



“Kewal Kiran Clothing Limited

Q1 FY ‘26 Earnings Conference Call”

August 08, 2025

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

Moderator: Ladies and gentlemen, good day and welcome to the Kewal Kiran Clothing Limited Q1 FY '26 Earnings Conference Call hosted by Marathon Capital Advisory Private Limited.

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.

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 touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Hemant Jain, Joint Managing Director, Kewal Kiran Clothing. Thank you and over to you, sir.

Hemant Jain: Thank you. Good morning and thank you for joining us. Welcome to the Q1 Earnings Call. I am joined today by Mr. Pankaj Jain, President, Retail and Marathon Capital our Investor Relations Advisors. We are pleased to report a strong start to FY26, which results that reflect solid operational execution and continued tractions across our key brands. The quarter performance further strengthens our confidence in our Vision 2028 roadmap.

Let me take you through the key highlights. Consolidated revenue for Q1-26 stood at INR235 crore, up 54.5% year-on-year, driven by strong volume growth and better realisations. Standalone revenue grew by around 20% year-on-year, reaching INR181 crores, supported by robust performance in both retail and non-retail channel.

Notably, volume growth of Apparel on a consolidated basis came in at 46.4% year-on-year, reflecting strong consumer demand and improved market penetration. Average realisation per unit improved by 14.4% year-on-year, driven by higher full-price sales and increased share of Apparel in product mix. Our performance reaffirms the strength of our portfolio and our ability to connect with aspirational consumers through compelling lifestyle positioning and trend-forward merchandising.

On profitability, EBITDA for the quarter came in at INR42 crores, a growth of 50.6% year-on-year. EBITDA margin stood at 17.8%, at the upper end of our guided range of 17%-18%. This was driven by operating leverage from higher volume, product mix optimisation including stronger contribution from Killer, Kraus and Junior killer, continued focus on cost efficiency across the volume chain.

On the expansion front, we added a net 14 EBOs during the quarter, bringing our total count to 623 stores as of June 30, 2025. The store roll-out was focused on Tier 1 stores in malls, Tier 2 and Tier 3 cities, in line with our strategy to expand lifestyle accessibility in under penetrated markets. We also saw encouraging feedback from our recent Spring-Summer 2026 trade show

across all our major brands like Killer, Easies, Kraus, Junior Killer and Integriti, which give us strong visibility for H2 booking and channel confidence.

Looking ahead, the macro environment is showing signs of sustained recovery and we remain well positioned to benefit from improving consumer sentiment. We expect to maintain growth momentum through the festive and winter season, supported by continued recovery in discretionary spending, product innovation and premiumisation, deeper retail expansion, ongoing EBO expansion with the target of adding 100 plus stores in FY26, category diversification, strong brand-lead storytelling. We remain committed to drive profitable brand-led growth while driving superior shareholder returns over the long term. With that, I will now open the floor for questions.

Moderator: Thank you very much. We take the first question from the line of Jai Gupta from an individual investor. Please proceed.

Jai Gupta: Good morning. Sir, just wanted to check with you, the key drivers for the growth for this, has it been volume driven or ASP growth driven?

Pankaj Jain: It's a combination of both on a stand-alone basis, and there has been a consolidation of Kraus also. Mix of all three.

Jai Gupta: But you've seen volume growth across both Kraus as well as on the stand-alone basis or it's primarily been on the stand-alone?

Pankaj Jain: Yes, there has been a volume growth on stand-alone as well as Kraus.

Jai Gupta: So the reason why I ask this question, last quarter you had talked about you seeing renewed growth in the denim segment. So how has denim performed for this particular quarter specifically?

Pankaj Jain: Denim has been above 50% for this quarter also.

Jai Gupta: So, you've seen the renewed demand for denim coming back to the market which has led to ASP growth or it's just a combination of all factors?

Pankaj Jain: Volume growth has been there in all the categories of sales.

Jai Gupta: Including denim?

Pankaj Jain: Including denim.

Jai Gupta: Sir, just one more question primarily to do with the working capital. In the previous call you talked about efforts towards improving the working capital at Kraus levels. Any overview on that?

- Pankaj Jain:** So currently the working capital, as I had mentioned last time also, the working capital cycle is high for Kraus. That's one of the reasons in consolidation the working capital cycle goes up. However, this time the seasons are pre-poned. So the manufacturing cycle works up three months in advance structure. So, we have already put things in work in progress and that's the reason the working capital was higher on the first quarter. I think it should streamline over the annualized basis which we feel that it should stay effective between 130 to 135 days.
- Jai Gupta:** That's on a consol basis or it's primarily only on Kraus basis?
- Pankaj Jain:** That's on consol basis.
- Jai Gupta:** Okay. So just last one question on the vision statement which you had released last time. Just wanted to check any positive steps towards any of the initiatives which you had highlighted?
- Hemant Jain:** We already started working on EBOs. If you see that the first quarter, we already opened 14 EBOs. So, our whole team is working on that and we can say we will achieve that whatever we say.
- Jai Gupta:** Okay, sir. Thank you. All the very best. Thank you.
- Moderator:** Thank you. The next question is from the line of Amit Agicha from HG Hawa. Please proceed.
- Amit Agicha:** So my question is connected to the cost of debt. Like is there a plan to remain debt free or take strategic leverage for expansion?
- Pankaj Jain:** Right now our growth can be achieved through internal accruals. So I don't think there is a need for an increment of the debt. However, if there is any opportunity for an inorganic growth, maybe we may look into it.
- Amit Agicha:** And, sir, what is the current inventory holding period and how is the management balancing like fashion seasonality risk with inventory turnover?
- Pankaj Jain:** As I said, okay, we feel that, okay, overall -- on an overall basis our working capital cycle should stay anywhere between 130 to 135 odd days, okay. But during the quarter it has gone up, okay. It should rationalize over the next three quarters.
- Amit Agicha:** Thank you, sir. All the best.
- Pankaj Jain:** Thank you.
- Moderator:** Thank you. We'll take the next question from the line of Arpan Rathod from Insight Advisors. Please proceed.
- Arpan Rathod:** Good morning, sir, and congratulations on a very good set of numbers.
- Pankaj Jain:** Thank you.

- Arpan Rathod:** I have a couple of questions.
- Pankaj Jain:** Yes.
- Arpan Rathod:** First is on the gross margin. Y-o-Y the gross margin has come down a bit, though Q-o-Q it is looking good. So if you can please guide us what gross margin on a full year basis we should look forward to. And also why the dip?
- Pankaj Jain:** Okay. The gross margin. See, we are comparing the gross margin on Q1 FY'25 to Q1 FY'26. If you look at the overall number of the last year, the gross margins were at 42%. We feel that the gross margin should steadily be somewhere between 42% to 45%, okay. Currently the gross margins have gone down because of the change in the channel mix and the category mix.
- Arpan Rathod:** Okay. Category-by-category we mean because of the addition of Kraus. Is the gross margin coming down because of that or?
- Pankaj Jain:** It's on a console basis. It's because of Kraus and it is also because of the category mix. So, if, okay, denim contributes the highest. So, if the margin -- if the growth in denim is lower as compared to the other categories, definitely there'll be a little bit impact on the gross margin.
- Arpan Rathod:** Okay. Secondly, can you just -- since we talked about channel performance, what has been your channel-wise performance? Your retail channel, I understand, has improved significantly. Sir, if you can just throw some light there.
- Pankaj Jain:** So, retail contribute -- both the channels have, generally, we give the bifurcation on retail to non-retail, okay. Retail has grown 86% on a year-on-year basis and 29% has been on a non-retail category. Basic reasons has been, okay, one is the higher growth from EBO channel. The SSG growth during the current quarter was around 25% and acquisition of Kraus, which was primarily in LFS channels. And last year's numbers were only on a standalone basis.
- So, on a like-to-like basis, we feel that, okay, there'll be a healthy growth across all channels, which includes the LFS, EBOs and MBOs, as well as e-commerce. And we feel that, okay, the retail as well as non-retail channels should contribute to 55% - 45%.
- Arpan Rathod:** That's great to hear. My other question was on Kraus. As you mentioned that last year, the same quarter Kraus was not there. So, what has been the performance of Kraus? And a related question post that, considering that now Killer Junior is almost two years old. So, if you can throw some light on Killer Junior performance and where do we see for the full year basis?
- Pankaj Jain:** On a standalone basis, for Kraus numbers, it has been on a growth, okay, growth has been -- on an overall basis has been around 20%. That's one. Second, Junior, okay, generally, it's not been two years, okay. Quarter one of FY'25 was the first year for Junior Killer, okay. Since the basis are lower, okay, we don't give absolute number structures, but there has been a growth in this season also. We have already come from a roadshow where the dispatches should start from fourth quarter of this year, okay. And we see there is a healthy attraction in Junior Killer also.

- Arpan Rathod:** Okay. On the roadshow front, I understand that typically you do a sales conference around this period.
- Pankaj Jain:** Yes.
- Arpan Rathod:** Can you just guide us how has been the response there? And considering that the season would be a little early because of Diwali getting preponed. So, how do we see quarter two performance there?
- Hemant Jain:** In the roadshow that we just did, we have got a good performance for the next season. If you look at quarter one, the sentiment of the market was very positive. Secondly, if the market is positive -- market sentiment is positive. When market sentiment is positive, then your discount also becomes less for every brand. So, your average realization also increases. So, there is a benefit in increasing your profit. Apart from that, when the market sentiment is positive, then you can control your stock. So, I feel that the response that we have received from this year is very good. So, I feel that if we have committed that we will do double-digit growth this year also, it will remain intact.
- Arpan Rathod:** Great. I think that's it from my side and all the best for the full year.
- Pankaj Jain:** Thank you.
- Hemant Jain:** Thank you.
- Moderator:** Thank you. Before we proceed with the next question, participants, in order to ask a question, please press star and one. The next question is from the line of Amit Agicha from HG Hawa. Please proceed.
- Amit Agicha:** Thank you. What are the top two or three learnings from the last two quarters or four quarters that have influenced the strategy changes?
- Pankaj Jain:** See, last year we made a mistake. When we took the inventory of just in time stock inventory, our first quarter was very bad. And it took us at least two quarter or three quarters to complete the inventory. And this time the season was also first. This time we have already focused on the inventory. The learning that we should have an inventory. Just in time inventory does not happen in the garment. See, it is business. In business, the market sentiment is always positive and plus or minus. This time in the quarter, the sentiment was very positive. For this, we also got the benefit of growing the business. Along with that, if your market is positive, then your discounting becomes less. And I still feel that according to the response we are getting, then again I feel that it will be a very good business. And the quarter two, quarter three, quarter four that we are committing, then according to that we will be able to deliver numbers also.
- Amit Agicha:** Sir, what was the revenue percentage of your exports in quarter one FY '26 and what is your target for the full year from exports?

- Pankaj Jain:** Our export is not very big because we are not doing any labels. We are doing our own brands only. So around 3% to 4% will be there. And this year also it will be the same. Majorly we are expansion in India, not in abroad. So now we don't even have that strategy that we will expand our exports a lot.
- Amit Agicha:** Sir, are you planning to come in any new products or categories or anything like that, accessories or something like that?
- Pankaj Jain:** It is already there, we have to make them further run. If you want to increase it, then you have to widen the category more. We are already in all categories, almost.
- Amit Agicha:** Thank you, sir. Thank you. All the best. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Pavan Kumar from RatnaTraya Capital. Please proceed.
- Pavan Kumar:** Hello. Hi, Pankaj. Hi, Hemantji. Sir, I wanted to ask, in other income, this quarter is very high as compared to the last two quarters. What has happened and what is our sustainable rate? Also, if you could tell us at a full denim level, both included Kraus and KKCL, if you could tell us volume growth year-on-year basis, it would be great.
- Pankaj Jain:** Sorry, your first question was related to other income.
- Pavan Kumar:** Other income.
- Pankaj Jain:** The other income was around INR13.9 crores, okay.
- Pavan Kumar:** Okay.
- Pankaj Jain:** Most of the investments are in mutual funds and it is linked to the NAV of the mutual funds. That's one. And secondly, okay, some of the investments have been done, a little bit of investment has been done in Style Bazaar, okay, where there has been a growth in the absolute value. Overall basis, annualized figure, I think, the other income should stay somewhere between INR30 crores, INR35 crores.
- Pavan Kumar:** Annualized basis, you are saying INR30 crores, INR35 crores.
- Pankaj Jain:** Yes.
- Pavan Kumar:** Okay, Pankaj. And if you could give us the idea of volume at a denim level or shirt level, what have we grown? If there is a plus or minus, that would also be fine.
- Pankaj Jain:** We have already given the overall number that, okay, there has been -- on a standalone basis, there has been a growth of 19.9%, that includes volume as well as value.
- Pavan Kumar:** Okay. So in this, what will be the contribution of volume, Pankaj? At least...

Pankaj Jain: More than 10%.

Pavan Kumar: Sorry?

Pankaj Jain: More than 10%.

Pavan Kumar: Okay. More than 10%. Okay. And going forward, what do you think, this year, can we do 20% kind of growth in terms of top line? How we are seeing going forward whether we can do it.

Pankaj Jain: Entire -- we are optimistic for the entire year, but we will stick to our guidance, okay, where we say that, okay, growth will be somewhere between 18% to 20%.

Pavan Kumar: 18% to 20% on the basis of last year FY'25 numbers, correct?

Pankaj Jain: Yes. Yes.

Pavan Kumar: Okay. Okay. Thank you.

Pankaj Jain: Thank you.

Moderator: Thank you. We take the next question from the line of Varun Singh from AAA PMS. Please proceed.

Varun Singh: Okay. Thank you for taking my question. So my first question is, can you comment -- provide some commentary on the Kraus brand? How has the growth been in this quarter compared to last year?

Pankaj Jain: So on a standalone basis, Kraus has grown at 20%.

Varun Singh: It has grown at 20% and like, how much of the growth would be on like-to-like basis?

Pankaj Jain: For Kraus, I am talking it was on like-to-like basis. So if I compare their numbers, since it's an uncomparable number, okay, we had bought out, the merger happened in the month of -- second quarter of the last year, okay, so first quarter is not comparable, but if you compare it to their numbers, to their absolute numbers, okay, the growth was around 20%.

Varun Singh: And even EBITDA would be 20% in Kraus?

Pankaj Jain: It would be higher.

Varun Singh: It would be higher than that. Understood. And sir, my second question is, like in our own business or the standalone business, we have recorded quite good growth. So this growth is because, I mean, what's the possible reasoning that you see behind strong growth for us? Is it because of good inventory loading at the retail distributor level? Because of expectation of better festival? I mean, what explains that?

- Pankaj Jain:** We have optimized our inventory management for this quarter and we -- and the season also looks positive. That's the reason, okay, I think, we have been able to capture the growth properly. Also, the SSG during the quarter has been more than 25%.
- Varun Singh:** Understood, sir.
- Hemant Jain:** And sir, look, the market, the favorable market environment also has a lot of impact on your business to drive growth. So this time, the market sentiment was also very positive. Our learning was that the inventory that we had last year, our inventory was completely reduced, so we have improved that. So this is on time. Because once a customer comes and if you don't have inventory, they don't come back. This time, we have learned a lot from the mistakes we made last year. So have done our best. Our execution was good this time. So it's a lot of things that you have to do to grow.
- Varun Singh:** Understood, sir. And just one last question that the good -- extremely good amount of hard work that you have done on the inventory level, can you explain a little bit more with regards to what are the changes that we made and how much is the benefit that we have enjoyed because of that?
- Pankaj Jain:** Not much change. Not much change.
- Varun Singh:** Anything measurable?
- Pankaj Jain:** Not much changes, okay. Last year, which we felt that, okay, we should work on a real-time basis, we scrapped that working structure and came back to the old strategy.
- Varun Singh:** Why did we scrap the new method?
- Pankaj Jain:** Because it Didn't Work. We tried to optimize the working capital cycle as compared to the growth structure, okay, we felt that, okay, that was working. We tried it, okay, failed. That's the reason we came back to the old strategy.
- Varun Singh:** Okay. Okay. Understood. Okay. Thank you very much and wish you all the best.
- Hemant Jain:** Thank you.
- Moderator:** Thank you. We take the next question from the line of Yogesh Bhatia from Sequent Investments. Please proceed.
- Yogesh Bhatia:** Yes, sir. Congratulations on good set of numbers.
- Management:** Thank you.
- Yogesh Bhatia:** Sir, I have two questions. One, currently we have 623 EBOs spread across Killer and Kraus and everything else. So one, I wanted to know, we have 47 under development is what we have mentioned in the presentation. So can you guide us, they are under which category like Killer, is how much and Kraus is how much, something like that?

- Management:** I can take this question later. I don't have it upfront in front of me.
- Yogesh Bhatia:** What would be the largest probably we focus more on Killer?
- Management:** Some store is in the Kraus.
- Yogesh Bhatia:** Okay.
- Management:** Some store is in the Kraus. I don't know the exact number. It can be in front or back. But majorly it is Killer store. Out of 40 stores, if you have 35-40 stores, it will be of Killer. And 3-4 stores can be of Lawman. And I think 8-10 stores, sorry, 5-7 stores can be of Kraus.
- Yogesh Bhatia:** Okay, 5-7 stores can be of Kraus. So in Kraus, base is 15 stores. So we are planning to add 5-7 more stores in Kraus? Is that correct?
- Management:** Yeah. 19 stores are already operational till date. If I say in Kraus, 19 stores are already operational. And 7-8 stores will be open.
- Yogesh Bhatia:** Okay. And so basically Kraus is also doing well is what I wanted to understand. And we are looking to grow that segment also. Now my second question is if I, the standalone number is INR181 crores and the consolidated sales number is INR233 crores. Correct?
- Management:** Yeah.
- Yogesh Bhatia:** So the difference in this number is the Kraus sales which is INR52 crores?
- Management:** Yeah.
- Yogesh Bhatia:** So on a like-to-like basis, INR52 crores would be how much last year in Q1 for Kraus?
- Management:** Around 43, 42-43 because it is not in our balance sheet. Our acquisition is on the July 18. So if we compare with their business, there is a growth of 20% now, this first quarter.
- Yogesh Bhatia:** Okay. And we have managed to get them at similar EBITDA margin levels as our ...
- Management:** Not similar, but close to similar.
- Yogesh Bhatia:** Not similar, but close to similar. Okay. Okay. And we are confident that the blended margins would not get diluted even when we grow Kraus. We will do the 18%-19% margin that we do.
- Management:** Blended margins will not get compromised.
- Yogesh Bhatia:** Okay, okay. Thank you, sir. That should be all.
- Moderator:** Thank you. We take the next question from the line of Shaurya Punyani from Arjav Partners. Please proceed.

Shaurya Punyani: Sir, what has been our same-store growth in Q1?

Management: Sorry?

Shaurya Punyani: What has been our growth on the same stores like...

Management: The SSG growth was more than 25%.

Shaurya Punyani: More than 25%. And what do we expect like this year?

Management: Okay. Even when we plan out, we generally plan that annualized basis should be between 7%-8%.

Shaurya Punyani: 7%-8%? So, for 20% growth, you are saying like for -- like, additional 12% growth will come from the new stores?

Management: Sorry?

Shaurya Punyani: So, we are guiding for like 20% growth this year. So, 7%-8% from SSG. So, from where the additional 12%, I am trying to understand.

Management: It will be organic also. It will be in retail as well as non-retail. Number of counters, opening of new stores, new shop-in-shop counters.

Shaurya Punyani: Okay. New stores, shop-in-shop. Okay, okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Pavan Kumar from RatnaTraya Capital. Please proceed.

Pavan Kumar: Sir, on Kraus, basically how big can this category be for us? I understand we are doing some INR50 crores per quarter right now. But if we take the point of view of 2-3 years, then Kraus, because it is a different customer segment. And same on Killer Junior also, how big is that market and what can we do?

Management: If you have seen our vision for 2028, then we have talked about the whole consolidation. That our Kraus will also increase, Killer Junior will also increase, Killer mainline which we are doing right now, menswear will also increase. So overall, if we talk about the next 3 years, then the Kraus which we have taken in the last 3 years, we will double it.

Pavan Kumar: Okay, okay. And what are your thoughts on Killer Junior?

Management: We have completed two seasons of Killer Junior. Last year only we launched in April or May something. So when we launched in April, even if you have heard my statement, we said that any brand needs at least 1,000 days. At least after three seasons, we will share the numbers with you. So almost two seasons are done, third season we are working on. And we are getting very

good response. The number of counters are now increasing. Then I will talk to you about the numbers.

Pavan Kumar: Okay, okay. And sir, one last question from my side. To increase our brand visibility in Metro or upper Tier 1, can we do something, can we open a new store? Or do you think that if we do it there, we will get a good response?

Management: We are coming down to Metro One. Because as we are opening stores in new malls in Metro to get good visibility. If you have seen recently, Skyzone in Bombay, we are there in Borivali. We have opened Kraus and Killer stores there. Earlier it was like we use to take space in malls, we are working on it. So our focus in Metro One is to increase the visibility of the brand and we are already strong in Tier 2 and Tier 3.

Pavan Kumar: Okay. You are saying that you are investing in stores?

Management: Yes.

Pavan Kumar: Okay. Okay. Thank you, sir.

Management: Okay. Okay. Thank you.

Moderator: Thank you. We take the next question from the line of Ankit Babel from Subhkam Investment Ventures. Please proceed.

Ankit Babel: Sir, very good afternoon.

Management: Good afternoon.

Ankit Babel: Sir, in the last 30-40 minutes of your commentary, you seem to be very positive on the market sentiments and the growth rates which you foresee in the coming quarters. But when I see your commentary on the growth rate, I mean the 15% growth rate for Kewal Kiran seems to be very mediocre guidance. Because considering your brand value, your overall base, I mean the size of the company, 15% growth seems to be very mediocre. Just wanted to understand, is it possible for you to grow at 25% consistently for next few years, considering the demand trends and the product categories where you are?

Management: It is like, what I say and if does not happen, then what. Sir, as a businessman, I would like to see maximum growth. No businessman would like to see less growth. If I get good orders, number of orders, if my garments sell well, I would be very happy. But when I talk to you, even in the next quarter when I talk to you, I have to face you and I want to commit on my statement. It will be good, we will do good. We were talking about 17%, we achieved 19%.

When you are talking about the future, you don't know what the market sentiment will be. Will it continue or not? When we completed our roadshow for the next season, for quarter 4, there was a positive sentiment that business is good, business will be good. We will try to grow as much as possible.

Ankit Babel: Sir, two points.

Management: Our commitment will remain the same.

Ankit Babel: Sir, two points.

Management: We always try to do good.

Ankit Babel: I understand sir, two points. First of all, the growth in this quarter of 20% on standalone is on a low base. If you compare the two years, CAGR rate is actually flat, right? And secondly, historically also we have never seen 20%-25% growth from your side. Why I am asking you this question is because I can see that potential in your company, but somehow that growth rate is not coming in. So, I mean, internally, I believe you should target that your FY '28 vision should be achieved in FY '27. Then there will be a meaningful shareholder value creation which I can see in your company.

Management: I understand, Ankit, where are you getting it to, okay? It's a combination. KKCL being a house of brands, okay, every brand strategy works differently and you have to re-strategize yourself. As you saw that Lawman, we re-strategized for last year, okay. Integrity we are re-positioning also. So both the aspects have to go hand in hand and the market should have an uptick during the quarters itself. If it doesn't happen, it gets postponed and that's where you lack on. It's a combination. It's a blended margin structure, right.

Ankit Babel: So, one more point here. I mean...

Management: It's not on an autopilot mode where you can actually just scale it.

Ankit Babel: One more point here. You mentioned that denim is the most profitable product category in your company. So the denim growth will be higher than the overall company's growth or lower than the overall company's growth?

Management: Sorry?

Ankit Babel: Denim category is the most profitable category in your company, right?

Management: Correct.

Ankit Babel: I just wanted to know, the growth in the denim would be higher than your overall company's growth or really lower -- than the overall company's growth rate?

Management: It will be on a similar percentage. It will not be on a higher percentage.

Ankit Babel: Okay. Then sir, how will you be able to improve on the margin side?

Management: Margins...

Ankit Babel: What will be the levers...

Management: Okay. The EBITDA margins as a guidance, our guided margins we have given it around 17%-18%. We have been on the upper side structure, okay. And if we scale, we will get that additional margin through operating leverage only.

Ankit Babel: Okay. Have you taken any price hikes in your product categories recently?

Management: The average realization for the products have increased during the quarter.

Ankit Babel: Was it on account of price hikes?

Management: It was because of lower discounting.

Ankit Babel: Okay. But any potential price hikes possible in the near future?

Management: We haven't taken a price hike for the current quarter.

Ankit Babel: No, I understand. But in coming quarters, do you foresee any price hikes?

Management: No, we are not taking any price hikes for the next quarter. Because you know the market is very tough and competitive. So, you cannot talk about any price hike overnight. Whenever there is a good opportunity and whenever we feel that we should take a price hike, we will do it. But still, we are concentrating on the growth path. So, we don't want to take any such risk and work.

Management: So, there will not be any price hike. But definitely, we will try to improve our fresh sell-throughs to improve the ASPs.

Ankit Babel: And, sir, my last question is on the -- again, the competition part. How is the competition environment as of now? Any players which are becoming aggressive? Are you losing market share to any channel or you are increasing market share? How is it going on?

Management: Looking at the scenarios or maybe to the B2B partners, I think I will be on the gaining side that I will be gaining some percentage of market share. They are not nationalised numbers or published numbers which I can give you. But looking at the scenario, I can just tell you that I think that I have been gaining market share.

Ankit Babel: Gaining market share. And sir, the Integriti, Lawman and all those, are they also set? I mean, are they now on the growth path?

Management: We have re-strategised it, re-positioned it, okay. We should feel -- we feel that, okay, the growth for them should start coming from the second half of this year.

Ankit Babel: Growth from the second half. Okay. That's it, sir. I will be happy if you achieve your FY '28 guidance in FY '27.

Management: Thank you.

Ankit Babel: Thank you.

Moderator: Thank you. We take the next question from the line of Shreyansh from Swan Investments. You can proceed. It seems like Shreyansh is out of the queue. I will join him back to the queue. Just give me a moment. Yes, Shreyansh, you can proceed with your question.

Shreyansh: Yes, sir, I am just looking at your gross margins for Q1 over the last two years. Q1 FY24 had a 43% gross margin. Q1 FY25 had a 45% gross margin. And now it is 42%. So I am just trying to understand the lower mix of denims in the business is impacting this number?

Pankaj Jain: If you look at the annualized number for FY25, it was around 42%. Our guidance is that the gross margin should stay anywhere between 42%, 45%. There could be a -- the gross margins have been dipped because of change in category mix as well as channel mix.

Shreyansh: So, sir, when you do higher retail sales, that is EBO sales, so my understanding is gross margins typically are higher because you don't have to give a lot of commissions and discounts, right?

Pankaj Jain: So on a retail to non-retail basis, the composite margins for retail as well as non-retail is almost similar.

Shreyansh: Other retail players say when I do higher share of EBOs, my gross margins tend to improve?

Pankaj Jain: That's also because maybe most of them do more COCO-driven businesses. Mine is a FOFO-driven business.

Shreyansh: Okay, we do FOFO EBOs.

Pankaj Jain: Yes.

Shreyansh: Okay. And, sir, second is when I am looking at our product mix, 8% of accessories and others from last year has become 12%. So what has driven this change, sir, 4% swing?

Pankaj Jain: Yes, okay. So if you are looking at the numbers on a consol basis structure Kraus does more of the categories on others. We will have to regroup that maybe, okay, going forward in the coming quarters.

Shreyansh: No, but what is that others in Kraus?

Pankaj Jain: It will be leggings, treggings, shorts.

Shreyansh: Okay. And, sir, just last question. I am looking at your PBT because it has not improved that much. And if I exclude the other income, there is hardly any change in PBT from INR24 crores last year to INR25 crores this year. So I am excluding the other income. So any reason in spite

of growing 20% EBITDA, the flow is not happening down there. And you said EBOs is mostly FOFO, right? So the lease rent also is not a part of the interest and depreciation?

- Pankaj Jain:** The comparison should be done mostly on EBITDA level, not at PBT level. Mainly because after the Kraus consolidation, okay, there is a amortization of...
- Shreyansh:** Sir, I am looking at standalone, sorry, standalone numbers I am talking about?
- Pankaj Jain:** You are talking about the standalone numbers?
- Shreyansh:** Yes. So INR24 crores of PBT is just INR25.5 crores this year. Excluding other income which is actually we want from mutual funds. So I am excluding that portion of other income?
- Pankaj Jain:** PBT is around 20.1 on a standalone basis as compared to 21 of last year.
- Shreyansh:** No, sir, you exclude the other income? Okay, I will take this offline probably.
- Pankaj Jain:** Hold on. Okay, I will just complete that. Okay, you compare it on the EBITDA level also. EBITDA level, it is similar. At a 19.9% revenue growth, there has been EBITDA growth of 19.4.
- Shreyansh:** Yes, so that is what I am saying, sir. EBITDA growth of 19% is not flowing through when I compare the PBT. PBT has just grown by 6%?
- Pankaj Jain:** Yes. PBT has grown by?
- Shreyansh:** 6%, sir. Because your depreciation has gone from 2.8 to 4.2 and interest has gone from 0.7 to 3.5. So I am just trying to understand, because you are doing more EBOs on FOFO, component of rent is not there, right? So what is this which is driving increase in depreciation and interest?
- Pankaj Jain:** There are some stores normally we have done on COCO basis. And that is the reason there will be an increase in depreciation and there has been an increase in finance cost also.
- Shreyansh:** Okay, so just to summarize, if I am trying to understand, standalone if you are targeting 15%, 20% kind of growth rates on top line, what is the kind of growth rates that we should envisage on the PBT basis?
- Pankaj Jain:** It should be same excluding other income.
- Shreyansh:** My calculation says it will be a little lower because you are incurring.
- Pankaj Jain:** Marginally lower because if the finance cost is there and depreciation cost will be little bit, but it will not be to the extent of what you are saying for.
- Shreyansh:** Okay, sir. Thanks and all the best.

- Moderator:** Thank you. We take the next question from the line of Sahil Doshi from Thinkwise. Please proceed.
- Sahil Doshi:** Apologies if this question being asked. I just joined late. My question pertains to Kraus. For the last three, four quarters at least, I think the revenue number seems to be in the same range. So, just want to understand what is the growth plan there and what kind of growth should be about Kraus in particular?
- Pankaj Jain:** So, firstly the Q1 number for them last year was at INR43 crores. So, the first quarter they have grown by 20%. You will feel that the entire year it has been even out business. Since quarter 2 becomes a comparable number, you will see a higher growth digit in the current quarter itself. We understand that on the absolute basis, the standalone number should grow above 20% for the financial year 2025-2026.
- Sahil Doshi:** Okay. Understood, sir. I appreciate that. So, second, I think we should give a split of the EBOs. I think we should stop giving that. And you had also called out in the last quarter that we would be talking more about our ambition for different brands and different pilots which we are doing.
- So, could you talk a little more on each of those brand strategies and how do we think about the various verticals and the various pilots and other things which we are running, any extensions, any other new projects we are working on?
- Pankaj Jain:** So, pivots are at lower stage structure. We have not yet actually put it into discussion. But if you look at the retail strategy, Killer is an auto mode structure and it has been growing very well. Kraus, we are trying to scale up very well. We are re-strategizing our strategy for K-Lounge. Lawman, we have repositioned and Integrity, we are engineering in terms of the price bracket.
- Sahil Doshi:** Any milestones in terms of stores for this year and next year if you can possibly call out for each of these brands?
- Pankaj Jain:** The strategy has just been done a year before. To scale that up, I think the growth on Lawman and Integrity will be able to see from quarter, half yearly of this current year, second half of the current year.
- Sahil Doshi:** And also, sir, anything you can talk about the extensions about getting into different, like the House of brand. So the various pilots which will be running in the company, what stage they are in and anything which you should expect over the next 1 years to 2 years which can be scaled up?
- Pankaj Jain:** It's still early to talk about it. Let our pilot get executed, implemented and we feel that when it is the right time to scale up, definitely we will inform the investors.
- Sahil Doshi:** Okay, sir. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Preeyam from Antique Limited. Please proceed.

Preeyam: Hi, sir. Just wanted to check with the guidance which you have made on revenue, gross margin and EBITDA. So, revenue of 18% to 20% and gross margin of 42% to 45% and EBITDA of 17% to 18% is based on standalone or a consol?

Pankaj Jain: I didn't get your question only. Can you repeat that?

Preeyam: Yes. So, just wanted to check with the guidance on revenue. So, 18% to 20% you have mentioned is on the standalone or a console basis?

Pankaj Jain: On the consol basis.

Preeyam: On the consol basis. And at the same time, the EBITDA margins as well 17% to 18%?

Pankaj Jain: Yes.

Preeyam: Okay, thanks.

Moderator: Thank you. We take the next question from the line of Amit Agicha from HG Hawa. Please proceed.

Amit Agicha: [inaudible 0:50:16] currently?

Pankaj Jain: Your voice is cracking a little bit.

Amit Agicha: Sir, the total number of employees. This is my question?

Pankaj Jain: The total number of employees?

Management: In standalone or consolidation?

Amit Agicha: Sir, both if possible?

Management: 1800 is in the KKCL.

Amit Agicha: Okay. This is consolidated, sir?

Management: So, 1800 is on KKCL.

Amit Agicha: Okay.

Management: 1300 in Kraus. So, all put together 3,100.

Amit Agicha: And sir, would it be possible for you to give approx capex like for each COCO-FOCO store? Is it on a per square feet basis or how is it?

- Pankaj Jain:** It's on a per square feet basis. Whenever a franchisee comes, we envisage that the investment should be around INR4,000 to 4,500 per square feet. Where INR2,000 is capex and INR2,000 rupees is opex.
- Amit Agicha:** That is for the franchisee, right sir?
- Pankaj Jain:** Yes. If it's a franchisee investment, that's the same. So is for COCO where is the investment? So it is just that okay the value remains the same, the investment value is done either by the franchisee or by the company.
- Amit Agicha:** For the company also, it is the same, right?
- Pankaj Jain:** Yes.
- Amit Agicha:** And sir, would it be possible for you to give the proportion of sales from Ecom?
- Pankaj Jain:** We generally give bifurcation of retail to non-retail. But that channel has been growing. I can tell you that at least.
- Amit Agicha:** Okay. Thank you, sir. All the best.
- Moderator:** Thank you. 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:** Okay. Thank you. Thank you once again for joining us. Q1 has been a strong start to the year, marked by a healthy volume growth, disciplined margin execution and continued progress on our Vision 2028 priorities. We are well positioned to capture growth across both urban and semi-urban consumption centers with our differentiated brand portfolio and retail-first approach. We appreciate your continued support and confidence in our journey.
- Should you have any further questions, please reach out to our investor relations team. Thank you and have a great day ahead. Thank you so much.
- Moderator:** Thank you. On behalf of Kewal Kiran Clothing Ltd., that concludes this conference. Thank you for joining us and you may now disconnect your lines.