KEWAL KIRAN CLOTHING LIMITED

Registered & Corporate Office :- Kewal Kiran Estate, 460/7, I.B. Patel Road, Goregaon (E), Mumbai: 400 063
Tel No. +91 22 26814400 Fax No. +91 22 26814410
CIN No. L18101MH1992PLC065136 website : www.kewalkiran.com

Date: November 6, 2026

To,

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

Dear Sir/Madam :

Sub: Transcript of the conference call on Q2 & H1'FY27 held on Tuesday, November 03, 2026.

In continuation to our letter dated October 26, 2026 and October 31, 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
November 03, 2026 – 11.00 A.M	Earnings Conference Call for the Quarter Ended September 30, 2026 - 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 BHALCHANDRA WARANGE
Digitally signed by ABHIJIT BHALCHANDRA WARANGE
Date: 2026.11.06 13:10:59 +05'30'

Abhijit B. Warange
President – Legal & Company Secretary
Encl.: a/a

"Kewal Kiran Clothing Limited

Q2 & H1'FY27 Earnings Conference Call"

November 03, 2026

Disclaimer: E&OE - Please note that some portion of the concall may have an audio spoken in language other than English which has been translated in English language in this transcript primarily for ease of reading. This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company's website will prevail.

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

Moderator: Ladies and gentlemen, good day and welcome to the Kewal Kiran Clothing Limited Q2 and H1 FY27 Conference call. As a reminder, all participant lines will be in 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 the website, including the discussion during this call, contains or may contain certain forward-looking statements concerning Kewal Kiran Clothing Limited's business prospects and profitability, which are subject to several risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand the conference over to Mr. Pankaj Jain. Thank you and over to you, sir.

Pankaj Jain: Good afternoon, everyone and thank you for taking the time to join us today. Welcome to the Kewal Kiran Clothing Limited Q2 and H1 FY27 Earnings call. I am joined on this call by Mr. Hemant Jain, Joint MD and Marathon Capital, our Investor Relations Advisor.

Q2 FY25 was marked by a challenging operating environment. Ongoing geopolitical tensions led to sustained inflationary pressures which weighed on consumer sentiment, while exceptional heavy rainfall and localized flooding in Vapi and Daman caused temporary disruptions to our factory operations. Despite these macro headwinds and the shift of the festive season into Q3, we have demonstrated business resilience by delivering a positive 5% year-on-year increase in consolidated revenues. We believe the resulting disruption at the manufacturing facility due to floods is estimated to have impacted our Q2 FY27 sales growth.

While we remain confident in the growth tragedy of our business, we continuously evaluate our strategic roadmap. In light of evolving business dynamics and the company's initiatives across brands and channels, management has undertaken a review of its Vision 2028. While retaining our revenue and profitability targets same, we have optimized our EBO store targets to 800 stores by FY28. The Killer store count remains unchanged, with a shift towards larger store size of 800 to 1,000 square feet to support a broader product offering and improved revenue potential per store. The Lawman target has been revised from 175 stores to 125 stores, reflecting a more focused D2C-led strategy centered on establishing larger, higher-quality stores in strategic selected locations that strengthens the brand visibility. This measured approach is expected to strengthen the brand's long-term growth tragedy. Conversely, the target for Kraus stores has been increased from 50 to 75 stores, supported by the encouraging brand traction witnessed through this format. Additionally, the company plans to gradually phase out the K-Lounge format over time and therefore, we have excluded it from our revised EBO expansion plans. Overall, these changes are aimed at align the company's retail expansion strategy while remaining firmly on track to achieve its Vision 2028 revenue and profitability objectives.

Coming to the highlights for Q2 - Consolidated revenue increased to INR373 crores, supported by growth in apparel sales and value. EBITDA grew by 12% year-on-year to INR80 crores with an EBITDA margin of 21% and profit after tax increased by 15% year-on-year to INR54 crores. This performance reflected our ability to sustain healthy profitability despite a challenging

environment through disciplined cost management and operational efficiency. The brand Kraus delivered a growth of over 25%, representing an encouraging milestone in our strategy to strengthen our presence in the womens wear segment.

Coming to brand performance - Killer continued with a positive growth journey. The brand now operates 477 exclusive brand outlets while further strengthening its presence across large formats and online channels. Kraus delivered another strong quarter with robust sales growth backed by strong EBITDA margins in line with KKCL. The D2C-led brand strategy for Lawman continues to gain traction, reflecting its positive results. Integrity continues to make encouraging progress driven by a renewed focus and targeted brand-building initiatives.

Moving on to channel performance - The retail channel grew 8% year-on-year with a higher contribution from the LFS channel, particularly driven by stronger Kraus sales. Growth in the non-retail channel was primarily driven by the e-commerce segment, which continues to scale well. This performance is consistent with our strategy of strengthening both online and offline distribution. In line with our strategy of expanding our retail footprint, we have added a net of 5 EBOs during quarter 2 of FY27, taking our total network to 675 stores as of September 30th.

We view the current financial year as a period of consolidation during which the company has focused on further realigning its business processes to drive sustainable and profitable growth. In line with this strategy, the company has undertaken initiatives such as rationalizing its EBO network by streamlining underperforming stores and optimizing the balance between discount-led and fresh sales. The measures are aimed at preserving brand value, enhancing retail productivity and ensuring the long-term health of the business. We remain confident in pursuing a double-digit growth target for this financial year and are committed to pursuing our revenue and profitability goals through a calibrated, disciplined and sustainable business model. Thank you. I would now like to open the floor for questions.

Moderator: Thank you, sir. We will now begin with the question and answer session. The first question comes from the line of Gunit Singh with Counter Cyclical PMS. Please go ahead.

Gunit Singh: What is the land area, FSI, market value for the Goregaon property and Gautam Chemical Compound property and what are your plans for these properties? Are you planning to outright sell them or develop them?

Hemant Jain: As of now, it is as is where is situation. We are not thinking about any property right now and we don't want to make any new investments in these property either. That's very clear. Yes, FSI is pending, but it will take time. We haven't reached a level where I can share anything with you yet.

Gunit Singh: And what would be the market value of these two properties?

Hemant Jain: Sir, there is no guarantee. Look, the market keeps going up and down. If I say something today, the price might be different when we actually decide to do something. It is better to disclose it at the time we decide to take any action.

Gunit Singh: Sir I am saying kindly consider a share buyback because if we compare our sales from 2022 it has increased by 50% and now profits have doubled. Our share price remained at 2022, but our brand have grown a lot since then. So for long-term shareholders if you will do share buyback so total numbers of shares will be less, earning per share will rise and it will be a reward for the long term shareholders and it is also tax efficient for minority shareholders if you consider a share buyback. So I will request you to at these levels consider the share buyback?

Hemant Jain: We will keep your suggestion in mind and whenever any such strategy is formed, we will let you know. Because today, it is too early to say anything about this, but since you mentioned it, we will think about it.

Gunit Singh: Okay, sir. Thank you very much.

Moderator: Thank you. The next question comes from the line of Shreya Chatterjee with Ageless Capital. Please go ahead.

Shreya Chatterjee: Hello sir. Thank you for taking my question. Could you explain a bit more about what is happening with Lawman and Kraus and that you have also entered into ethnic and footwear segments this time? So, what are you doing there?

Pankaj Jain: We haven't worked anything on the footwear segment up till now. Lawman, as we said, we have re-strategized in terms of brand positioning and we have made it a more retail-focused and more online-focused brand. Kraus, when we bought the brand, it was concentrated towards LFS. We are de-risking that business and trying to enter all channels of sales.

Shreya Chatterjee: Okay, and are we also considering exports for Kraus?

Pankaj Jain: Yes, we are.

Shreya Chatterjee: Okay. And sir for the overall volume if you see, the volume in quarter 2 has dropped a lot year-on-year, but the price has increased and also the retail part has dropped and the non-retail segment has gone up. Would you like to comment a bit more on what is happening here like how have you positioned your products across stores and what is happening?

Pankaj Jain: In terms of apparel, the quantity has gone up, as well as the realization.

Shreya Chatterjee: Okay, but the volume sold has gone down like it has sharply fallen in terms of units sold?

Pankaj Jain: Accessories is one of the categories which gets added in terms of volume and it's a mix of all categories together where you have deodorants and personal care as the category also as well as tracksuits and track pants. So, that number of volume can keep on changing, but in terms of apparel, the apparel numbers have gone up.

Shreya Chatterjee: Okay, so apparel has gone up, but the other segments have shrunk has been intentionally shrunk. And what about the retail and non-retail mix, since you have kept adding EBO stores, but this quarter the non-retail segment sales were more than the retail sales?

Pankaj Jain: Sorry, I didn't get your question.

Shreya Chatterjee: So I am saying that the segment mix between retail and non-retail. Non-retail has gone up this quarter, retail has shrunk even though you have added EBO stores. So the EBO stores has been increasing, but still the retail component of sales have shrunk. So what is happening over there?

Pankaj Jain: As compared to last year, last quarter itself, the retail to non-retail percentage is almost similar. Last time it was 54-46; this time it's 55-45.

Shreya Chatterjee: So in other terms if I could ask like what is the current SSG for the EBO stores, if it's possible to give out a number?

Pankaj Jain: The SSG for Killer EBO stores on a half-yearly basis was negative 10%.

Shreya Chatterjee: Okay. Thank you.

Pankaj Jain: This was also because of the change in season.

Shreya Chatterjee: Okay.

Management: You see the garment business is a bit season-oriented. For example, the Puja festival was earlier last year, but this time it was late. Diwali has fallen in quarter 3 this year. So, the retail sales are mapped according to the festivals. Last year, the festival was earlier, so the sales were booked then. This year they weren't; our sales will be booked in quarter 3. That is why you are seeing a slight difference.

Shreya Chatterjee: Okay and how do you expect quarter 3 or the second half like how would this evolve if I were to normalize it on a full-year basis?

Management: We are focused on our commitment to achieve double-digit growth by the end of the year. That is all I can say.

Shreya Chatterjee: Okay, so SSG will be double-digit for the second half?

Management: Yes.

Shreya Chatterjee: Okay, thank you.

Management: Not SSG, overall revenue.

Shreya Chatterjee: Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Giriraj with Visaria Family Trust. Please go ahead.

Giriraj: Hello team. First, if you can quantify the impact of the Vapi flood like what percentage of business we lost or what absolute value of business we lost due to the floods?

Pankaj Jain: On the quarter 2 number, I would put it at 3% to 4%.

Giriraj: Okay. So what I was saying few other companies have highlighted that Navratri shifting has impacted so much percentage of SSSG performance. So for us that would be the impact?

Pankaj Jain: Yes, tell me.

Giriraj: So Navratri days last time was in quarter 2, this time it is in quarter 3. So, any particular impact you would like to highlight there?

Hemant Jain: Not much. Actually in retail, because of the festival shifting, you have to look at Q2 and Q3 merged together. When you merge them, you will see a better result.

Pankaj Jain: As we saying, that retail stores had a negative SSSG of close to 10% on a half-yearly basis, we feel that on a 9-month number it should remain flattish.

Giriraj: Okay. Next when you talk about double-digit growth for the FY, earlier we were talking about 15% for the existing business and probably 5% from inorganic as and when it comes. The double-digit be more like 15% or early double-digit?

Hemant Jain: We will try our best. We will try to achieve what we have planned, but it depends; sometimes things go a bit off. Business is like that. for instance, we never thought the floods would cause a 3%, 4% disturbance in our business. We believe whenever we speak to you'll we could want to show you'll the correct picture.

Giriraj: Okay. And lastly, any incremental update on the inorganic growth initiative?

Hemant Jain: As such, there is nothing right now. As soon as there is something, we will definitely let you know.

Giriraj: Sure. Thank you and all the best.

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

Arpan: Good morning, sir. I have a couple of questions. First, in the presentation and the press release, I saw you mentioned EBO rationalization strategy. So, can you throw more light on what is that we are looking at?

Pankaj Jain: Okay. We have revised our number from 900 stores to 800 stores while keeping our revenue numbers constant. So, here we look forward that we will be increasing the store size of individual brands, okay. That's the reason, okay, the number of stores for Killer has remained constant. In terms of Lawman, we have brought it down from 175 to 125 odd stores, and we have revised

the number for Kraus from 50 to 75. The major impact is because of K-Lounge, where we feel that, okay, we will be phasing that out in a rational manner.

Arpan: Okay. But before the store economics for K-Lounge was not common -- were they loss-making or not up to the profit mark? And the…

Pankaj Jain: Not really. Okay. But ideally, okay, the individual store size of K-Lounge when it was launched, okay, was close to 600 to 700 odd stores, where it used to house all the brands of KKCL. Okay. Now, individual brands and their categories have become that large that it becomes difficult to sustain all the brands in that particular store size. And that is the reason, okay, we have started opening and have started focusing on single-brand retailing as compared to multi-brand retailing.

Arpan: Okay. My next question is related to the brand. I've seen Kraus is majorly available in EBOs and LFS. Do we have any other plans for Kraus in terms of sales

Pankaj Jain: We have already started with some exports in the Middle East, and, okay, we have also started getting good traction from the second quarter from online.

Arpan: Online?

Arpan: And what about MBOs?

Pankaj Jain: Okay. We have started with the MBO format also, but it's too early to comment on the MBO channel.

Arpan: Okay. And what should we look at in terms of EBITDA margin for Kraus?

Pankaj Jain: The EBITDA margins for Kraus are in line with KKCL.

Arpan: Okay. In one of your -- in the opening remarks, you mentioned optimizing fresh versus discounted sales.

Pankaj Jain: Yes.

Arpan: Can you just throw more light on that for better understanding?

Hemant Jain: We are seeing that discount in the markets have grown too much. We believe that to improve EBITDA, we have to reduce discounts. We want to work on realistic prices and focus more on rotation, which will improve profitability.

Arpan: Is that the reason why sales growth was tepid?

Hemant Jain: Unnecessary discounting dilutes brand value. Our major focus now is to increase fresh sales. We are working more on CRM -- how to bring back repeat customers and provide better service. The mindset is clear - reduce discounts and increase fresh sales, so that the EBITDA margin would be more better.

Arpan: That's a valid point. That's well appreciated. Lastly, on working capital, if can you throw some light on inventory days and all.

Pankaj Jain: The current working capital -- net working capital for the current quarter was close to 130 odd days, which was in line with last year.

Arpan: Okay. But there would be inventory because of the festive dispatches which would have happened in early October, right? Or majorly the dispatches would have happened in September? That would be my question.

Pankaj Jain: Okay. Inventory last year, okay, was dispatched during Q2 scenario. This year it will be during quarter 3, and that is the reason inventory was on the higher – little higher side as compared to last year.

Arpan: Sure. And last question, on SSG, I know the reported SSG, but just wanted to understand what is the number which can look on a full year basis?

Pankaj Jain: I already mentioned that on a 9 month basis, it should look a little flattish.

Arpan: On a full year basis? 9 month, it's little flattish, full year?

Pankaj Jain: I'll have to come back to you on that question for the full year. But on a 9 month basis it should look flattish.

Arpan: And lastly on the winter season -- upcoming winter season, any specific plans or how do you see that season?

Pankaj Jain: Sorry, on the winter plan?

Arpan: Winter season, are we expecting a good winter season this time around?

Pankaj Jain: We are positive on the winter wear category this time. Okay. I think winter will be there and it will be cool climate, and fresh sales should be better compared to last year.

Arpan: Okay. That's it from my side. All the best for future quarters.

Pankaj Jain: Thank you.

Moderator: Thank you. The next question comes from the line of Sahil Doshi with Thinqwise. Please go ahead.

Sahil Doshi: Hi. Good morning. First question on this Vision 28. With respect to K-Lounge, our thought was essentially -- we want to create a family store and that's where the market is moving towards and that's where the strategy around women wear as well as kids came in.

So, could you just share incremental thoughts on that family outlet or the larger outlet which we had now that we have revised this? So, how do we try and position Junior Killer and become a multi-brand kind of a brand? So, just wanted to understand what's our thought on that.

Pankaj Jain: So, Sahil, when we had thought that we will revise the strategy for K-Lounge over the period, okay, we had thought that it will become a family owned store where we will have all our genders put together. Okay? However, if you'll see, okay, all the brand positioning for most of the brands have been shifting also and getting to a one family store as compared to a family store is becoming difficult.

So, we have restrategized our plan to make it more single brand retailing and in case if, focus on single brand retailing, even if they are next wall to each other. So, you may have a Killer, a Kraus and a Junior Killer next to each other, okay. But it will be looked at single brand retailing only.

Sahil Doshi: So, on the Junior Killer part, will it be a separate EBO strategy which you will have for retailing …

Pankaj Joshi: It will be a sub-part of Killer.

Sahil Doshi: It will be a sub-part of the larger Killer stores basically.

Pankaj Joshi: Yes.

Sahil Doshi: Yes. So, just on the Killer, I wanted to understand in this larger revamp or the entire vision 2028 rework which we've done, is there a change in terms of positioning in terms of metros versus Tier 2, Tier 3 and also is branding or marketing going through a change?

Hemant Jain: No, Sahil. It will be as usual. See, you can't segregate what is metro and what is Tier 2 and Tier 3. You will focus more on where the business will look better and where there will be better profitability, you will focus there only. So, as such today, whatever is going on right now, it will go on as it is. There are no major changes.

Pankaj Jain: However, on the marketing side, okay, there will be more spend done digitally.

Sahil Doshi: Okay. Understood. And just on this, earlier we were very confident of a 15% growth for this year. I understand the market dynamics might have shifted or there is a shift because of festive, but is that the real reason for us sounding a little less confident on this 15% number or it is purely some festive shift or something?

Pankaj Jain: So, Sahil, okay, we were definitely confident looking at the first quarter scenario, but however, looking at the geopolitical pressure scenario, the inflationary trend, the supply chain, the overflow of the rain perspective, it disrupted our entire supply chain. All that did impact the quarter 2 numbers. So, if that is the case, we are really -- we are not too sure whether we will be able to achieve 15%, but we will definitely achieve a double digit growth.

Sahil Doshi: Sure. And just lastly, Integriti as a brand, the revamp was likely to give some kind of a positive change from Q2 is what our expectations were. How is that doing? Can you call out, meaning how Integriti is doing?

Pankaj Jain: Sahil, it has delivered double digit growth.

Sahil Doshi: In the first half or…

Pankaj Jain: Yes, the first half.

Sahil Doshi: Okay. And double digit as in, meaning do you expect it to be a larger because the brand has gone through a…

Pankaj Jain: Yes, I did expect it to be larger.

Sahil Doshi: Okay. Understood. And lastly, in terms of, though the demand has been impacted or you said is softer, why is it that Kraus has been able to continue to grow at 25%? Is it more like an expansion growth or is there a SSG growth there as well?

Pankaj Jain: So, there have been expansion as well as SSG growth. However, okay, the warehousing capability is different for both the aspects. The base also is different where Killer is operating on a 3x of what Kraus is operating on. So, that's the reason, okay, you'll see. And okay, since there was no disruption on the supply chain or maybe the warehousing perspective, it was able to deliver better.

Sahil Doshi: Okay. Understood. Perfect. I'll get back in the queue for anything else. Thanks.

Moderator: Thank you. The next question comes from the line of Rushabh Shah with BugleRock. Please go ahead.

Rushabh Shah: Yes. Hi. So, my question was, in our retail channels and EBOs, specifically, like how do you measure the customer loyalty? Like, if suppose one customer, has to purchase today, let's say, like within a year, how many times would he purchase? Do we track this kind of numbers?

Pankaj Jain: We do capture it only for an EBO channel, which is only our exclusive stores.

Rushabh Shah: So, like, can you give more of the indication how has this moved in the last, let's say, 2 years, 3 years?

Pankaj Jain: Are you going specific into the numbers?

Rushabh Shah: Yes, sir.

Pankaj Jain: Hello. Yes? The repeat ratio is close to around 22% of the customer with a frequency of 2.

Rushabh Shah: Okay. And so my next question is how do we decide on opening of a store? Will it be, like, a company owned or an MBO? So, what will be the Top 3 parameters on which it is decided?

Pankaj Jain: So, since we are widely penetrated in general trade, okay, it allows us to understand the market much better, even if there is a vacuum when the new EBO has to be looked forward for, or maybe LFS opens -- gives us a counter in such locations. Such insights are helpful for both the EBO as well as the LFS. However, GT is more of an entrepreneurship-driven game scenario, so we bet more on the entrepreneur as compared to the area.

Rushabh Shah: So, for us, whenever we launch a new brand or a new collection, we do it via the LFS route. Although, it's a low-margin business for us as compared to the EBO or the MDO. So, just wanted to know…

Pankaj Jain: Youd saying that we do it through an LFS route is not right. We said that, okay, generally we do it through GT, which is general trade. Our distribution channel allows us to know or penetrate more, and it gives us that reach, which allows us to understand how the city operates.

Rushabh Shah: Okay. Fine. Thank you. Thank you so much, sir.

Pankaj Jain: Thank you.

Moderator: Thank you. The next question comes from the line of Sucrit Patil with Eyesight Fintrade. Please go ahead.

Sucrit Patil: Good afternoon. Sir, good morning to the team. I have two questions. The first question is to Mr. Hemant Jain.

Hemant Jain: Yes, tell me.

Sucrit Patil: Our latest second quarter sales have shown a healthy growth reaching around INR370 crores, largely driven by expanding our retail presence and pushing into newer segments like ethnic wear. As we aggressively add more retail stores to hit our multi-year growth target, what is the biggest risk that if the market gets over-saturated and how do we protect our core denim and casual wear market share in case smaller local brands start to undercut the price, or if it gets into a price war kind of scenario? That's my first question. I'll ask my second question after this. Thank you.

Hemant Jain: I can't hear you. Can you speak a little louder? I can't hear you. There is some problem with me.

Sucrit Patil: Yes. Sure. Can I ask the question again?

Hemant Jain: Yes. Tell me.

Sucrit Patil: Yes. My question was, in the latest second quarter sales have shown a healthy growth reaching around INR370 crores. This has been largely driven by expanding our retail presence and pushing into newer segments like ethnic wear. As we aggressively add more retail stores to hit

our multi-year growth target, what is the biggest risk that if the market gets over-saturated, and how do we protect our core denim and casual wear market share in case smaller local brands start to undercut the price? That's my first question. I'll ask my second question after this. Thank you.

Pankaj Jain: Okay. Firstly, your understanding that it was driven by more ethnic is a wrong presumption. That's one. Secondly, we -- our core competition with Killer lies is Levi's, Lee, Wrangler, Mufti, Pepe, Spykar. That we consider as our core competition. So, we are, okay, in line in terms of the price bracket with such brands. So, I don't think there is an undercut happening. Okay. You are comparing to the unorganized segment to an organized segment. Definitely, there will be little bit of challenges. But okay, when the brand – when the customer understands and wants to buy a brand perspective, he will operate and go to such stores as compared to an unorganized brand perspective. Comparisons are not right.

Sucrit Patil: Okay. My second question is, while we are tracking well within our retail footprint goals by opening many new outlets across the country, what is the biggest execution risk to our sales growth if premium shopping mall traffic slows down or if consumer spending costs pull off in the coming winters? And which region or territory are you finding the hardest to scale up to right now? Just want to understand the forward guidance on this.

Pankaj Jain: Winter has always been difficult because it gives you, a sixty days window, in a period of winter, definitely has impact on discounting. It may change your EBITDA mix by a 1% or 2% scenario. Okay, for the particular quarter, which is Q3.

Scaling up, as you said, okay, as such the markets have been growing established well. So, I don't feel that any premium mall or perspective coming into, it gives us more room or more space, I would say more of square feet area to in fact to penetrate. Such premium malls may have a shoppers stop or lifestyle where you will be present also. So, it allows the brand to have more doors.

Sucrit Patil: Okay, just coming back to my first question about Part B of the first question. I just want to understand. I am asking because the Apparel market is becoming highly crowded with D2C online brands and deep discount formats. If we scale up our physical store footprint too quickly while consumer demand hit a seasonal halt, isn't there a risk that unsold inventory will start to pile up? Just want to understand the guidance. This will be the last question.

Pankaj Jain: Most of the D2C brands which are actually scaling up are looking at brand visibility and then entering the offline market. So, offline is there to sustain. I don't feel that there will be any impact on the offline definitely, whoever performs better, there will be a survival of the fittest game which will be happening.

Sucrit Patil: Okay, thank you and best wishes.

Pankaj Jain: Thank you.

Moderator: We have a follow-up question from the line of Sahil Doshi with Thinqwise. Please go ahead.

Sahil Doshi Yes, hi. Thanks for the follow-up. Just could you share an update on the brand pivots and rethink if anything, because of the Vision 28?

Pankaj Jain: Sahil, can you be specific what exactly are you asking?

Sahil Doshi No. So basically, if you can, do we have more update on the pivots you were trying in different categories as you have listed in the Vision 2028. So can you possibly give us an update because it's been a year, year and half years since we listed it.

Pankaj Jain: Sahil, I still feel it's too early scenario, okay, We have not been able to crack it a as well as we thought. You'll have to give me at least two more quarters to get an update on that.

Sahil Doshi Got it. Understood. And just if you can just give us more clarity in terms of the impact of the monsoon or the rains. Is that because you are not able to produce in time and you lost out of the season? Or because is it both that demand was also an issue and supply was also an issue? Or what really went wrong?

Hemant Jain: Demand was not the problem but the production was the problem. Because of the flood, we were disturbed for a week in the season and also because of the oil prices and also because of the gas prices, we have had some impact. So, it was not that there was no demand, we were not able to produce. To be frank, I am telling you the fact that against the orders, what I had to produce, could not happen only.

Pankaj Jain: People couldn't reach the factories only.

Sahil Doshi Right, right. Understood. Understood. Understood. No,

Hemant Jain: And, the factory was in the water. It was completely in the water, so we were not able to do anything. So around 7, 8 to 10 days went waste.

Sahil Doshi Understood. And just last question. In terms of inflation, which you've seen in cotton and other commodities also, given the environment which we said, how do we think about it? Should we see some pressure going forward on gross margins or we can take a hike.

Pankaj Jain: We have already started facing that inflationary pressure. I am not too sure. I feel that it is too early to comment on that. We have taken a price increase in the current two quarters also. If possible, we will try to pass it on to the consumers. Whether we will be able to or not be able to pass it on to the consumers. Okay. One more aspect where we are [Inaudible]. Okay, reducing the discount.

Sahil Doshi Sorry, your voice wasn't too clear. Do you mind repeating that?

Pankaj Jain: I will say that, okay, when you said that, okay, we have already started facing that inflationary pressure. So there has been a price hike in terms of the fabric. But if you see for the first half yearly scenario, the cross margins have remained intact. This inflationary pressure may be there for quarter three and quarter four period. We will try to pass on this price bracket to the

consumers. Okay, by two aspects, either reducing the discount, that's one. Okay, or passing it in through the MRP.

Sahil Doshi Sure, sure. Understood. Understood. Best wishes for the rest of the year.

Moderator: Thank you. The next question comes from the line of Manish Goyal, Thinqwise Wealth Managers.

Manish Goyal: Yes. Thank you so much. Sir. My question is on the Vision 2028 and the change in the number of stores or the EBOs, which we were targeting earlier from 900, which has been reduced to 800. And on other side, we have maintained our revenue guidance of INR1,500 crores.

So just a couple of things over here that now probably the 80 numbers of K-Lounge stores, what we have, we intend to completely shut them out in the next two, two and half years. And we are intending to get more productive sales from the 800 stores. So, two things that in our earlier plan, K-Lounge not expected to probably it was expected that K-Lounge will continue, number one. And number two, now if you are looking for higher contribution per store throughput. So, how will we achieve that? Like you will, you did allude that earlier that you will increase the size of store, but to get a higher throughput, how would it be possible, number two. And number three, then on the margin front also, then if you have a lower number of storesm your operating costs will be lower. So then in such case, can you probably see better margins.

Pankaj Jain: Okay. Answering one by one all your questions. One is K-Lounge. Okay. Definitely, we said that we will be rationalising it out . .

Manish Goyal: Pankaj ji, your voice fades down when you answer. So maybe, sorry for that.

Pankaj Jain: I said, as we said, we were, since we didn't have a strategy for K-Lounge, we had kept the number of K-Lounge constant over this period. Okay, we're now saying that we'll be rationalizing and making it, squaring it off over this period and that's why the number of stores has been decreased for K-Lounge. That's one. Secondly, we said that, okay, the store size will be, we're increasing the store size for a single brand retailing. We are also looking at category expansion, which we are looking at along with the brand. So, it is not only jeans, shirt, t-shirt or trousers that we make in menswear, other accessories, other categories, which is, maybe, as a formal, a blazer as a category and winter wear, which will be adding up and which will increase the throughput for the store.

Manish Goyal: But Pankajji, it would be like to probably get that incremental 15%, like where I'm coming from is that your number of stores are down by 10% to 15%. And to get equally that kind of throughput higher, you would really require….

Hemant Jain: You will have to understand that, one, you are increasing the store size. Plus, whatever stores you are opening, we said that we have reduced the numbers because we want to stay in the main line and main street. We don't want that we have to go anywhere on the side for the stores.

So, what we did was, we increase the category and increase the store size, so that your sale will remain the same, the number of stores will decrease. And in the main street... So, earlier, we used to open 600-800 square feet. Today, we are focusing on 1000-1200+ square feet stores. So, at the end of the day, we will generate the same sale but the number of stores is decreasing.

Manish Goyal: Okay. No, Hemant ji, the point was that you probably, then probably to be more clear, what categories you would add up that you get a more sales per store. I agree that you will have a larger size store, but it doesn't imply higher sales just by?

Hemant Jain See, there are two things. Like in our stores, kids wear has been added. Plus, whatever category, whatever fashion correlated, whatever categories we will have to add, we will add it. See, at the end of the day, you need business. If you want to run a business, if you want to grow, then you have to fulfill the market demand.

Manish Goyal: Got it.

Hemant Jain So, you cannot do it in an exact particular way that I will make this only, I will not make this. Now, I cannot discuss category-wise or product-wise with you. Whatever demand will be there, we have to make it and generate sales so that our growth percentage that we are committing remains as it is.

Pankaj Jain: The incremental size has an additional investment only in terms of rental.

Manish Goyal: Got it. So that is question. on the EBITDA margin. Yes, just let me finish. My third question is not yet answered. So, Pankaj ji, that is what he was saying that if rental minimal increase in costs will be rental, then should we look at better EBITDA margin because K Lounge will get shut down and you will probably have a higher sale, higher throughput with lower cost structure. So, will that help to get a better margin?

Pankaj Jain: I think on the margins, the EBITDA margins are almost above industry average, I don't feel that there will be incremental EBITDA margins ahead.

Manish Goyal: Okay. Maybe I'll put it other way, that whatever incremental you will get, you'll probably use it for sales generation. Yes. Thank you so much.

Pankaj Jain: Maybe in marketing. And okay, whatever most of the stores are franchisee owned franchisee-operated stores. So that incremental revenue also a subset of that goes to them also.

Manish Goyal: Right. Okay, got it.

Pankaj Jain: So that's the reason. I don't feel there is any major impact in terms of the EBITDA. Throughput definitely would be better, but incremental margins would not be in that case.

Manish Goyal: Sure, thank you so much. Thank you.

Moderator: Thank you. As there are no further questions from the participants. I now hand the conference over to the management for their closing comments.

Hemant Jain: Thank you once again for joining us today. We truly value your continued support and confidence in KKCL journey. With the festive season upon us, we wish you and your families a joyous Diwali and happy, healthy and prosperous new year ahead. Should you have any further questions, please feel free to reach out to our Investor Relations team. Thank you. Thank you so much, and happy Diwali.

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