



KEWAL KIRAN CLOTHING LIMITED

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Date: February 14, 2026

<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 Q3 & 9M FY26 held on Thursday, February 12, 2026.

In continuation to our letter dated February 07, 2026 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
February 12, 2026 – 12.30 pm	Earnings Conference Call for the Quarter Ended December 31, 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
Q3 and nine months FY‘26 Earnings Conference Call”**

February 12, 2026

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 Kewal Kiran Clothing Limited Q3 and nine months FY '26 Earnings 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.

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 this 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 result could materially differ from those in such forward-looking statements.

Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand 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 Q3 and nine months FY '26 earnings call. I am joined by Mr. Pankaj Jain, President, Retail, and Marathon Capital, our Investor Relations Advisors.

We are pleased to report yet another strong quarter of consistent double-digit growth both on a standalone and consolidated basis. Our consolidated sales grew by a robust 18% year-on-year, which is a clear validation of our focus execution and the resilience of consumer demand. For the nine-month period, our performance stands strong at 24.4%, giving us good momentum towards exceeding our guided range.

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

- Consolidated revenue for Q3 FY '26 stood at INR301 crores, up 18% year-on-year, led by strong growth in both volumes and value.
- Standalone revenue grew by around 13% year-on-year to INR228 crores with growth contributions from both apparel as well as accessories category.
- Apparel growth on consolidated basis was 16.6% year-on-year, driven by robust consumer demand, especially for our winters and enhanced market penetration. This clearly underscoring the effectiveness of our design and product initiatives.

Coming to our operational performance.

This quarter results are testament to three things: effective execution of our growth strategy; second, the strong appeal of our fashion-driven collection; and our ability to navigate the competitive landscape with agility.

Together, these reinforce our confidence that our growth levers are firing in the right direction.

Some notable operational highlights across our brands include:

- Killer alone now operates 456 EBOs and continues to expand its footprint in MBO as well as other channels.
- Lawman, where we are seeing a smooth D2C pivot with an expanding network of brand-focused EBOs to 93. Discontinued network in the MBOs.
- Integriti, which has been repositioned with the new pricing and value proposition to address the large market.
- Junior Killer gaining positive traction in kidswear category.
- Kraus, robust sales performance and growth in EBITDA margin at par with overall KKCL; on track to evolve a significant player in the women's casualwear market. Started getting good traction in MBOs, export market and expanded EBOs network to 23. Focus now towards further improvement in working capital cycle.
- In parallel, we continue to work on new initiatives, including experimenting with ethnic wear and exploring new categories such as footwear and lifestyle accessories.

With these strategic initiatives gaining traction, we remain confident in our path of achieving INR1,500 crores in sales by FY '28.

On the profitability front, EBITDA came in at INR63 crores, reflecting a staggering 34.2% growth year-on-year. EBITDA margin expanded to 20.9%, driven by efficient operational performance, surpassing our guided range of 17% to 18%. Key drivers of this margin expansion include operating leverage, a favorable product mix, and continued cost discipline across the business. Notably, there has been an impressive EBITDA margin improvement for Kraus, which stood at 23.7% for the quarter, demonstrating our ability to drive cost synergy post the acquisition effectively.

On the distribution front. Pleased to share that all our channel of distribution reported healthy double-digit growth, underscoring the effectiveness of our go-to-market strategy. Revenue grew 15% in the retail channel and 21% in non-retail, showcasing balanced and healthy growth across our format.

In line with our strategy to expand our brand footprint, we added net 14 exclusive brand outlets, EBOs, during the quarters, taking our total to 666 stores as of December 31, 2025. Killer alone now operates 456 EBOs, underscoring its dominant brand presence well-supported by continuing growth in EBOs of Kraus and Lawman.

In relation to our brand momentum, the recently concluded Autumn-Winter 2026 trade show in January across our key brands received a very encouraging response. By showcasing our

collection alongside key competitors under one roof, we were able to demonstrate our competitive strength and generate strong engagement. This has further boosted our visibility and reinforced our partners' confidence in our brands.

Coming to our outlook and strategy. Looking ahead, leveraging our iconic brands and agile retail infrastructure, we believe KKCL is well-positioned to seize emerging growth opportunities. We will continue to drive growth by expanding our EBOs network, strengthening partnership with national chain and MBOs, and broadening our product offering in line with evolving fashion preference. We remain confident that our focus on stability, sustainability, and scalability with clearly defined goals, will continue to drive long-term value creation.

With that, I 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 Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: A very good afternoon, sir, and congratulations for excellent set of numbers. Sir, a couple of questions. You did mention in your initial remarks about some change in your strategy in Lawman and Integriti. Can you please explain that in detail, that what strategy you have changed and what was the impact of it on the revenues during the transition phase?

Pankaj Jain: Okay. Lawman generally was priced somewhere between Integriti and Killer. We have discontinued it from the distribution network and its full-fledged focus to make it a more D2C brand and consumer-focused brand with expansion of EBOs. Lawman has already touched close to around 93 odd stores. Okay, and we are seeing a good and positive attraction in that brand now.

Okay, over the last two years, the revenue -- there was a revenue dip by close to around -- there was a dip in revenue, and I feel, okay, going forward, okay, that repositioning of the brand has helped the brand, and going forward, there'll be a double-digit growth in that brand.

Going with the Integriti brand, okay, it was, looking at the value format, we have now introduced it into more modern trade channels. We have revised its price bracket, and we have started seeing attraction for it. Okay, I feel the growth for the Integriti brand will start happening from first quarter of the next year period.

Ankit Babel: These 93 EBOs of Lawman were opened in what timeframe?

Pankaj Jain: Close to around 14-15 months period.

Ankit Babel: Okay and what is the strategy here? What kind of growth are you seeing in these EBOs in the next 12 months? How fast are you going to increase it?

Pankaj Jain: So, first enhancement was to have a unit matrix positive, which we feel that should happen from this year itself. We have -- the number of stores growth should start happening from next year now.

- Ankit Babel:** No, that I understand but at what growth rate? I mean this 93, what are your plans to take it to say in the next 12 months? To 150, 125 or 200 or?
- Hemant Jain:** So the stores, as we've mentioned it, the number of stores shall double in three-year period.
- Hemant Jain:** Ankit, what happens is, whenever you open any store, you open them speedily up to a certain number. After that, you have some operational issues which you have to tackle. And now our focus is that after one year, there should be store growth at the SSG level as well. Now it's possible that for one year we might slow down the speed.
- But that doesn't mean-- by then, we see what problems arose, how we can improve them further, you improve whatever operational issues there are, and now our first focus will be on how to grow these 93 stores at the SSG level. After that, again -- this also doesn't mean we won't open stores at all, we will, but slowly. For a year or six months, we might be a bit slow, then we will increase the speed again.
- Ankit Babel:** Okay.
- Hemant Jain:** End of the day, our belief is that profit should come from the stores. Stores should not be opened just for the sake of top-line achievement.
- Ankit Babel:** I understand, I understand. So the margins in these brands would also be similar to the company level margins?
- Hemant Jain:** Not necessarily, Ankit bhai.. In that, what happens is, you work on average margins. Suppose Killer is earning high, then from that it's possible that Easies earns a bit less, Junior does okay, Integriti right now, as it's the initial first stage of our strategy change, it might be a bit low. But at the end of the day, what we are committing is that KKCL should earn 17% to 18% EBITDA margin, which we will maintain.
- Ankit Babel:** Why I asked this question was that, if these brands are already doing a low margin, and after considering those low margins, you have reported some 20% margins. So going forward if the margins in these two brands will only improve, so at least you'll sustain your margins at current levels at 19%-20%?
- Hemant Jain:** Ankit bhai, as we mentioned just now, we spoke about an average that our EBITDA margin will be in the 17% to 18% range. But this time it was more. See, we try. 1%, 2%, no management can't give you a reply with such perfection that if I said this much, it will be exactly this much. It can be 1% plus or minus. But yes, we always try for it to be better. And we are working on that.
- Ankit Babel:** I understand. And sir, so shall we conclude that the transition phase of Lawman and Integriti is now over, and they will only contribute towards the growth rate which was missing in the last 12 to 18 months?
- Pankaj Jain:** You can conclude that, but you'll still see that attraction from first quarter of next year itself.

- Ankit Babel:** Okay. Great sir. Thank you, I'll get back into the queue if I'll have more questions. Thank you, all the best.
- Moderator:** Thank you. The next question is from the line of Bajrang Bafna from Sunidhi Securities. Please go ahead.
- Bajrang Bafna:** Congratulations for good set of numbers. Sir, broadly, we are a domestic-centric brand right now, and we are able to, let's say, the guidance is towards 15% to 20% sort of growth for next 2-3 years, that is what broadly we are aligning with. But now, you know, the market has opened in terms of India for the US side also, Europe side also, and multiple trade deals that India has entered into different countries over last six months period? So now there is a renewed interest.
- So to achieve little more aspiration, and we are a very cash-rich balance sheet right now, and these global brands are also, coming towards our country. So any thought process on that count, to tap the global market also and probably go slightly higher in terms of growth opportunities, or is it still we feel that we'll be domestic centric, and will only focus on domestic side, because you might not have tapped the entire potential of this country itself? So if you could guide on those count will be really helpful.
- Hemant Jain:** Ankit bhai, see, as you just said that the European and American markets have all opened up. So far, it has just opened. It is in our mind too, that if we need to achieve more growth in the future, we will have to look at those markets also. But it's too early to say anything. As time passes, we will keep communicating with you. Because today I might make any commitment with you, but yes, we are -- we also feel that if we want more growth in the future and want to grow fast and speedily, we have to see the European market, American market or whatever.
- We can focus on the manufacturing scale-up, which is one of our strengths. So it's too early to say anything. And I don't want to commit anything. Because what happens is we have a path, what is our first target, our first target is whatever I committed to you, that in three years I want to do INR1,500 crores. First of all, we have to focus on that. As soon as any good opportunity comes, we are ready to grab it. So it's clear, that mindset is clear. See, it's not that, if we said this much then we have to do only that much business. If we get a good opportunity and if there's any chance or opportunity to increase business anywhere, we will take it, right.
- Pankaj Jain:** To answer your question, Bafna ji, okay, it's still on our mind but still not on paper.
- Bajrang Bafna:** That's what I'm trying to understand because...
- Pankaj Jain:** It's not yet on paper.
- Bajrang Bafna:** Thinking doesn't do anything, sir, there has to be a strategy in place, a team that will cater to those markets?
- Pankaj Jain:** I understand what you're trying to say, Bafna ji. But it's not going to happen for the first year itself. If you're looking at the quarter '26-'27 -- for the year '26-'27, nothing's going to happen.

We will put -- okay, it's on our mind that a new team has to be established for the same. Okay, maybe it happens for the second half of the first year of '26-'27, but nothing is finalized for that.

Bajrang Bafna:

Okay, got it. And about all the brand-centric business right now, you know, I was there on that day and we have observed that the most of the distributors who have come, they were pretty much excited for the Killer brand, and we have also noticed that maximum orders that they were putting is about the Killer brand, and not so excitement was there for the other brands that we are having.

So just to get as a sense of curiosity, it was just a ground observation, not something that probably I can vouch for, but what we have observed I'm just sharing and your thought process on that, to get -- create that kind of curiosity and excitement for your other brands. What is something that probably you can elaborate on that, what strategy that probably you'll deploy?

Pankaj Jain:

It was a pool of investors, okay, or my buyers all put together. Killer being the flagship brand, definitely you'll see some, okay, that excitement and the havoc, okay, and when, okay, the other set of investor also sees. But in terms of orders, there has been a growth in terms of all the brands.

Hemant Jain:

Secondly, Bafna ji, what happens is that for Killer, we actually invite all our dealers to Bombay, and for others like our Integriti and so on, we do bookings at the local level as well. We do bookings at the state level as well. So we only call those who we feel are the very main important dealers here.

Bajrang Bafna:

Okay.

Hemant Jain:

So many times it happens that for Integriti, we have more of focus on state level booking.

Bajrang Bafna:

Okay.

Hemant Jain:

So you didn't see that excitement here, because all the dealers come for the -- our common dealers, we tell them that your work will be done at one time. Otherwise, if we do local booking for Integriti, we do it at the state level, so you'll see the excitement there.

Bajrang Bafna:

Got it. And sir, Is there some broader guidance, for the -- are we going for the store addition count or do we understand it more in terms of square feet addition, because your growth is anyway proportion to the square feet addition. Whatever that you are holding right now and however much square feet addition you do, that will also drive your growth?

Of course, profitability is the prime importance, you have already indicated that, but any thought on that, what our percentage growth for the future is, how much is the expectation from square feet addition and of course the second part is that, the normal SSG growth on which you have already given an indication that we will work a lot on that now?

Hemant Jain:

See, Bafna ji, in this, what happens is you work on two levels. One is like your value and volume. Just like at the SSG level, we assume that 4% to 5% or 6% should be the growth path and 3% to

4% should be the addition in your value. The rest is if we increase our square feet. Now, even in increasing square feet, like we had a target that we will open 900 EBOs in three years.

Now it's possible that instead of 900, we do 800. But it's possible that the store which we are opening of 1000 square feet today, in the future our plan is that we should open store of 2000 and 2500 square feet. So it all depends because, see, now if you see Killer, we are taking a strategy that we won't open a store below 1200 or 1000 square feet. Now I am targeting 2000 or above 1500, so that we can keep all my Junior, Easies, maybe in the future we launch Killer Ladies. So we say that from time to time you have to change, and you have to fulfil your market demand and whatever is the requirement of that time. The number could be 800 instead of 900 but the square feet could be equal. It all depends.

Bajrang Bafna: That's why I asked, sir, because currently what is trending, I have observed in Arvind Fashions, I have observed in multiple, that if you see even Lenskart, the stores that are larger format are becoming more successful. I don't know, how that will sit in economics but the attraction in malls and all is the large format stores right now?

Hemant Jain: We are also working on the same. We also know that in the coming time, you will have to keep every category and every gender in the same store. By default, when you increase gender or categories, you'll have to increase the store size.

Bajrang Bafna: Correct.

Hemant Jain: It's a proven fact. So we are also working on it and we have already opened two such stores-- we have opened two large stores now. Like in Karol Bagh we have opened a 1700 square feet store, and in Puri we have opened a 2500 square feet store. So what happens is, it's one thing to do or say something, but you also have to run it and run it profitably.

Bajrang Bafna: Correct, correct. Sir, how is the experience in those large format stores which you have opened recently?

Hemant Jain: It's good, that's why our -- that's why we said that in the future. We will increase the size of the store. Instead of the number of stores, we will now increase the square feet of the stores.

Bajrang Bafna: Okay.

Hemant Jain: So slowly we are building a team, like now we have had more people join the company, they are the retail specialists. So see, end of the day, our goal is also that however much better growth we do, the better it is for us too as businessmen.

Bajrang Bafna: Right, right, right. We are the only motivators, sir, we are the only motivators, sir, you are the one who has to do it?

Hemant Jain: Thank you, sir, thank you Bafna ji.

Bajrang Bafna: Okay sir, okay. Thank you, thank you very much and all the very best.

- Hemant Jain:** Thank you.
- Moderator:** Thank you. The next question is from the line of Pratik from CCIL. Please go ahead.
- Pratik:** Hi sir, am I audible?
- Pankaj Jain:** Not very much. Can you be a little louder?
- Pratik:** Hello? Am I audible?
- Pankaj Jain:** Yes, now better.
- Pratik:** Okay, so to continue as a previous participant, you indicated that the current focus is on driving positive same-store growth before accelerating expansion. So could you help us understand what is constraining the pickup at the store level? I am talking about Lawman brand. So specifically, are challenges more related to merchandise relevance, store location quality, and catchment section issues?
- Pankaj Jain:** See, Lawman was already present. Okay, I said, okay, getting the product, the pricing, having that attraction and having the repeat buy was the -- so in all say getting the unit matrix right was the challenge for a year-one period.
- Okay, we see that, okay, we are seeing that, okay, getting into place within this year. So that's the reason we are seeing that, okay, the growth expansion or the number of stores expansion in Lawman is going to happen from the next year period now.
- Pratik:** Okay.
- Pankaj Jain:** And when you said about the, okay, the market scenarios, okay, we see that, okay, there was a healthy growth, the like-to-like stores for all the stores put together on Kewal Kiran front, there was a 10% SSG growth for the nine-month period.
- Pratik:** So is my understanding correct that, there is no issues in merchandise front right now?
- Pankaj Jain:** See, there are plus and minus happening in the market scenario, but I don't think that market is not growing.
- Pratik:** Okay. And sir, one second thing is, the company has recently introduced the Punya brand to participate in ethnic wear segment, but there was a limited discussion around this initiative in the presentation and opening remarks. Could you help us understand regarding the strategic intent behind entering this category?
- Pankaj Jain:** As we mentioned in our presentation that we are doing lot many pivots. This is one of our pivot. It's too early to comment on it.

- Pratik:** Okay. No, I was just asking because, at this stage while we are recovering Lawman, PG3, Integriti, scaling up Kraus and expansion of kids segment and...
- Pankaj Jain:** Okay, small-small pivot are happening on the back end also. Okay, it's too early to comment as of today on Punya.
- Pratik:** Okay, okay. And finally sir, with the expansion into categories such as women and kids, winter wear etc, we are looking to relaunch K-Lounge as a format showcasing the entire portfolio few times back. Could you elaborate on the incremental strategy for this format?
- Pankaj Jain:** Right now, okay, our entire focus is opening, okay, brand-oriented stores and that's the reason K-Lounge has been kept on hold.
- Pratik:** Okay. All right. And just a final question. Kraus delivered a strong growth of 37.5% during the quarter. Could you help us understand the drivers of this performance, specifically how much of the growth came from expansion and distribution reach, versus like-to-like growth within the existing network?
- Hemant Jain:** Regarding Kraus, as we told you, when we took over Kraus, they were operating on only one channel, which was only large format. So now we have started them in the MBO channel as well, we've started there now. So the growth you see in MBO, like the big MBOs, we're starting there, we've started exports, so the business will slowly grow more because the base is very small, so as a percentage it looks very good, but yes, we are operating some new channels, and our focus is on that.
- Pratik:** Okay. So can you just highlight how much would be like-to-like growth within the existing network?
- Pankaj Jain:** It was more than 10% on L2L.
- Pratik:** Okay. Thank you so much and all the best for the future.
- Moderator:** Thank you. The next question is from the line of Naveen Baid from Nuvama Asset Management. Please go ahead.
- Naveen Baid:** Yes, thank you for the opportunity and congratulations on a great set of numbers. Just wanted a couple of data points. One, what is the retail area that we are currently sitting on, as of the end of the quarter? And what was the consolidated same-store sales growth for the quarter?
- Pankaj Jain:** The L2L growth for nine-month period was around 10% and for the quarter was around 1%.
- Naveen Baid:** Okay.
- Pankaj Jain:** 1% was only because of change in season period from the quarter two and the quarter three differentiation.

- Naveen Baid:** Okay, okay. And what's the retail area that you were sitting on?
- Pankaj Jain:** I don't have that number on hand right now, but we can take this question offline.
- Naveen Baid:** Offline. Okay, I'll connect with you offline. Yes. Thank you. That will be all from my side.
- Moderator:** Thank you. The next question is from the line of Deepak Ajmera from IGE India. Please go ahead.
- Deepak Ajmera:** Yes, hi. Thank you for the opportunity. So my question is regarding the bifurcation of the growth, since having said that we want to grow around 15% to 20% a year. So how could the bifurcation look like between, let's say, per square feet growth and SSG?
- Pankaj Jain:** We're growing on all the channels of sale or maybe we are operating on all the channels of sale. So giving a number on terms of square foot is not the exact example, it's not the exact example. Okay, but definitely we are monitoring, okay, L2L formats where we have been growing drastically. For the nine month period, the growth was around 10%.
- Deepak Ajmera:** Okay, so what could the prospective proportion could look like? I'm not pinpointing down you on a particular number, but how could the proportion of the growth look like?
- Pankaj Jain:** Right now the on a consolidated level, the retail to non-retail mix is around 55 - 45. Okay, I think it should stay in the similar levels.
- Deepak Ajmera:** Okay. Got it. And secondly, in recent past, we have been growing faster than 15% to 20%, correct? So why now is our endeavour to let's say growth in between this range?
- Pankaj Jain:** Deepak, I feel the base was lower and that's the reason. Okay, that's most, what do you call. We feel that that's the most achievable number, where we can sustain that growth as well as scale it, without any change in margins.
- Deepak Ajmera:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Naitik from NV Alpha Fund. Please go ahead.
- Naitik:** Hi sir, thanks for taking my question. So my first question is for the first nine months, we are almost at INR900 crores, and this year INR1150, INR1200 crores seems doable, so is your guidance of INR1500 crores for FY'28, isn't that a bit conservative because that means only 11%-12% growth will come in next 2 years?
- Pankaj Jain:** See the entire presentation was given okay a year before. Okay, we definitely this year will be surpassing our estimates and that's the reason, if there is any change in the estimates, we will definitely let you know.
- Hemant Jain:** It's not like that. We gave a benchmark to all of you that we would do INR1500 crores. But we will try to surpass that and as soon as possible. Look, we have sat here to do business, we will

also like it, but what happens is when we talk with you and when you talk on record, you talk about a somewhat conservative figure. We will definitely try to do even better.

Naitik: Got it sir. Okay. So my second question is the INR1500 crores we are talking about, which will be the figure whenever it comes. In that number, is it safe to assume that by then 60% of our revenue will come from retail channels given that we are adding stores aggressively?

Pankaj Jain: Okay. So right now the retail mix to non-retail mix is around 55% - 45%. It may change over to a 2% or 3%, not major.

Naitik: Right. And sir given that then you know margins of this channel are better than non-retail, so we should we should also see some bit of either maintaining the margins or better margins than the 17%-18%, right as the mix increases of retail channel where our pricing control is better?

Pankaj Jain: On the composite blend, the margins are similar in terms of retail as well as non-retail.

Naitik: Okay, it's similar. Okay. Got it, got it sir. That's it from our side sir. Thank you.

Pankaj Jain: Thank you.

Moderator: Thank you. The next question is from the line of Arpan Rathod from Insight Advisory. Please go ahead.

Arpan Rathod: Good afternoon, sir. First of all, let me congratulate on a great set of number. Specifically both revenue growth and EBITDA growth exceeding the absolute number. So couple of questions from me. First is seen expansion in gross margin. What would be a sustainable gross margin going forward?

Pankaj Jain: So the gross margin is a composite mix of the channel as well as the category as well as discounting in the market or how the market performs at. Okay. Last year it was close to around 40%. Okay, but this year it's around 42%. I think that's a maintainable gross margin for us.

Arpan Rathod: Sure. Secondly, will it be possible to share the EBITDA margin for Kraus now vis a vis what we what it was when we had acquired it?

Pankaj Jain: So when we acquired it, it was around 12% to 13%. No, 12%. Okay, and currently it's about 20%

Arpan Rathod: So yes, so my next question is on that only. You have demonstrated successfully in improving the numbers for a brand which you acquired. What would be the next target?

Pankaj Jain: Improving the working capital for that company.

Arpan Rathod: That would be great. No, no. So that is in terms of the Kraus. But I'm saying now that the company has sufficient cash reserves, will there be another acquisition going forward soon?

Hemant Jain: In this, it's like this, look, whenever any good opportunity is found, we will try 100% to acquire it. But acquisition doesn't happen in a day. Which brand, at what value, how it comes, so it's a strategic. If in that too we feel that we can do some good improvement by taking this brand, only then we acquire that brand.

So yes, we are open for that, we are always open for acquisitions. And whatever good opportunity comes, yes, it's our mindset that if we find any good opportunity, we will take it.

Arpan Rathod: Great, great, great sir. Sir, and what would be the growth guidance for say FY'27-'28? Broad numbers?

Hemant Jain: We will do double-digit growth. You know that we have to do it. Look, how it happens in this is that, like I did in the first call that we had to do INR1500 crores, that time we never said that if it is INR1000, then in the first year we will do INR100, second year INR150 and in the third year we will do INR250. That is not our strategy.

We just see that business is happening, right? If it increases, what's bad in it, business should increase as per business. See, sometimes the market also supports, sometimes it doesn't. So there is a 1%-2% variation here and there, boss. Nobody, not a single promoter will give you 100% perfection that no, only this much will happen. But yes, we always try, look, if business increases further, it is a benefit for us too.

Arpan Rathod: That's true, that's true. Sir, and one broad question. There is too many FTAs which have got signed, the trade deals. And we have an established brand already, plus we have a great set of manufacturing facilities. Will we be looking at export potential?

Hemant Jain: Yes, maybe, but it's too early. How it happens that anything, any opportunity, until now the market hasn't opened. Look, anything if we have to do future growth and our expertise is in manufacturing, then we are open to it. If good any opportunity will come, we are ready to take that opportunities also.

Arpan Rathod: Great sir. Congratulations once again. Keep up the great performance. Thank you.

Moderator: The next question is from the line of Sahil Doshi from Thinkwise Wealth Managers. Please go ahead.

Sahil Doshi: Hi, good afternoon, sir and congratulations on a great set of numbers. So just this Gross margin expansion which we've seen in this quarter, just wanted to understand little better. One, we've seen almost 50% kind of a growth on a Y-o-Y basis on others and accessories?

Is that also contributing to this or do you think that the entire portfolio realignment which we were doing, Integriti, Lawman, all of that is complete, and now we're confident that this kind of a gross margin is sustainable?

- Pankaj Jain:** So it's a mix of everything, I said it's a channel mix, brand mix. Okay, also the factors relating to discounting, okay, how the market performs. So everything was put together, and I think now okay, maintaining this level -- this level is maintainable.
- Sahil Doshi:** Understood. So just trying to understand strategically when you know, if our gross margins are likely to be maintained at this and we are at around 20% margins. So when we are saying 17%-18% is what we should go towards or we should think. So that delta is being eaten away by what line item? Is it aggressive brand spends which we'll want to do or it will be on the pricing side?
- Pankaj Jain:** You've rightly quoted right, okay. It would be more towards the brand spend.
- Sahil Doshi:** Because that we are not seeing it at least in this year, at least in the selling and distribution expenses haven't really increased. So just wanted to strategically understand two to three years out. How much this 5% spend should it go to 7%-8%?
- Pankaj Jain:** It will remain between 5%-7%.
- Sahil Doshi:** 5%-7% okay, okay. Because like we are saying pricing we are now okay with 42 so that's why I am not able to see where, you know, I think there is enough room for us to do better than...
- Pankaj Jain:** But I feel okay we have already delivered on the gross margins level. Now going to the line item which is below the line activity, it will be going towards the S&D spend.
- Sahil Doshi:** Okay, okay. Understood, understood.
- Hemant Jain:** Sahil, what happens in this is that for anything, as you are saying, if there is an extra amount we spend it on advertising, or sometimes we don't. You won't see it in selling and distribution. But it's possible we want to open a store and we have to take a risk there, so we take that risk and use that money there. So that at the end of the day we see that our EBITDA, which we committed should be 17% to 18%, should stay that way.
- Like we did an experiment that we opened a large store, its rental cost was high. How much it will be, how much success it will have. So we think that, some stores are such that you take them as advertisements, but you won't see it here. If it runs well, then your margin increases. So it all depends, sometimes you have to move a bit back and forth in the strategy.
- Sahil Doshi:** Right, right. No, I appreciate that sir. Sir, second only in Kraus if I see, we've done a fabulous almost a 37% growth in this quarter and margins come to around 24% which is much higher than even KKCL has done. So how sustainable is this is what I wanted to understand?
- Pankaj Jain:** Again we okay I guidelines still stays at around 18% to 20% on a consolidated basis.
- Sahil Doshi:** Okay, because you said that first objective was to get their margins at our level. Of course, this seems to have increased better than our level in on a blended basis. So do you think there's likely when again when we are saying 17% to 18%, is it more on the pricing side or more on the investment in the branding and the other?

- Pankaj Jain:** So you will see that okay the S&D cost is miniscule for Kraus brand. Okay. That additional delta will be spent there.
- Sahil Doshi:** Okay, understood. And just lastly to understand this Kraus growth better, like you said 37% growth is there, you said LTL is more than 10%. But ideally it should be much higher, right? Because your MBO share is not or distribution will not have increased so much?
- Pankaj Jain:** It is increasing, okay. So okay, it is more than 10%, and okay, the number of counters have increased also.
- Sahil Doshi:** Okay, and where do you see this like for the next 1 to 2 years, this should be a continued journey for the next 2 to 3 years?
- Hemant Jain:** Yes, it will continue. As we told also that when we took the brand, we had a focus that where do we have to take that brand in three years. Like right now even if we are giving you consolidated figures, we are working on that brand and we are giving you numbers by including that brand.
- Sahil Doshi:** Correct, correct. Perfect sir. Thank you, so much and best wishes, to your team sir. Thank you.
- Hemant Jain:** Thank you.
- Moderator:** The next question is from the line of Resham Mehta from Green Edge Wealth. Please go ahead.
- Resham Mehta:** Yes, thank you. Congrats for a good set of numbers. Just two questions. One is, you know, what is our repeat purchase rate from our EBOs?
- Pankaj Jain:** Sorry, I didn't understand, ma'am, can you repeat?
- Resham Mehta:** In our retail channel in EBOs specifically, how do we measure customer loyalty? Like one customer supposing, you know, today purchased, so let's say within the next one year he comes how many more times to purchase?
- Pankaj Jain:** I don't have that number on hand right now. Okay, but we can take this question offline. Okay, I'll get back to you. Okay, my team already has it, but I have not touched that number right now.
- Resham Mehta:** Sure, sure. Maybe if you can share it offline that would be great. And the second one is, that just like we've fixed our positioning and, merchandise etc, bunch of things for Integriti, Lawman, right? But Easies still feels like, it is in a no man's land?
- From a consumer perception, there is no real differentiation between let's say an Easies or an Integriti brand. So what is the reason to keep the brand alive or will we axe the brand or will we take some call on it? Just any thoughts there, because eventually yes capital in the form of working capital is being blocked there too?
- Pankaj Jain:** So every brand was launched with a particular brand positioning and the scenarios as they were prevailing in the market. It was -- in the -- 2000, it was brought in when competition to some of

the brands. Yes, definitely you are right that, okay, it looks, okay, somewhere leftover within the company itself.

Okay, we are not fighting all wars together. We have -- choosing our wars. So which we feel that, okay, the one which we could achieve faster is what we have contributed now. Definitely there'll be -- I feel, okay, Easies does have much scope to improve on. Okay, maybe we'll reposition the brand strategy for it, but that's going to happen from maybe the second year, not this year.

Resham Mehta: But let's say if the brand doesn't perform for one-two-three years and there is no real differentiation or USP, then do we still want to, I mean, aren't we open to doing away with a brand?

Pankaj Jain: Even on the business perspective, okay, the EBITDA margins or the total margins are positive for all the brands. Resham, it's positive for all the brands, even for Easies.

Resham Mehta: Fair enough, fair enough. All right. Thank you so much.

Pankaj Jain: Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to Mr. Hemant Jain for 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 journey. Should you have any further questions, please feel free to reach out to our Investor Relation team. Thank you and have a great day ahead. Thank you so much.

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