SEC/13 /2026-2027 **May 11, 2026**

1.	**National Stock Exchange of India Ltd.** Exchange Plaza Plot No. C/1, G Block Bandra –Kurla Complex Bandra (E), Mumbai 400 051 **Symbol: KALYANKJIL**	2.	**BSE Limited** Corporate Relationship Dept. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001 Maharashtra, India **Scrip Code: 543278**

Dear Sir/Madam,

Sub: Earnings Call Transcripts

Pursuant to Regulation 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform the exchanges that the transcript of audio call recording of the Company's Analyst Call to discuss the Audited Financial Results (standalone and consolidated) for the Quarter & Year ended on March 31, 2026 is attached herewith.

Kindly take the same into your records.

Thanking You
For Kalyan Jewellers India Limited
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"Kalyan Jewellers India Limited
Q4 FY '26 Earnings Conference Call"
May 08, 2026

"E&OE – This Transcript is edited for factual errors. In case of Discrepancy, the audio recordings uploaded on the stock exchange on 8th May, 2026, will prevail."

MANAGEMENT: **MR. RAMESH KALYANRAMAN –EXECUTIVE DIRECTOR**
MR. SANJAY RAGHURAMAN – CHIEF EXECUTIVE OFFICER –
MR. V SWAMINATHAN – CHIEF FINANCIAL OFFICER
MR. SANJAY MEHROTTRA – HEAD STRATEGY AND CORPORATE OFFICE
MR. ABRAHAM GEORGE – HEAD TREASURY AND INVESTOR RELATIONS
MR. V. SREEKUMAR – FINANCIAL CONTROLLER

MODERATOR: **MR. RAHUL AGARWAL – STRATEGIC GROWTH ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Kalyan Jewellers India Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Agarwal from Strategic Growth Advisors. Thank you, and over to you, sir.

Rahul Agarwal: Thank you. Good evening, everyone, and thank you for joining us on Kalyan Jewellers India Limited Q4 FY '26 Earnings Conference Call. We have with us Mr. Ramesh Kalyanaraman, Executive Director; Mr. Sanjay Raghuraman, CEO; Mr. V. Swaminathan, CFO; Mr. V. Sreekumar, Financial Controller; Mr. Sanjay Mehrottra, Head of Strategy and Corporate Affairs; and Mr. Abraham George, Head of Investor Relations and Treasury.

I hope everyone had a chance to view our financial results and investor presentation, which were recently posted on company's website and stock exchanges. We will begin the call with opening remarks from management, followed by an open forum for Q&A.

Before we begin, I would like to point out that some of the statements made during today's call may be forward-looking. A disclaimer to that effect was included in the earnings presentation. I would now like to invite Mr. Ramesh Kalyanaraman, Executive Director of Kalyan Jewellers India Limited, to give his opening remarks. Thank you, and over to you, sir.

Ramesh Kalyanaraman: Thank you. Good evening. And let me welcome everyone to the call. Q4 has been fantastic. The pickup in momentum we witnessed during the third quarter continued during the last quarter, and we ended up the financial year on an excellent note. While consolidated revenue and PAT growth for the quarter have been 66% and 118%, respectively, stand-alone business recorded revenue growth of 68% and PAT growth of 97%, respectively.

For the full financial year, we recorded a consolidated revenue in excess of INR35,700 crores and a PAT of INR1,350 crores. During the last financial year, we launched 129 showrooms across Kalyan and Candere formats, including the first Kalyan showroom in the U.K. The year also saw a reduction of debt in India by INR360-odd crores, in line with the already announced plan to pay down the non-GML debt in India completely.

Over the last 3 years, we have reduced the non-GML in India from INR1,300 crores to INR300 crores. FY 2026 also saw Candere growing its revenue by 160% on the back of very strong same-store sales growth and aggressive network expansion. More importantly, Candere turned PAT positive from the second half of FY 2026.

Going forward, during the current financial year, Candere will focus more on driving SSSG, along with expanding its showroom footprint. In line with our announced dividend policy, Board of Directors has recommended a dividend of approximately INR257 crores, payout of around

20% of the net profit generated during FY 2026. During the ongoing financial year, we plan to open 150 showrooms across Kalyan, Candere and the new regional brand.

And now talking about the ongoing quarter, we had an excellent start to the financial year. We witnessed strong growth in our Akshaya Tritiya sales this year, and we continue to see encouraging momentum in consumer demand, especially around the wedding purchases during the current quarter.

Thank you, and I will hand over it to Sanjay. He will read you through the numbers.

Sanjay Raghuraman: Thanks, Ramesh. Good evening, everybody. I'm happy to be talking to you again. In this just concluded quarter, our company reported a consolidated revenue of INR10,275 crores, a 66% growth over the corresponding quarter of the previous year. Consolidated profit before tax was INR539 crores versus INR251 crores in the corresponding quarter of the previous year. And consolidated profit after tax came in at INR410 crores versus INR188 crores in the corresponding quarter of the previous year, a growth of 118%.

For the concluded 12 months of the financial year FY '26, we recorded a revenue of INR35,740 crores on a consolidated basis versus INR25,045 crores in the previous financial year, a growth of 43%. Consolidated profit before tax for the year came in at INR1,802 crores versus INR960 crores, an 88% growth. and consolidated profit after tax for the year ending March '26 came in at INR1,350 crores versus INR714 crores for the previous year ending March '25, a growth of 89%. Out of the free cash generated from operations, approximately INR350 crores was used for debt reduction and approximately INR150 crores was used for dividend payments.

Talking now about the breakup of the quarterly performance between India, Middle East and the Candere business, starting with the India business. The quarter just concluded, the revenue came in at INR8,990 crores versus INR5,350 crores. And the profit before tax for the quarter came in at INR495 crores compared to INR249 crores when compared with the corresponding quarter of the previous year. And profit after tax for the India business came in at INR366 crores compared to INR185 crores in the corresponding quarter of the previous year, a growth of 97%.

Moving on to talk about our Middle East business. Revenue in the Middle East came in at INR1,074 crores versus INR784 crores in the corresponding quarter of the previous year. Profit before tax came in at INR20 crores versus INR15 crores for the corresponding quarter of the previous year. The Middle East business posted a profit of INR21 crores for the quarter compared to a profit of INR12 crores for the corresponding quarter of the previous year.

Lastly, moving on to talk about Candere. The business posted revenues of INR131 crores in the quarter versus INR28 crores in the corresponding quarter of the previous year. And in the just concluded quarter, the profits came in at INR3 crores for the quarter versus a INR12 crore loss in the corresponding quarter of the previous year.

With this, we are now done with the summary of the numbers, and we open the floor for questions. Thank you.

Moderator: First question is from the line of Nihal Mahesh Jham from HSBC.

Nihal Mahesh Jham: Congratulations on the strong performance. I had three questions. The first is that there is a big divergence in the South and non-South SSSG, not seen at least as you started reporting this data. So just if you can give clarity on what led to such a big divergence?

Ramesh Kalyanaraman: Yes. So South was lesser than non-South. And again, it comes every quarter, it is a bit different, but this time, it is having a significant change in the SSSGs of South and non-South. Maybe the base is also higher in South.

Nihal Mahesh Jham: The other way to look at it is that for South, it went from, say, 25% to 29%. But in case of non-South, the acceleration has sort of been much higher. So, any more color about maybe what led to that versus the Q3?

Ramesh Kalyanaraman: I think the shift is again further accelerated in the non-South region when compared to South. And we have been seeing it from Q3, but Q4 again was -- non-South was more interesting than the South.

Nihal Mahesh Jham: Got it. The other thing, Ramesh, is that generally, because of the initiatives that we had started in Q1, every quarter, gross margins were improving, given you said part of the sourcing had shifted to a new set of vendors. This quarter, there has been a slight reversal of that trend. So any more clarity on the GM side?

Ramesh Kalyanaraman: Gross margins have been improving and -- but it has been maintained also. Showroom level mix, again, South, non-South. So, you cannot compare a quarter-to-quarter. Q3 is always a better quarter in terms of standard, etc. Again, non-South revenue is also more in certain areas. So it is, again, depending on the type of product which is sold during Dhanteras, Diwali is different from Q4, FOCO mix. So, there are a lot of drivers to your margin, right?

Nihal Mahesh Jham: Sure, Ramesh. The last question was I just wanted to understand, you mentioned about Akshaya Tritiya being very strong for you. Generally, how have trends sort of been sustaining this quarter? Is it as strong as what, say, Q4 was for us? And as you look into the next year, given this has obviously been quite an exceptional year for the entire jewellery sector that -- would there be some moderation because of the high base that we'll have of last year?

Ramesh Kalyanaraman: So last year also Akshaya Tritiya was in Q1 only, no?

Nihal Mahesh Jham: No, I was referring to the full year.

Ramesh Kalyanaraman: Full?

Nihal Mahesh Jham: There were two parts to the question. First is that how are the trends in the Q1 quarter of FY '27. The second question was that for the full year of FY '27, given '26 was such an exceptional year for us and the entire jewellery space that is there a case that we can continue to deliver our historical growth rates for next year also after such an exceptional year of FY '26?

Ramesh Kalyanaraman: Yes, yes. So again, if you look at H2 of the last financial year, the base was higher. And the current financial year, H2 will have a base high for sure. But again, it has been like that even in the previous year. But again, we could grow. So that we will not be able to completely tell you what's going to happen. But as we speak, April has started off very well. And even with high basis, we have been able to grow.

Moderator: Next question is from the line of Gaurav Jogani from JM Financial.

Gaurav Jogani: Sir, my first question is with regards to the debt repayment. I mean you have so far paid approximately INR500-odd crores of non-GML debt, and you're planning to repay the debt entirely, the non-GML piece that is in FY'27. Given the strong profitability that you have witnessed in FY '26, is there a possibility that you might be able to pay that off entirely by, say, by H1 FY '27 end?

Ramesh Kalyanaraman: Yes. So, we want to make it a non-GML debt-free in the running financial year. And yes, if things go really well, we might do it by H1 itself. But we don't want to guide you in that direction. Wherein -- when it's possible, it is possible. That's it.

Gaurav Jogani: Sure. And just one more question with regards to the new -- the third brand that you are planning. I mean that south store was supposed to be launched somewhere in Q4. So, what's the update on the same? And is there any progress to it?

Ramesh Kalyanaraman: So, it is on, but the post-election dust has not been settled in the state where we want to open our new brand. So, we are just waiting for the dust to settle down, and we start our campaign.

Gaurav Jogani: Okay. So, it's prepared just that the timing is to be managed.

Ramesh Kalyanaraman: Yes. So, timing has to be managed according to the situation on ground.

Gaurav Jogani: Sure,. And just lastly, one bookkeeping question that I had. We had seen that the debt coming down sequentially from -- H1 to H1, debt has only come down. However, if we look at the interest cost, both on the stand-alone and the consol basis, it has moved up sequentially. So is there any one-off kind of an adjustment there? I mean, just wanted to understand what has really led to this movement.

Sanjay Raghuraman: Sreekumar, you have the number?

Ramesh Kalyanaraman: Yes. Just a second, I will hand over to Sreekumar.

Sreekumar Vengassery: So, you see the major reason for the increase is the -- increase in the processing charges as well there were some advanced tax which we had to pay. There were some estimate which we did for the full year, we couldn't budgeted correctly. So, then there was an interest which we had to pay for the advanced tax. That is a major reason in the increase in the interest cost.

Gaurav Jogani: Okay. So can you just one...

Abraham George: Gaurav, one more -- Abraham here. One more point I want to make. During the first half of the year, our debt repayment had not happened for the year. So that debt level remained almost high for the first half. And the gold metal loan pricing also kind of tapered down by almost the first quarter. So that reason, along with the reason which Sreekumar mentioned that there is an interest that we have paid towards advanced tax payment. Otherwise, it's mostly on track.

Gaurav Jogani: Yes. So that is what I wanted to ask basically, if we adjust for that, what is the real interest cost so that we can build accordingly for the coming years in that context?

Abraham George: Yes. I would say about INR30 crores will be reduced from this number.

Gaurav Jogani: Okay. So, INR30 crores will be reduced. Okay, sure.

Moderator: Next question is from the line of Devanshu Bansal from Emkay Global.

Devanshu Bansal: Congratulations on very strong numbers. I wanted to check on the supply side issues that are sort of there, right, from Middle East tension perspective. A lot of gold is imported from that part of the region. And there was some news flow that renewal of licenses is also getting delayed from the GST's perspective. Do you foresee any kind of challenge from availability of gold as well as from the increase in maybe say, interest rate on gold metal loans?

Ramesh Kalyanaraman: No. So, there is abundant supply of gold in the country, and we continue to receive regular inventory from our banks. So, while the IGST notification for gold imports through the traditional bank, the channel spending, qualified jewellers like us, banks, importers are permitted to import gold through India International Bullion Exchange at GIFT City Gujarat.

So furthermore, according to our knowledge, the banks also procure gold from domestic sources such as samples and gold deposit scheme, etc So, we don't have any issue with the gold supply.

Devanshu Bansal: Got it.. And secondly, sir, you did provide some color on strong trends continuing in April. I wanted to check since our wedding-related salience is relatively higher and there is this extra month inauspicious days in Q1. So, will that for time being sort of lead to lower sales for us? That was part number one. And secondly, Q4 has seen very strong growth. Has there been a preponement component also where, the Q1 weddings purchases related to Q1 weddings got preponed to Q4. So, I wanted to check on these two things.

Ramesh Kalyanaraman: Yes. So Adhik-Maas is there. And again, we have a good wedding share in our business. And business can get moved to either side of that month, okay? But again -- at the end of the day. It can move in 2 quarters, but at the end of the day, revenue comes to us. It's not a loss of revenue.

Devanshu Bansal: No, fair enough. I just wanted to understand from a volatility perspective, obviously, I understand that from a full year perspective, that business will come back to you. But from a volatility perspective, can Q1 be a slower growth quarter is what I wanted to understand?

Ramesh Kalyanaraman: As we speak, things are on track. It is more than on track, but we'll have to see what plays out during the Adhik-Maas time. But yes, there is high possibility that those days can be slower than our usual wedding. But there are people who preponed their purchase also if there's an Adhik-Maas. So that's why I'm not able to guide you clearly whether there can be a loss of revenue in this quarter because there can be some revenue which is preponed and comes in this quarter itself.

Devanshu Bansal: Understood.. Sir, last question from my end. If we see the revenue mix for this year's Akshaya Tritiya, how has been the competition between, say, coins, plain gold jewellery as well as studded because there are certain players who are indicating that gold coin sales were relatively lower this time around. So, did that play for you as well in this current Akshaya Tritiya?

Ramesh Kalyanaraman: Yes, the coin sales were lower than estimated, unlike Dhanteras where it was more than estimated.

Devanshu Bansal: Okay. So that should ideally lead to better margin performance, right?

Ramesh Kalyanaraman: Again, too early now because it's only 1 month. There is two more months to go. Again, repeat, the first 30, 35 days have been very good.

Moderator: Next question is from the line of Ashish Kanodia from Citigroup.

Ashish Kanodia: So, the first question again is on the SSSG and specifically on the non-South. So, if you kind of split the SSSG trend between, say, the franchisee stores versus owned stores, do you see any -- broadly similar to what we have reported on an overall non-South basis? Because I think the non-South could also be benefiting partly because of the franchisee stores. So, I just wanted to understand, when you look at the SSSG non-South, FOCO versus COCO, is the trend broadly similar?

Ramesh Kalyanaraman: It is looking more or less same. But of course, you know that the first-year revenue growth for any store, be it franchise, be it non-franchise, it has a better SSSG than the showrooms, which are more than 5 years- 7 years because the gold savings scheme revenue also comes in. And region-wise, there are changes in non-South. Non-South is not the same in all South markets. That's what I'm trying to say.

Ashish Kanodia: Sure, Ramesh. Got it. And second question on the coin sales part. I think even if you look at the full quarter, the last, say, 40 days or so and compare it with maybe Q3FY26 as well as Q4FY26, have you seen that the overall intensity of investment-led demand, which is your coin sales have actually come down? And is it partly because when you look at the gold price movement, at least in the last few days or a month or so, it has actually been on the lower side, right? So, is there a lower intensity of the investment-led demand?

Ramesh Kalyanaraman: The coins, we usually do not push coins, and we don't even sell bullion, which you know. During Q3FY26, some customers' inquiry of gold coins, we saw it higher than usual. So we had to keep more inventory than usual for gold coins. Otherwise, it is a normal revenue which was there for coins still maintained. Q3FY26 was a bit abnormal, especially during the Diwali time.

Ashish Kanodia: Sure. And the next question is on the Middle East. So, if I look at the comment in the presentation, you have said that you have temporarily converted 4 FOCO showrooms to COCO as there is some discussion underway. So, if you can throw some light like what's happening there? What's the plan on that part of the business?

Ramesh Kalyanaraman: No, I mentioned in the last call that we are trying to work with a few Arab investors who are keen to open FOCO showrooms of Kalyan and for which we had to temporarily convert the FOCO to COCO to facilitate that so-called process.

Ashish Kanodia: So, I mean, just looking at...

Ramesh Kalyanaraman: so it's like it's the franchisee model, which we are working with Arab investors is not only to own or open only new stores, but also conversion of old stores and the ticket size is bigger. Again, I did not give you any guidance on that because it has not happened. So better not to budget on it. But we are focusing on a major franchisee expansion in the Middle East through Arab Investors. But nothing has materialized, but it's going in the right direction….

Ashish Kanodia: Sure. And maybe just on the gross margin, I think someone asked and I will just kind of refill that question. See, when we look at the India gross margin, right, now we know that because of the franchisee model, normally, we should see a Y-o-Y decline on gross margin. And I'm talking on Y-o-Y because quarter-on-quarter, we will have seasonality, right?

So when I look at Q2FY26, and I'm adjusting the base for custom duty, etcQ2FY26 had a gross margin decline of 100 basis points. But inQ3FY26, the gross margin was broadly same on a Y-o-Y basis. And the discussion was that you have tried paying the vendors a bit early, which was giving you some benefit.

And at least in our mind, it was that because you have just started in maybe Q3FY26 or so, it should continue for 12 months, so we should see that benefit coming in. But when we look at the Q4FY26 gross margin, it has gone back to the normal level where we were seeing 100 basis point decline because of the franchisee model. So has there been any change in the vendor payment or is there anything which is changing this direction?

Ramesh Kalyanaraman: No,. So if you remember well, the pilot project, we started partially in Q4 of last year. So that is already embedded in the gross margin of the last quarter. So maybe that's why you see this change.

Ashish Kanodia: Sure. And the next question is on the divestment of the assets. So I see you have already secured the release of collateral for around INR180 crores. So 2 parts. One, what's the time line looking like on the sale of this INR180 crores? And second, on the balance release of the INR200 crores, what kind of a time line we are looking at?

Ramesh Kalyanaraman: The time line set for the set no 1 asset disposal was before September of this year, which I think is going in the right direction. And we have also started process to release the second set of assets from the banks, which I don't want to give you a time line, but I will give you more details when it reaches more closely.

Moderator: Next question is from the line of Adarsh from Enam Holdings.

Adarsh: Congrats on good numbers. Sir, just from a cash flow perspective, can you please talk about the next couple of years, what do you do with the cash flows, right? Strong profits growing still with a lot of franchisee models. So if you can just elaborate a little bit on capital management. You did INR1,350 crores of profit this year. It will grow with your store addition. So just wanted to understand how you're looking at capital post -- once you pay off your non-GML debt?

Ramesh Kalyanaraman: Yes. So close to 50% of the cash generated will be used for dividends and debt reduction, capex, etc. Balance 50%, we have to park some funds for Candere and the regional brand, which I was talking about. Again, we shall come back on the rest of the allocation in the due course of the year. And our expansion is predominantly franchise, which you know.

Moderator: Next question is from the line of Pritesh Chheda from Lucky Investments.

Pritesh Chheda: Yes, sir, just pardon my ignorance, but when I was trying to listen to you in the presentation about the repayment of MGL, but when I go to the balance sheet, I don't see it. So what is it that I'm missing actually?

Ramesh Kalyanaraman: So it is non-GML, not MGL, gold metal loan. Loan comes with a lesser interest rate.

Pritesh Chheda: And the aggregate debt, if you would have any comment there. So you give out an outlook on the non-MGL reduction, but aggregate debt and its intensity with the growth, how should we look at that number?

Ramesh Kalyanaraman: So far as the Middle East is concerned, the gold -- the GML, the gold metal loan increases when the gold price goes up because there is no actual limit for a gold loan in the Middle East. But in India, the GML, we have a limit where banks can give us, and we always maintain that level. But we will, of course, focus on somehow increasing the GML whenever possible.

Pritesh Chheda: Okay. Increasing the GML whenever possible. Okay. With your growth strategy of FOCO-based growth and you have given an outlook of 70 stores. Based on that, if I have to look at a 2-year out or a 1-year out absolute debt number, is it fair -- is it possible to share that?

Ramesh Kalyanaraman: Yes. So it will be what only the metal loan, basically in India, non-GML will be zero.

Pritesh Chheda: And the extent of total debt, so MGL plus GML put together?

Ramesh Kalyanaraman: So non-GML is zero. So the goal -- the GML, which will be maintained the same levels unless until we get something more about if in case. So far, the focus has been always on reduction of non-GML in India. Going forward, we will also focus on increasing the GML, but this will depend on the sanctions available from banks, etc on the GML. So the easy answer for this question will be, non-GML will be zero. GML will be almost in the limit where we are.

Pritesh Chheda: So I'm just wondering in a FOCO expansion strategy, what drives the GML loan? What are the drivers for a rise in a GML loan?

Ramesh Kalyanaraman: No, GML loans comes with a very less interest rates, okay? And it also comes with a hedging instrument embedded in it. So that is the advantage of GML. And usually, banks keep a sanction limit for the same. we will not be able to increase the GML like in the Middle East, where Middle East is -- there is no limit with the banks. They keep on increasing GML when the gold price goes up. Not all banks in India also provide GML. That is the limitation of GML in India. But for expansion, we don't need any capital because it is a franchise model.

Pritesh Chheda: Correct, sir. so basically, then the GML loan should not go up, right? If you're not expanding, my question is, what is the driver for GML loan to go up, if any?

Ramesh Kalyanaraman: Only when you need more pipeline inventory for FOCO or when you need to open what you call high format stores where you want to stop your hybrid model on your franchise, etc, where it is what you call a minor chance. But again, availability of GML is also tough here. So that is why we don't budget for it.

Pritesh Chheda: And you haven't opened any store of yours when I'm just looking at the presentation and I'm looking at the bridge you have given for 5 years, FOCO store in our total store, it seems that you haven't opened any single COCO store, right, in the last 4 years numbers that I see FY'23,FY'24, FY'25, FY'26?

Ramesh Kalyanaraman: So when we would have opened an owned store, we would have converted an old store, especially in the south where we would have opened as own, but we would have converted an own into a FOCO. So the number of FOCO stores, meaning the additional number of stores will be same as FOCO.

Pritesh Chheda: Yes, the additional number of stores are the same as FOCO. Only thing could have happened is your own store, you would have reopened our own store and a bigger store. That should I put it?

Ramesh Kalyanaraman: Yes, that's what -- called hybrid, wherein we might have relocated our existing store to a newer location in a bigger format, wherein franchisee would have allocated his capital and we would have maintained our capital. That's called hybrid.

Pritesh Chheda: Okay. That's a hybrid How many stores would have gone through that in the last 4 years where you would have relocated a store?

Ramesh Kalyanaraman: There are 7 or 8 hybrid stores.

Pritesh Chheda: Okay. 5 or 8 hybrid stores. Okay. Would that entail incremental capital from your side in inventory?

Ramesh Kalyanaraman: No, it's not incremental. What we do is when we relocate a store from a smaller premise to a bigger premise, our part of the investment will be the existing inventory, which we had in the old store. And the franchisee partner will bring the additional...

Pritesh Chheda: Incremental for his share.

Ramesh Kalyanaraman: Yes. Capex we share also.

Pritesh Chheda: So the business per se wouldn't have needed incremental capital for you to deploy, right, since the last 3 years?

Ramesh Kalyanaraman: No. But that will be needed because we not only do this, we also renovate and open stores where the market has expanded and our stores have a scope of better revenue growth, wherein that would not have been converted. We ourselves renovate the stores and add inventory there. With such high SSSGs some showrooms will need additional investment also, inventory.

Pritesh Chheda: Okay. So when you mentioned the 50% payout number and debt repayment number, the residual 50%, should we say that it's going -- had gone or will be going into reinventorization of your existing stores, higher inventory in existing stores, some of...

Ramesh Kalyanaraman: we will have to budget some portion for additional inventory in stores where we need to add inventory. But usually, what happens is the savings scheme also, the SSSGs are high. So the money which comes in from the gold savings scheme, usually we allocate for inventory increase.

Pritesh Chheda: Okay. And did you mention that the reduction in interest cost for FY '27 is just INR30 crores is what you mentioned from the base of FY '27?

Ramesh Kalyanaraman: , yes, because INR300 crores is what we have to now reduce the non-GML. So INR300 crores, if you put an approximate 9%, 10%, it's INR30 crores.

Pritesh Chheda: And in the INR430 crores that you reported in '26, you mentioned some element of interest on tax -- advanced tax or something that's what you mentioned, right? Aso is there any one-off in that INR433 crores interest, which needs to be looked at?

Ramesh Kalyanaraman: Yes, yes, INR20 crores.

Pritesh Chheda: INR20 crores. So INR20 crores is one-off and INR30 crores reduction next year. So then the reduction is INR50 crores?

Ramesh Kalyanaraman: Correct. You are correct.

Moderator: Next question is from the line of Pallavi from Sameeksha.

Pallavi: Just wanted to understand on what are we seeing a lower competitive intensity because of which our ad spend increase seems muted in the current environment? And what would be our strategy going ahead given the influx of these digital-only players like BlueStone, etc, how do we plan to tackle that?

Ramesh Kalyanaraman: So I think somewhere I missed your question. Can you repeat the question?

Pallavi: Just wanted to understand on it's been a good year. So I wanted to understand how much of increase in the gross margin would have -- benefited from the silver price and platinum increase. If you can give us the max amount so that we can better model this for next year?

Ramesh Kalyanaraman: Yes. So there has been some advantage because of the platinum and silver margin, which again cannot be sustained for the next financial year. Again, the inventory procurement pattern, which we changed also already is there in the last financial year, which again is not going to come for the next financial year.

But going forward, other things remaining the same, we can expect gains from operating leverage and the interest saving, which we just discussed. But again, of course, a lot will depend upon how the year will unfold.

Pallavi: Right. So I was trying to understand on the gross margin side, right? Should we factor in a decline of 30 bps- 20 bps for this gain that we would have seen from silver and platinum this year? Should we factor in a year-on-year decline for next year for...

Ramesh Kalyanaraman: 2 points -- yes, there has been some portion which has come from silver and platinum. Again, everything cannot remain the same for the next year, meaning running year. There can be a change in standard ratio, there can be change in product mix, which we are selling. So this 0.2, 0.3, etc, it's very tough for us to go and budget, but operating leverage will come in and INR20-odd crores is what silver -- meaning it's not too high, right? So...

Pallavi: I know, I understand we can make it up in other areas. My second question was just on overall -- just trying to understand this employee expense. So when we got the franchisee, we just give him one employee, right, per store from our side. And so why is there -- I thought more operating leverage will play out on that front. So I just wanted to understand?

Ramesh Kalyanaraman: Can you repeat that question? -- Franchisee, we actually...

Pallavi: Yeah, so when we had franchise, we gave them 1 person I understood per store?

Ramesh Kalyanaraman: No,. all the employees are done from Kalyan.

Pallavi: Kalyan, right.

Ramesh Kalyanaraman: We manage the store.

Pallavi: Right.

Ramesh Kalyanaraman: One employee is, again, maybe some franchisees employ accountant who are outside the store or inside the store, but that's also very rare. Otherwise, all the employees are done by us only.

Pallavi: Right, right. And sir, we have achieved our guidance on the PBT side. I'm looking at India stand-alone of 5.5%. So any new guidance for the next year on the PBT margin side?

Ramesh Kalyanaraman: So now if you look at this financial year, meaning the previous financial year, the PBT India has been in the range of, what, 5.5%- 5.6%. I think that is here to stay. And some -- again, I told you, some operating leverage can come in and stuff.

Pallavi: So more or less, we look to maintain it and that would be good.

Ramesh Kalyanaraman: Yes, more or less, it should stay in this range, maybe some additional improvement of margin.

Pallavi: Last part would be on this inventory and the high rise increase in gold price, are we planning any other strategy to -- so that ROCE can be taken up further in terms of like last time we did lower the inventory per store or some -- or more lightweight jewellery, anything happening there?

Ramesh Kalyanaraman: So usually, when the gold price goes up by INR100, we increase our inventory at the store only by INR30 or INR40. We reduce our volume at the store. That is how we take care of our ROCE.

Moderator: Next question is from the line of Siddarth S. from NAFA.

Siddarth S.: , first of all, congrats on a great set of numbers. So my main query is that I would just like to get a hint on how the volume growth has been despite the -- very positive rally that gold has currently delivered. And if you look at the SSSG currently that the entire jewellery retailers demand, it's been doing really great.

And without factoring in the Akshaya Tritiya this quarter, we did a really great job. So how would you like to give me a hint on the volume growth that has happened currently and going forward? And what's the SSSG that's poised to be or would we be able to sustain the same considering the Akshaya Tritiya sales have been quite well in few select retailers in their business updates?

Ramesh Kalyanaraman: So again, because you asked about the volume, I will tell you, wherein customer comes with a particular budget, customer cannot increase the budget when the gold price goes up. Gold price have went up by about 60%-70% over the last 1 year. Customer does not have the money to spend 70% more than what he budgeted.

So customer comes with a particular budget wherein when the prices are low, the volume will be higher. When the prices are high, the volume will be lower. Some segment of customers have, of course, the ability to expand. So we don't even look into that direction because customer comes with INR budget rather than volume budget.

And again, we also try to push them to studded jewellery. We also do more of precious, uncut, etc. Again, we ourselves reduce the quality of gold from 22 to 18, 18 to 14. everything is done for customers to -- not to feel the pain of buying jewellery when the gold prices are higher.

Siddarth S.: Understood. So if you could give me some clarity on the SSSG part as well in terms of the coming up positive Akshaya Tritiya trends, that would also be really helpful?

Ramesh Kalyanaraman: So SSSGs for Q4FY26, you mean?

Siddarth S.: Yes. So Q4FY26 and going forward as an overall guidance, that would be helpful?

Ramesh Kalyanaraman: Yes. So again, SSSGs have been behaving very crazily positive over the last 2- 3 years, okay? It has always been, what, 20%- 30% now last quarter was very high. If you are trying to put a number for the next 3- 5 years, we usually don't guide more than 10% SSSG for next 3 to 5 years.

But I don't have any justice to tell you why you should put only 10% when it has been 20%-30% over the last 2-3 years, okay, or more. But if you are trying to put a 3 to 5-year projection, I always recommend only putting a 10% SSSG, even though I don't have a reason for it.

Siddarth S.: Understood. And my last set of question would be that we all know that South has been a major market when we specifically talk about jewellery. There has been a lot of store expansion when we look at this quarter. If I could get a bifurcation of how much store that has been expanded on net-on-net basis towards South for this quarter? And what region are you especially eyeing at going forward, that would also give me a helpful note. And that would be my final question as well?

Ramesh Kalyanaraman: So overall, we opened 13 stores in South India in the last financial year. And the markets where we have opened are more into metros like Bangalore, Chennai, where we want to add Hyderabad, etc where we want to add more stores in the metros where Kalyan is already present. Going forward also, we'll be in the similar region.

Siddarth S.: Okay, so you would target India as a whole than specific you know region wise classification from my assumption it would be targeting the Tier 1 cities again?

Ramesh Kalyanaraman: In south. But because in South, you know that we were already penetrated into Tier 2-Tier 3 markets. And outside South India, our expansion is what more than 60 showrooms- 65 showrooms in outside South regions. South may we will restrict in 13 to 15 showrooms and which will be majority in the metros like Bangalore, Chennai, Hyderabad.

Moderator: Next question is from the line of Jenil Barad from Prudent Corporate Advisor. As there is no response from the current questioner, we'll move to the next question from the line of Ashish Kanodia from Citigroup.

Ashish Kanodia: The first question was on the FOCO showrooms in South. I think last quarter, there were 30 FOCO showrooms out of the 99. What is the number this quarter?

Ramesh Kalyanaraman: Meaning there is no more additional FOCO.

Ashish Kanodia: The second question is, again, on the Middle East part. So if I just do a simple exercise of your inventory consol minus stand-alone, which will largely be Middle East, some bit of other international markets and some bit for Candere, but largely Middle East. And if I also look at the gold metal loan, so Middle East has, give or take, around INR3,500 crores worth of inventory and GML is around INR2,300 crores, which implies like a capital employed of -- and this is just purely your inventory related, not taking capex, but around INR1,200 crores.

So I mean, hypothetically, is it fair to say that whenever this Middle East conversion happens where you kind of convert the 38 stores into franchisee stores, maybe not INR1,200 crores because some of this will be with Candere, etc, as well, but broadly maybe INR800 crores to INR1,000 crores worth of cash flow gets generated?

Ramesh Kalyanaraman: No. So we have converted only 4 showrooms from FOCO to COCO, okay, which can be what, in the range of what INR250 croresto INR200 crores. . Inventory, usually, when the gold price goes up, okay, inventory also goes up, but not to the same extent. But you should also note that we have opened 2 new showrooms there where the inventory went up, which has not done a full year revenue. And we also renovated 5 or 6 showrooms in that space into a bigger square feet with additional inventory.

Ashish Kanodia: My question was on the -- with the discussion you have highlighted, right, there is a discussion for potential conversion. I'm saying hypothetically, I know like this is still underway, but hypothetically, if that conversion happens?

Ramesh Kalyanaraman: Yes. I understand -- so hypothetically, if the conversion happens big time, of course, cash flows should come. But again, Ashish, I repeat, we will come back to you when it is very close to the happening. I don't want any budgeting from, the project which we are trying to plan.

Moderator: Next question is from the line of Chetan Phalak from Vihaan India Fund.

Chetan Phalak: Congrats on a great set of numbers. I want to ask about the revenue productivity of our franchisees. is there any plan to increase the revenue productivity per store of our franchisees? And do we see our COCO stores having better revenue per store than FOCO? And how are you planning to bridge that or grow that?

Ramesh Kalyanaraman: No, revenue per store will be better for COCO than COCO because all the owned showrooms in the initial times are bigger stores. FOCO comes with a lesser basket size of inventory and lesser basket size of revenue. It is more of a stock turn and profitability, which we will see for the franchisee rather than only revenue per store.

Chetan Phalak: Okay. And do we see the gap between us and the likes of Tanishq and other competitors decreasing from INR50 crores per store to higher?

Ramesh Kalyanaraman: No, no. Can you repeat the question once more?

Chetan Phalak: So, the revenue per store of our franchisees is about INR50 crores to INR52 crores. And do we see that rising in the future by increasing their productivity?

Ramesh Kalyanaraman: Yes, SSSGs are there for franchisees also. So the revenue keeps on increasing for them. Revenue keeps on increasing for our own store also.

Chetan Phalak: Okay.. Sir, and can you give an update on the, unpledging of the pledge share?

Ramesh Kalyanaraman: Yes, nothing has changed. So -- but it's not a very right platform to discuss on the promoter pledging. But there is no change for the past, 15 months.

Moderator: Next question is from the line of Subhanu Bangal from 3 Head Capital.

Subhanu Bangal: Sir, I want to know a bit more about Candere, Candere is now profitable. And can you tell me a bit more about the margin profile for Candere?

Ramesh Kalyanaraman: So, margins are higher in Candere because the studded ratio in Candere is more than 70%. So mid-30s are the gross margins in Candere.

Subhanu Bangal: Sorry, I missed the studded profile.

Ramesh Kalyanaraman: The gross margin store level Candere is in mid-30s because the studded ratio are more than 70%.

Subhanu Bangal: Okay. 70% studded. And out of your 150-store opening guidance in FY '27, how many for Candere?

Ramesh Kalyanaraman: So, it will be in the similar line of the last financial year, 50-55.

Subhanu Bangal: 50-55. Okay. This quarter, around -- we added gross level at 28 stores, but net level, we closed around 5 -- 4 store?

Ramesh Kalyanaraman: So, as I mentioned before, no, it's not closure. It is relocating to a bigger premise.

Subhanu Bangal: Understood.

Ramesh Kalyanaraman: Only one showroom got closed. It was a very small showroom. It was the first showroom in Madurai, which was in a location where only 2-wheelers are allowed to enter. But otherwise, there are no store closures.

Moderator: Ladies and gentlemen, due to time constraint, we will take this as the last question for the day. I now hand the conference over to Mr. Ramesh Kalyanaraman for closing comments. Over to you, sir.

Ramesh Kalyanaraman: Thank you very much, and see you again in the next quarter.

Moderator: Thank you, sir. On behalf of Kalyan Jewellers India Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.