.
- Priya Jain:** Also, you have a good balance sheet growth. So do you see opportunities for inorganic expenses such as acquiring regional jewellers to expand a retail presence faster because penetration can happen that way?
- Rajesh Mehta:** That's true. The management always defined a constrained level of growth, but the expansion plans are short there.
- Priya Jain:** Like gold investment is deeply embedded in Indian household. Is Khazanchi exploring gold savings schemes, exchange programs or digital gold offering to recurring customer engagement and deepen the retail relationship?
- Rajesh Mehta:** Yes. Already, we have a purchase plan where the consumer can purchase gold and convert fixed their prices accordingly. And then finally, on renewal, they can buy gold.
- Priya Jain:** Sir, we have upcoming wedding seasons, which is a festival in India, as you know. So do you think this monsoon, heavy monsoon will affect in any way?
- Rajesh Mehta:** No, always -- the second quarter is always good because lots of marriages are happening and various festivals are also there. So it is always better.
- Priya Jain:** But do you think this harsh monsoon will have any adverse effect?

- Rajesh Mehta:** I don't think such because there is not much impact of the monsoon here, because marriage season, everybody is already -- they purchased jewellery based on their savings and they do not depend upon the constraint immediate income.
- Priya Jain:** Any like focus on catering like Gen Z people? Any particular brand you would launch or something like we have a lot of fancy jewellery brands coming out. Which source gold jewellery and like silver jewellery, but in a very fancy, very Gen Z focused. Are you planning to do something like that?
- Rajesh Mehta:** So we have been working with all our traditional jewellery and all lightweight jewellery, which is required by both our B2C and B2B clients. So we are majorly focusing on that. And we have a good volume for that, good demand for that.
- Moderator:** Thank you. As there are no further questions from the participants. I would now like to hand the conference over to Mr. Harshil for closing comments.
- Harshil Ghanshyani:** Thank you on for joining the conference call of Khazanchi Jewellers Limited. If you have any queries, you can write to us at research @kirinadvisors.com. Once again, thank you for joining the conference call.
- Rajesh Mehta:** Thank you so much.
- Moderator:** Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.