



KHAZANCHI JEWELLERS LTD

Date: February 20, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Ref: SCRIP: 543953|KHAZANCHI|INE0OWC01011

Dear Sir/Madam,

Subject: Transcript of Earnings Call for the Q3 & 9M FY 26

Pursuant to Regulation 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform that the transcript of audio call recording of the Company's Earnings Call to discuss the Unaudited Financial Results for **Q3 & 9M FY26** is attached herewith.

Kindly take the same on your records.

Thanking You
For Khazanchi Jewellers Limited

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



“Khazanchi Jewellers Limited
Q3 & 9M FY26 Results Conference Call”

February 18, 2026



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**

Moderator: Ladies and gentlemen, good day, and welcome to Q3 and 9 Months FY '26 Results Conference Call of Khazanchi Jewellers Limited 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 Private Limited. Thank you, and over to you, sir.

Harshil Ghanshyani: Thank you. On behalf of Kirin Advisors, I welcome you all for the conference call of Khazanchi Jewellers Limited for Q3 and 9 months FY '26. 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. Rajesh Mehta, Chairman and Joint Managing Director of Khazanchi Jewellers. It's our pleasure to welcome you as we discuss our performance for Q3 and the first 9 months of FY '26. Q3 FY '26 marks another milestone quarter for the company, characterized by strong revenue traction, margin expansion and disciplined execution. The quarter benefits from sustained festival movement and improved product mix and healthy demand across both wholesale and retail channel. Our diversified model once again demonstrate resilience and operating leverage, enabling us to deliver robust growth while maintaining tight control over cost and our inventory cycle.

On the B2B front, we continue to expand our partner ecosystem and deepen relationship with jewellery houses, wholesalers and organized retail chains across India. Our ability to execute large volume orders with precision, timely delivery and design differentiation remains a key competitive strength in the wholesale gold segment. Our B2C business also delivered encouraging traction during the quarter, supported by festival demand and improved realization.

I am pleased to share that our new 10,000 square feet large format showroom in Chennai was successfully inaugurated on 7th Feb. In the first 10 days since its opening, we recorded a sale of approximately INR20 crores. This strategic addition significantly strengthened our retail footprint, enhanced the customer experience and positions us strongly in the premium jewellery segment. This new flagship showroom will play a pivot role in driving higher retail contribution and margin expansion going forward.

Our expansion into the natural diamond category under our premium brand, Vajraa by Khazanchi, continues to gain momentum. The positive response at trade exhibitions and subsequent orders inflows validate our strategic move into higher-value categories, which are expected to meaningfully support profitability and brand premiumization over the medium term.

Looking ahead, we have a clear strategic vision. Over the next 2, 3 years, we aim to increase our retail contribution from 10% to 25%. We plan to achieve this by expanding our product portfolio, onboarding new brands and further strengthening our retail presence. As our retail mix improves, it will naturally enhance our margin profile, drive strong profitability and create greater operating leverages in the years ahead.

Let me now briefly walk you through our financial performance. 9 months FY '26 financial highlights are as total revenue of INR1,542.02 crores, a year-on-year growth of 34.04%; EBITDA of INR89.12 crores, year-on-year growth of 96.91%; EBITDA margin of 5.78%, year-on-year expansion of 185 basis points; PAT of INR63.82 crores, year-on-year growth of 96.92%; PAT margin of 4.14%, year-on-year expansion of 132 basis points; EPS of INR25.76 year-on-year growth of 96.64%.

Now I will give you the results of Q3 FY '26. The financial highlights are, total revenue of INR589.26 crores, year-on-year growth of 49.6%; EBITDA of INR35.34 crores, year-on-year growth of 114.51%; EBITDA margins of 6%, year-on-year expansion of 181 basis points; PAT of INR25.13 crores, year-on-year growth of 103.02%; PAT margins of 4.26%, year-on-year expansion of 112 basis points; EPS of INR10.12 year-on-year growth of 102.4%. This performance highlights our improving operating leverage, efficient cost structure and strong product mix.

Looking ahead, we remain focused on strengthening our wholesale partnership, accelerating growth in the diamond jewellery segment, scaling our expanded retail footprint, and investing in technology and design innovation. With a strong 9-month performance and an enhanced retail presence, we are confident in sustaining our growth momentum and delivering long-term values for our stakeholders.

Finally, I would like to extend a warm invitation to all of you to visit our flagship showroom and experience firsthand the craftsmanship collection and elevated retail environment. With these remarks, I now open the floor for your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vinod Shah from VS Ventures.

Vinod Shah: Congrats on good set of numbers. How does order visibility look for like Q4 and early FY '27?

Rajesh Mehta: Could you repeat the question, louder please?

Vinod Shah: Yes, sir. So how does order visibility look for Q4 and early FY '27?

Rajesh Mehta: The overall segment of gem and jewellery looks good only as the prices are increasing. There is a slowdown for a shorter period of time. But overall, the prospective is very good. The whole industry is going to grow at the pace of 30%, 35%, I believe.

Vinod Shah: Okay, sir. And sir, what is your current working capital cycle? And how is it moving on a quarter-on-quarter basis?

- Rajesh Mehta:** That's what, current working capital is -- that's what our stock rolling cycle is somewhere around 50 days.
- Vinod Shah:** Okay. And so do you see any change in inventory levels due to the fluctuation in gold prices? So how is the inventory levels right now?
- Rajesh Mehta:** There are fluctuations in gold prices, but the demand is not impacted much. So I believe that the working cycles and the stock rolling cycle would be nearly same only. Maybe here and there, there is a variation possibility of 10%.
- Vinod Shah:** Sir, are you witnessing any competition from organize and unorganized players? How is competition over there?
- Rajesh Mehta:** No, that is an improvement into the whole gem and jewellery segment now when there is a shifting of business from unorganized sector to organized sector as a quality prospective and resale value prospective, all the consumers are believing to buy a right product at the right price. So it all depends upon the design. And gradually, things are improving. And based on designs, the margins are also improving.
- Vinod Shah:** Okay. And sir, what is the revenue contribution from our top 5 clients in the B2B segment?
- Rajesh Mehta:** That's what, on a broader side, if you see to it, the maximum top 5 clients would be contributing somewhere around 15% to 20% of the total revenue.
- Vinod Shah:** Okay. And going forward, what do you think -- how will that mix look like?
- Rajesh Mehta:** Since we have been progressing on all the various parameters of our various verticals of our business, we are expanding into B2B segment, B2C segment and everything. So on a constant basis, we are defining that we are going to grow at a pace of 30% in all verticals. And since we have come up with a new showroom and our retail spread is going to give a bigger share in the upcoming years.
- Vinod Shah:** Okay. And what is the area of the new showroom?
- Rajesh Mehta:** Yes, the new showroom, total build up area is 10,000 square feet.
- Vinod Shah:** Okay. And on the geographic front, so what is the geographical breakdown of our revenue? Like how diversified it is?
- Rajesh Mehta:** Since we have been in primary phase in South India, most of the revenues are from Tamil Nadu and some upper parts of Andhra and a few parts of Karnataka. Primarily, our presence is in South India.
- Vinod Shah:** So sir, the gold prices are quite volatile. So are we using any changing mechanism to manage this gold price volatility?

- Rajesh Mehta:** Yes, we have been using that regular natural mechanism as we have been operating with the refilling strategy. Whatever we sell, we buy it back. And if there is any extra orders, we buy it and we hedge it into the exchanges also when we follow that regular natural mechanism.
- Vinod Shah:** And they have been effective in protecting our margins, right?
- Rajesh Mehta:** Yes, obviously, correct. There is no impact in fluctuation as far as our margins are concerned. Margins are intact for us.
- Vinod Shah:** Okay. And so what was the volume of gold sold in Q3?
- Rajesh Mehta:** Exact quantum, I cannot define now currently. I will share you later.
- Moderator:** The next question is from the line of Anil Parekh, an Individual Investor.
- Anil Parekh:** Okay. I guess my question was a slightly general question. It's a reasonable expectation that the current circumstances, the global circumstances, particularly the war might end soon. So if that were to happen and if gold prices were to correct by, say, 15% or whatever, to what extent do you think that this would be good for demand because at such high prices currently, a lot of the growth by jewellery retailers and wholesalers are coming from just a value growth as opposed to a massive volume growth. So do you think that there might be a huge upsurge in volume offtake if gold prices were to correct by 15%?
- Rajesh Mehta:** Yes, in the near-term scenario, we do not see that there is a huge correction of 50% is anywhere possible. But even then when there is a correction, the volumes are gradually very high. And this has been happening in a very long period of time. Whenever we say a steep correction in the prices, the demand goes up. Sometimes it has even reached dual. So the demand will surely improve if the prices come down.
- Anil Parekh:** And can you kindly opine on the growth that you've shown this particular quarter? Unless, of course, you've already mentioned in your opening remarks, which I may have missed, sorry. What percentage of this close to 50% growth has been on account of volume versus value?
- Rajesh Mehta:** That's what the value growth is around -- as for the revenue of last Q3, if you check, then it has been around 49.6% year-on-year for this quarter and overall value growth of 34.04% for the 9 months. And since we are into various verticals of business, and we have some lower-margin verticals, we have good lower turnover and higher-margin verticals, we have improved a lot. That has added up to improve our EBITDA margins and PAT margins.
- Anil Parekh:** Right. And my final question, sir, is that you're giving a guidance of about 30% going forward. Is that a conservative guidance? Because it seems like where you are geographically in the southern part of India, it seems like you're right where there's a lot of demand for gold and gold jewellery?

- Rajesh Mehta:** Yes. Obviously, we always define in a constrained basis only. We always try to define constraintly and prove better. So that has been our style of working. And we feel that, yes, we are going to achieve much better than that, but we are defining a growth of 30%.
- Moderator:** The next question is from the line of Vidhi Purohit from H&I.
- Vidhi Purohit:** So sir, I just wanted to understand your current debt position. And as you look at the expansion over the next few years, do you plan to fund it largely through internal accruals? Or should we expect incremental borrowings?
- Rajesh Mehta:** Now as per the current requirements, all the fulfillment of working capital requirement has been filled by the internal segment. For the future date, if any expansion is planned on a bigger level, then if any funds is required, that may be planned accordingly then and then the management decides about it.
- Vidhi Purohit:** Okay. So as the retail mix increases, how should we think about revenue growth and margin trajectory over the next 2, 3 years? Any broad guidance or directional targets that investors can anchor to?
- Rajesh Mehta:** That's what overall, since we have been in lesser participation previously into the retail segment, now we are planning to expand on the retail legs, and we are -- in upcoming 2 years, we are planning that at least 25% of the total volume will be shared by the retail B2C sales. So in that case, our bottom line is also going to improve, and we are going to have an additional revenue from B2C.
- Vidhi Purohit:** Okay. So on the B2C side, could you elaborate on how you are leveraging technology, whether in design -- I mean, whether in design automation, CRM or analytics to improve the customer acquisition and repeat the business?
- Rajesh Mehta:** Yes, obviously, we have been working on various ERP systems for making our designing easy, recognition of requirements, the customers' demand, market scenario, everything has been analyzed. And based on that analytical data, we are trying to get those products which are selling very fast. That is the primary reason that our working cycle is running fast, and we have been working with the various technologies for improving much more on that.
- Vidhi Purohit:** Okay. So given increasing competition from organized and natural jewellery players, what do you believe differentiates your value proposition, whether in pricing, design innovation or customer loyalty?
- Rajesh Mehta:** That's what since we have been in the industry for more than 5 decades, we have a very wide design library. And our designs are widely accepted among both the segments, B2B and B2C. And we have been always working on the technologies and the client requirement understanding and designing products in such a fashion that it does not fall very heavy on the pockets of the clients also because the prices are increasing.

So we have been always considering about -- considering the requirement of our clients and preparing the designs accordingly. So in that case, we have our own design library, which has been widely accepted. That acts as -- what they say, that represents Khazanchi as a very different among the other peer competitors.

Vidhi Purohit: Okay. So my last question is in Q3 FY '26 revenue growth was strong at around 49.6%. So could you help us understand like how much of that was the volume driven versus realization led and considering gold price movements during the quarter.

Rajesh Mehta: That's what we have grown on the volume base. If you take up, we have grown around 7% to 10% in between. But overall, the margins have been improved so much because we are working on the various verticals. On the various verticals -- so some other verticals where the margins are less, we have reduced our margins, we have reduced our volumes there. And on other verticals where our margins are high, we have improved on that. That has improved our EBITDA margins and PAT margins.

Moderator: The next question is from the line of Mahesh Sheth from VY Capital.

Mahesh Sheth: So sir, our EBITDA margin has expanded to 6% in this current quarter. So how much of this improvement is sustainable, like versus festival-led operating levels?

Rajesh Mehta: Yes, that's what I told you since we have been working on various different type of projects, higher value addition varieties, and we have also introduced various brands for selling of our premium jewellery, that have added up additional margins of EBITDA. And we have been constantly working on that, and we are going to -- our EBITDA margins are going to improve much higher as the share of B2C segment is also going to improve at a higher pace as our showrooms have opened.

Mahesh Sheth: Okay. And like with our PAT nearly doubling year-on-year, so should we expect this similar earnings growth in FY '27? Or like will it get moderated going further?

Rajesh Mehta: So as the demand for our designer products has been increasing, and we have been working on the better higher-margin products, our EBITDA margins and PAT margins are going to improve at a same pace, we believe.

Mahesh Sheth: Okay. And can you also break down your revenue mix between plain gold jewellery, studded jewellery and diamonds, like how this mix is evolving?

Rajesh Mehta: Currently, I don't have the handy data. I can give you. You can drop in your question in the mail or with the Kirin Advisory so that I can answer it in detail to you.

Mahesh Sheth: Okay. Sure. I'll connect with Kirin.

Rajesh Mehta: Okay.

- Mahesh Sheth:** And like what is the current same-store sales growth for your retail business? Like how should we think about this trajectory over the next few quarters?
- Rajesh Mehta:** So there, we have opened up our new showroom here on 7th of Feb. From there in the last few days alone, we have made a turnover of nearly INR20 crores here. So as projected, we are planning that, yes, the store is at least going to fetch us a revenue of nearly INR500 crores. And in the upcoming years, we are going to add up a few more showrooms and things are going to improve on a retail basis, which are going to improve our PAT and EBITDA.
- Mahesh Sheth:** Okay. Got it. And one more thing. As we see a lot of peers in the industry are expanding aggressively by opening more showrooms and increasing their geographical presence. So how does the company view this trend? And like as you already told that we'll be planning this more showrooms, right, going forward? So like how....
- Rajesh Mehta:** Yes. Since we have started up with our flagship showroom now, we are going to have a very, what they say, right type of managed system, understanding that clearly. And later on, we will think of expanding on aggression.
- Moderator:** The next question is from the line of Bhaskar Kanrar from 3F Capital.
- Bhaskar Kanrar:** First of all, congrats on a good set of numbers, sir. Sir, my question is, can you provide Q3 revenue mix, each segment, B2B contribution and B2C, and each segment margin?
- Rajesh Mehta:** That's what I told you. Till last year, we have been contributing -- our B2B has been primarily 90% and 10% was our B2C participation. As our B2C bigger showroom, flagship showroom has come up only this, so the impact of this B2B expansion would be seen into the Q4. And as for the margins are concerned, our B2B margins are -- EBITDA margins, if you define, would be somewhere around 6%. And for the retail segment, these margins are around 10% to 11%.
- Bhaskar Kanrar:** Sir, my second question is in the next year, FY '27, how store expansion plan, how much -- how many stores we are adding, any plan?
- Rajesh Mehta:** We cannot define now, the management is under the discussion of how the things are going to operate in the upcoming year. That would be defined as and when it has been decided.
- Bhaskar Kanrar:** Okay, sir. Sir, my last question is, sir, this year, this quarter, any inventory gain in this quarter?
- Rajesh Mehta:** Inventory gain you are talking about?
- Bhaskar Kanrar:** Yes.
- Rajesh Mehta:** Generally, the overall contribution, if you take there are inventory gains of around 1.5% there. It differs, it is not fixed. It differs somewhere around 1% to 1.5%.
- Moderator:** The next question is from the line of Raj Shah from Shah Ventures.

- Raj Shah:** I have some couple of questions. So sir, can you tell me what is your average ticket size in retail versus wholesale? Like how does customer behavior differ across segments?
- Rajesh Mehta:** It all depends upon the client's requirement. As per the B2B is concerned, we have clients who have been taking ornaments from us, they buy it in, what they say, on a lower category clients also we have who are operating with a small showroom, and we have bigger clients also who have been working on multiple branches also. So in that case, it is a diversion. So it cannot be defined as per the ticket size. So some jewellers, which are having, what they say, many branches spread over, they are buying much higher than us, say, one single client, they have some 5% of our total volume that -- and there are clients of the lower denominations also.
- Raj Shah:** Okay. I also want to know about the working capital. How much incremental working capital will be required to support the targeted increase in retail consumption?
- Rajesh Mehta:** That's what, for the new showroom, we have planned that we are going to take up an inventory of somewhere around INR150 crores in that, and we have started operating that. So based on that inventory requirements, we would be able to achieve what we have defined.
- Raj Shah:** Okay. And sir, are you seeing any shifts in consumer demand like towards a lightweight or lower carat jewellery? If you see, there is very much of increasing gold prices as well. So do you see any shift?
- Rajesh Mehta:** Yes, there is a shift in the, what you say, lighter-weight jewellery for the marriage purposes. There is a reduction of, say, 20%, 25% in the weight range of the same product. So we have been catering and we have been working on those designs that we can reduce the quantum of gold and give the output of same size. And that has been happening, and we have been catering much better for all the demands of that client.
- And yes, lower caratage demand also, for the minimal jewelries, people prefer to buy lower caratage, and we have been manufacturing lower caratage jewellery also. So as far as the South is concerned, up to 18 and 22 carats are on the mark, but there is a demand for 14 carats and lower carats are way low.
- Raj Shah:** Okay. Sir, I also want to know about your business expansion. What is your strategy to build brand, what you call, nationally, especially outside your core geography?
- Rajesh Mehta:** So in the future, maybe company management has a future plans also. Since we have a strong presence in South India, we have plans of expanding in South India primarily. We have a very big market here in South India. So we are planning to expand in South India initially. Then later on, as the company progresses, there are plans that we can diversify pan-India.
- Raj Shah:** Okay. I also want to know about EBITDA margins. Over the medium term, what would be the ideal steady state for the EBITDA margin profile once the retail mix stabilizes?
- Rajesh Mehta:** That's what, since the overall retail share of overall sales, the retail shares, we are of the vision that it is going to improve from 10% to 25%. So the EBITDA margins are going to obviously

improve. So since the EBITDA margin is at 6% now currently, so it is expected to improve somewhere higher 20% to 30% from here.

Raj Shah: Okay. That's great, sir. Thank you so much for giving about the insight for the business.

Rajesh Mehta: Thank you so much, sir.

Moderator: The next question is from the line of Priya Jain from Green Capital.

Priya Jain: There are few questions with me. I think we have 1 showroom of around 10,000 square feet, which is a flagship showroom. So what capex was incurred for that flagship showroom? And what ROI do you expect?

Rajesh Mehta: Hello? Your question is not clear. Your voice is breaking.

Priya Jain: Sir, I'm asking what capex was incurred for the 10,000 square feet flagship showroom? And what ROI do you expect?

Rajesh Mehta: The capex for the coming showroom was around INR12 crores. And for the total revenue, what you have defined, that's what, we are expecting from this showroom is somewhere around INR500 crores for the retail division. And as I have defined already that our retail margins would be of somewhere around 10% to 12%. In that case, that would be the return on the new showroom -- return from the new showroom.

Priya Jain: Okay, sir. And what is the payback period for the new showroom investment based on current performing benchmark?

Rajesh Mehta: Somewhere around, what we say -- overall stock inventory you are talking about or you are talking about capex?

Priya Jain: Sir, I am talking about the capex.

Rajesh Mehta: Yes. capex part, it can be covered in 1.5 years.

Priya Jain: Okay. That means you incurred around INR12 crores from that flagship showroom. Okay. Sir, you aim to increase retail contribution at what percent in 2, 3 years? And how many new stores we can expect?

Rajesh Mehta: I cannot define on the figures currently, but the management is planning to open a few more stores in upcoming year. And as for the retail share is concerned, we are going to improve the retail share from 10% to 25%.

Priya Jain: Any plans, like will future retail expansion be company-owned or franchisee-led?

Rajesh Mehta: Initially, whatever plan we have currently would be company-owned only. Later on, when the expansion plan is on a very wide range, we can think of the second portion.

- Priya Jain:** And sir, you are, I mean, scaling the retail part. So what will be the impact on the employee cost and store-level operating expense as there will be a lot of maintenance involved? And what percent of like revenue expense as percent of revenue?
- Rajesh Mehta:** That's what, as the retail store is concerned, I've already defined that -- as for the EBITDA, if you calculate on EBITDA, it would be somewhere around 1% to 1.5% of the EBITDA, 1%.
- Priya Jain:** And sir, one last question. Do you foresee any risk of inventory of sellers options, as you expand into premium and diamond categories?
- Rajesh Mehta:** I could not get your question. Your voice is breaking, ma'am.
- Priya Jain:** Do you see foresee any risk of inventory, like as you expand into premium and diamond categories?
- Rajesh Mehta:** There are not much risk here because always, as we are catering lots of designs and patterns. And diamonds also, we are procuring as per the requirement. Higher quality diamonds are only sold in South India. So we have quality only. So in that case, we don't find any risk for that.
- Priya Jain:** And sir, 1 more question. What is margin difference between wholesale and retail segment?
- Rajesh Mehta:** That's what, margins with regards to wholesale are somewhere around 5% to 6% and retail margins are 10% to 12%.
- Moderator:** The next question is from the line of Anil Parekh, an individual investor.
- Anil Parekh:** Thank you again. So the management just mentioned that you want to take your retail contribution to about 25%. Just wondering, when is that likely to happen? How long is it likely to take, a year or longer than a year?
- Rajesh Mehta:** As per our performance here in the current store, we are confident that it can be reached easily in 1 to 1.5 years.
- Anil Parekh:** Okay. And then what would be the steady-state PAT margin once you do get to 25% retail contribution of your top line?
- Rajesh Mehta:** That's what, same pace as we are going to, what they say -- going for a 10% to 25% of our retail share, in that case, obviously, we are going to achieve our PAT margin somewhere around 25% to 30% better than here.
- Anil Parekh:** So 4.1% is what you have today and you think you might do 25% more than that, that's the idea?
- Rajesh Mehta:** Yes, yes.

- Anil Parekh:** And then just kind of thinking about where you would like strategy wise this business to be 4, 5 years from now? Where would you like the retail contribution to be? So are you happy at 25%? Or would you like it to be much higher?
- Rajesh Mehta:** It should be much higher only, but we are always defining at a constrained level. And since all the other verticals also, we are going to grow at 30% pace. That, we are going to achieve much higher only, but we are defining at a constrained level.
- Moderator:** The next question is from the line of Charchit Malo form HNI. Charchit, you line is umuted, please proceed with the question. Charchit, are you able to hear me? As there is no response from the current participant, so we'll take the next question from Arpan, an individual investor.
- Arpan:** Congratulations on the new showroom. How has the footfall been so far, sir?
- Rajesh Mehta:** Footfall has been very nice. It is much more than what we expected. And we have been working on various marketing strategies and advertisements also. So we are expecting a very better output here.
- Arpan:** What would be your marketing expense as a percentage of your revenue?
- Rajesh Mehta:** Sir, out of the total revenue for this current year, we are planning somewhere around 0.75% to 1%.
- Arpan:** Okay. So there have been videos on social media where jewelers are claiming that they are selling every jewellery for around 3% flat making charges. Do you think that model is sustainable? And is that a threat to the entire industry, especially the retailers like you who are working on a very big level?
- Rajesh Mehta:** It is not that actually. Jewellery is mainly concerned on the designing perspective. It is not that whatever we define a similar type of product. It cannot be taken just as an investment perspective. Selling at 3% item and all would be some way which is of machine mechanism, are very minimal to the designs, which are just for the investment purpose sort of designs. So that is not there.
- There is a craze for designer jewellery always and things have been working because people like to spend. They are spending, say, INR1 lakh on buying a gold. In that case, additional, if they pay INR5,000 extra, INR7,000 extra, they are buying a piece of jewellery, which defines their dignity. So it has always been decided by the client in such a fashion. So in that case, I don't find any threats as such.
- Arpan:** Okay. So you have been selling chains for around 1%, which has been seen online. So how do you think that would be sustainable? Is there any other products, which you have been selling at around just 1%?

- Rajesh Mehta:** That's what I told you. That is a selected few designs, which are machine-made and which are of our own production, and it is an opening attraction we are designing to increase our footfall. So very minimal portion of stocks, we design that way.
- Arpan:** Okay. Do you have your own manufacturing unit? Or is everything sourced from outside?
- Rajesh Mehta:** That's what, we have tie-ups with all the major factories pan India, and we have been working on that style only. Since our primary focus is on, what they say, diversified design. We cannot bring all the best under one roof. So we have been working on that type of module.
- Arpan:** Okay, fine. Have you kept only South Indian jewellery in your retail showroom or you have been catering to other North Indian and Bengali jewellery, as you say?
- Rajesh Mehta:** So we have been procuring designs from pan-India. We have tie-ups with factories all over India, and it's not constrained to South Indian jewellery only. Since there is a, what they say, after Internet expansion and various Instagrams and everything, all type of jewelries are preferred by all types of clients. It's not restricted to one particular design or one particular market.
- Arpan:** Okay. Now your major client base is South Indian customers. So that is what we wanted to know if we have North Indian customers also?
- Rajesh Mehta:** Yes, we have Northern Indian clients also, we have South Indian clients also. We have clients from all over. We are catering all type of jewelries. We have been selling Jaipur jewellery also, jadau, kundan, polki, everything, which are primarily designs used for North Indians. So it is an, what they say, blended of pan-India client range. Everybody likes and every type -- different type of designs.
- Arpan:** Okay. So what is the revenue mix between your South India, which is your forte and the other?
- Rajesh Mehta:** That separately, database we don't have, but overall jewellery turnover is, we are in South India, primarily, we are focusing on customer requirement. It cannot be diversified as whether we sold to South Indian or North Indian.
- Arpan:** What would be the average margin at which each -- what's average wastage of a product, which are in the retail segment?
- Rajesh Mehta:** It all depends. The chain items and all start with 3%, 4% and kundan, jadau, polki goes to 22% also, 23% also.
- Moderator:** The next question is from the line of Charchit Maloo from HNI.
- Charchit Maloo:** Sir, my question is regarding the revenue from the showroom. So what kind of revenue are you targeting for the next quarter and for FY '27 from the showroom business?
- Rajesh Mehta:** That's what, in the upcoming years, we are planning to have a revenue of around INR500 crores to INR550 crores from the showroom.

- Charchit Maloo:** I think they have the margins of 10%, 11%, right? Because they are more or less into retail segments?
- Rajesh Mehta:** Yes.
- Charchit Maloo:** Right. And sir, overall, what kind of revenue are we targeting for like Q4 '26 and FY '27? And what will be the EBITDA margin going forward?
- Rajesh Mehta:** That's what, the share of -- this new showroom share would be for another 1, 1.5 months only for the Q4, the participation of this new showroom revenue would be there. In the upcoming year, surely, we are working on achieving what we have defined.
- Charchit Maloo:** No sir, I'm talking about overall revenue, at the business level?
- Rajesh Mehta:** Yes, overall revenue that's what at a constrained level, we are defining that we are surely going to grow in all verticals by somewhere around 25% to 30%.
- Charchit Maloo:** Y-o-Y?
- Rajesh Mehta:** Yes, year-on-year.
- Charchit Maloo:** Okay, sure. And EBITDA margins will be expanding from 6%, like is it sustainable?
- Rajesh Mehta:** That's what, the share of retail is going to increase, no. So they are going to obviously improve.
- Moderator:** Mr. Maloo, do you want to ask more questions?
- Charchit Maloo:** No, that's it from my side.
- Moderator:** The next question is from the line of Sakshi Shinde from Shaha Consultancy Limited.
- Sakshi Shinde:** So my question is what safeguards are in place to manage credit risk in the wholesale segment?
- Rajesh Mehta:** Primarily, we do not have any style of credit strategy. We do not give much credit to the client. Our portfolio type of business is primarily focused on designs and cash and carry business. Our average credit cycle is only 2 weeks. So we do not find any threat on receiving that.
- Sakshi Shinde:** Okay. And how much capacity utilization are you currently operating the manufacturing? Is there a room to scale without significant capex?
- Rajesh Mehta:** That's what I'm telling you. The company does not own any their own manufacturing unit. On a future date, they have a plan of having their own unit. And since we have been working with various factories pan-India, so we do not find any difficulty. As and when required by what type of product is required in much demand, we manufacture that way.
- Sakshi Shinde:** Okay. what is your dividend policy? And how should investors think about capital returns versus investments?



- Rajesh Mehta:** As and when, we have already defined two dividends here. Being a start-up company, we have just now been listed and it is 2.5 years, and we have defined two dividends. In the upcoming years, yes, the policy of strong dividend policy would be defined and the management would be sharing their progress with the shareholders and stakeholders.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Harshil Ghanshyani for closing comments. Over to you, sir. Thank you.
- Harshil Ghanshyani:** Thank you, everyone, for joining the conference call of Khazanchi Jewellers Limited. If you have any queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference.
- Rajesh Mehta:** Thank you so much.
- Moderator:** Thank you very much. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.