SEC/28/2026-2027 **August 08, 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 Unaudited Financial Results (standalone and consolidated) for the quarter ended on 30th June, 2026 is attached herewith.

Kindly take the same into your records.

Thanking You,
For Kalyan Jewellers India Limited
RETNAVILASAM GOPINATHAN NAIR JISHNU
Digitally signed by RETNAVILASAM GOPINATHAN NAIR JISHNU
Date: 2026.08.08 09:37:07 +05'30'
Jishnu RG
Company Secretary & Compliance Officer

"Kalyan Jewellers India Limited

Q1 FY27 Earnings Conference Call"

August 04, 2026

"E&OE – This Transcript is edited for factual errors. In case of Discrepancy, the audio recordings uploaded on the stock exchange on 4th August, 2026, will prevail."

MANAGEMENT: **MR. RAMESH KALYANARAMAN –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

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

Moderator: Ladies and gentlemen, good day, and welcome to Kalyan Jewellers India Limited Q1 FY27 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 your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Agarwal from SGA. 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's Q1 FY27 Earnings Conference Call. We have with us Mr. Ramesh Kalyanaraman, Executive Director; Mr. Sanjay Raghuraman, CEO; Mr. V Swaminathan, CFO; 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 question and answers. 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. Q1 performance has been very satisfactory given the overall context. Demand remained robust during most part of the recently concluded quarter, except for 1 month of. Adhik-Maas.

During which wedding-related demand slowed down in certain parts of the country. While consolidated revenue growth ex-bullion and PAT growth have been 38% and 32%, respectively, on a standalone basis, the revenue growth ex-bullion and PAT growth have been 38% and 25%, respectively.

Sharp rise in international oil prices and the resultant pressure on forex led us to launch our "Shine with India" gold recirculation campaign. The larger objective of the initiative was to increase the share of recycled gold, reducing the dependence on imported gold and thereby make the business more resilient. The initiative was well received by our customers, helping us to increase the share of recycled gold as a percentage of revenue to over 46% during Q1 FY 2027.

For the month of June, the share of recycled gold was in excess of 55%, and our efforts will be to maintain the share in the range of 55% to 60% going forward. I'm extremely happy to let you know that we have unveiled our first regional brand exclusively tailored for Tamil Nadu markets. We have named it Akshaya Thanga Maligai and will also be known by its short name ATM. Inventory at ATM shall be curated specifically for Tamil Nadu preferences with designs, rates and price points aligned to regional locations and buying patterns. This will position the brand to compete directly with established regional jewelry chains and unorganized players rather than Kalyan's existing showroom network.

The first showroom will be launched on 21st August in Chennai and shall be followed by another four showrooms in the next coming months. We have made considerable progress with respect to the sale of non-core real estate assets. We have signed the agreement with potential buyers for 2 separate parcels of land with an aggregate consideration amount to around INR102 crores. We expect to conclude the sale process and receive consideration before the end of the ongoing quarter.

Regarding the non-GML debt reduction, we are well on track to complete the repayment by end of September. Post that, we will initiate steps for the release of the second tranche of real estate collaterals. And now talking about the ongoing quarter. The quarter has started off very well despite the volatility in gold prices. We are upbeat about the upcoming festive and wedding season and are fully geared up with fresh collections and campaigns.

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

Sanjay Raghuraman: Thank you, Ramesh, and hello, everybody. Good to be talking to you all again. In the numbers that I'm just going to be calling out now, I will be referring to revenue numbers. Those numbers are net of bullion sales. I'm just mentioning it upfront.

The company reported consolidated revenue of INR10,008 crores, a growth of 38% over the corresponding quarter of the previous year. And consolidated EBITDA came in at INR633 crores versus INR508 crores in the corresponding quarter of the previous year. Consolidated profit after tax came in at INR349 crores versus INR264 crores.

Coming now to the breakup of the quarterly performance between India and the Middle East. The India business came in at INR8,503 crores versus INR6,142 crores in the corresponding quarter of the previous year. And India EBITDA came in at INR500 crores versus INR434 crores when compared with the corresponding quarter of the previous year. India PAT came in at INR321 crores compared to INR256 crores in the corresponding quarter of the previous year.

Moving on now to talk about the Middle East business. Revenue in the Middle East for the quarter came in at approximately INR1,320 crores versus INR1,026 crores compared to the corresponding quarter in the previous year. And EBITDA in the Middle East came in at INR90 crores versus INR73 crores in Q1 of the previous year. The Middle East business posted a profit of INR25 crores for the quarter compared to INR22 crores for the corresponding quarter of the previous year.

Lastly, talking about Candere, our e-commerce business, it posted a revenue of INR141 crores versus INR66 crores in the corresponding quarter of the previous year. And the quarter recorded a profit of INR2.1 crores versus a loss of INR10 crores in the corresponding quarter of last year.

With this, I'm done with the summary of the financials, and we now open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jasvinder Singh from BPCL.

Jasvinder Singh: Sir, I just want to know about any bonus issued from the company?

Sanjay Raghuraman: No. No bonus.

Jasvinder Singh That's true. But what we expect that how we can take on Tanishq; you can say that share is rising very high. That is INR4,000 and ours is sir very low. How we are competing from the share of that?

Ramesh Kalyanaraman: No, no. So, we don't have any plans for bonus share issue as of now.

Moderator: The next question is from the line of Ashish Kanodia from Citi Group.

Ashish Kanodia: Just a couple of questions from my side. First, we have seen 1Q has some impact of old gold exchange, because of Adhik-Maas, when you look at July, how has been the demand trend?

Sanjay Raghuraman: Yes. The demand on ground is strong. It continues like Q1.

Ashish Kanodia: Sir, when you say Q1, would you exclude the Adhik-Maas or is it very similar to the full quarter number?

Sanjay Raghuraman: I cannot give you a direct guidance like that. But on the ground, things are strong.

Ashish Kanodia: Sure. Second thing is when I look at the margins and if I exclude the impact of the inventory gain, then the profit growth looks subdued because when we look at PBT growth, excluding the one-off gain of INR410 crores, at least on a standalone basis, it comes to only 14%. And this, I think, would be one of the lowest we have seen where the profit growth has been lower than the revenue growth.

And I think on the old gold exchange, you have called out that this trend should continue where you want to maintain 55% to 60% of old gold exchange. So on the PBT margin side, how should we look at that? And secondly, this quarter, was there anything else also which led to lower margins?

Ramesh Kalyanaraman: So now you should take it in this way, wherein you, first of all, negate the bullion, Then the PBT margins are around what, 5.1%, which was at around 5.5%-5.6% before, So the onetime gain from the customs duty, basically, if you cut it into three, Onetime gain of what INR30 crores- INR40 crores, that we had to give back to the consumers by way of offers, etc for people to come and exchange their old gold instead of paying cash

And you know that exchange itself is margin dilutive by around 0.2% -0.3%. That also has to be taken care. And then you still will remember that we had some onetime gain of platinum, silver, etc which was in the range of 0.2%. So all put together, this PBT margins are at 5.1%.

Ashish Kanodia: Got it. And then just going forward, when we think of the margins, at least on a PBT level, we should expect this 0.2% - 0.3% margin dilution to kind of continue because at least for the next two - three quarters, the old gold exchange levels will remain high and you will not have the benefit that maybe there will be some benefit of the inventory gain in 2Q as well. But for the next two, three quarters, this 0.2% - 0.3% margin dilution on the old gold exchange, will that continue?

Ramesh Kalyanaraman: No. So here, Ashish, what we should do is like, don't look at the short term because short term, yes, our focus will still be on recirculating gold. But again, what we are doing on the recirculation gold is that we are not only promoting customers to exchange, but also, we are promoting cash for gold.

The cash for gold is really catching up, and it should ideally negate the margin dilution, which happens due to the exchange. And of course, anyways, we have the one-time benefit from the customs duty, which we used in the previous quarter to negate the margin dilution. So to answer your question, for the full year, I don't think there will be an impact. Even on a conservative basis, I think we'll be able to maintain the PBT margins of the previous year.

Ashish Kanodia: Sure sir. Got it thank you.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investment. Please proceed.

Vivek Gautam: Yes. Just wanted to understand, because I have started tracking the company recently, what are the differentiators for our company versus competition, and how is the opportunity size and expected growth rate in the time to come? And how have we been able to perform in the non-South market, which has been our core area?

Ramesh Kalyanaraman: Yes, non-South, you know that we have been growing in the non-South markets over the last two - three years. Our revenue share from the non-South markets are more than what, 50%-60% now. And Kalyan has its own USP. We are a very hyperlocal brand. We compete the local players, unorganized players and also national players because we keep 30%- 40% of inventory, which is local and 50%- 60% of inventory which is national.

With the national inventory, we compete national players. With the local inventory we compete local players. And there is no new strategy for Kalyan which has to be done where, we only focus on execution because we are expanding 70- 80 showrooms a year. It's FOCO model. The return on capital, the growth is very high now because you know that we were in late teens. Now we are at what, approximately 20%. Way forward ROCEs will further improve because we focus on capital-light expansion.

Vivek Gautam: Any highlight about the differentiator for our company because this is a very crowded sector even though the demand is quite high – and how do we differentiate ourselves in this highly competing world of jewellery sir?

Ramesh Kalyanaraman: I told you there are two types of players. One is regional players, one is a national player. We have positioned ourselves in between both of them, and we are the only brand, or very few brands like Kalyan positioning where acceptance of the brand across the country has been very strong. And that is why you see the expansion.

That is why you see the SSGs have been very strong over the last two - three years. And it will still continue. If you look at the CAGR growth also, at the last three years, the CAGR is, more than 33%. Last two years the CAGR was more than 38%. So revenue growth has been strong, expansion also has been strong.

Vivek Gautam: Sir then now what about our plans of becoming a zero debt company sir? By when can we achieve it?

Ramesh Kalyanaraman: Yes. In a couple of months, because I told you, September we will be debt free, non-GML.

Vivek Gautam: Okay. And there were some issues in the past regarding corporate governance with RPT etc also. Moneylife magazine highlighted it and Motilal Oswal and some other mutual funds, some issues were there. If you would like to say something on that front also because that overhang might be there on our company, sir, if you can clarify it will be good sir.

Ramesh Kalyanaraman: How can I comment on all these kind of questions? I am very sorry.

Vivek Gautam: Okay sir. That is all laid to rest? Nothing substantial was there in mind? Yes. Okay sir thank you.

Ramesh Kalyanaraman: Yes.

Moderator: Thank you. The next question is from the line of Madhav Agarwal from SKP Securities. Please proceed.

Madhav Agarwal: Sir, you still maintain your target to open 84 Kalyan showrooms in India? Because I see in the current quarter, it has been you have opened 12 FOCO stores, right? So for the full year, you maintain your guidance for Kalyan, and for Candere also you had guided for 50 stores, so those targets remain?

Ramesh Kalyanaraman: Yes. No change in target. So last year also has been like this only. So no change in target. Usually, H2 is heavier than H1 in terms of store expansion and there is no change in target of number of showrooms in Kalyan and Candere.

Madhav Agarwal: Okay. And sir, broadly speaking, if you can just share like if someone today takes up the franchisee of Kalyan, so what are the return like ROI for the franchisee partner broadly, if just you can share?

Ramesh Kalyanaraman: Yes. So our franchisee FOCO where franchisee invests in capex and inventory, and we run the store for them. It's a margin share. And their ROCEs will be in the range of, 14%.

Madhav Agarwal: 14%?

Ramesh Kalyanaraman: Yes

Moderator: The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives.

Prolin Nandu: A few questions from my end sir. Just on the margin bit could you help us understand why these margins on the exchange side of things would be lower in part? And when it comes to capital or ROCE, it would be different, Could you just help us understand why margins are lower? Will the return on capital take care of it?

Ramesh Kalyanaraman: Yes. So exchange, we do with the Board rate at the jewelry store, And the board rate usually if we buy it for cash, we have a premium which we will get for the board rate itself. So when we do a cash sale, with the cash if we buy bullion, we get what 0.5% - 0.75% markup on the spot rate in which we sell gold at the store, which does not happen when you do an exchange. That is the margin dilution.

Prolin Nandu: Okay. And the capital employed part will pretty much take care of the margin dilution and you would be largely neutral on the ROCE side of the segment.

Ramesh Kalyanaraman: Yes, capital deployment, there is no major change because anyway next day, we would have bought bullion only, instead of that day one we buy, that's it. And as I mentioned that we are pushing the cash for gold also so that this margin dilution which is there on exchange, we would like that to be negated by the cash for gold. So, cash for gold is a new product, which is really catching up now. And we think that is actually margin accretive also because we buy at a discount to the spot price.

Prolin Nandu: And sorry, what is the cash for gold, could you...?

Ramesh Kalyanaraman: If a consumer wants to sell his or her gold for cash at the Kalyan store, now it is open. It was not open earlier. We used to promote only exchange. So for the June quarter, gold for cash portion was in single digit. Now it is moving to double digits. Which is highly margin accretive when compared to exchange. But we want that to get negated with exchange.

Prolin Nandu: Understood. Sir, I'm just trying to understand whether most of our peers in the organized market have this scheme or we are the first one to do it? And does it in any which way affect our core business or dilute our brand in any which way?

Ramesh Kalyanaraman: No, it is not like our own customer. It does not mean that if a consumer sells gold, they are poor Even a person who has gold, or who used to go to unorganized segment to sell gold because organized players only buy their own gold, Now that is also getting organized. And now almost all the organized players are also catching it up and other players are also started, and that is growing as a segment. It does not dilute the brand in any way.

Prolin Nandu: Okay. And you're saying peers also are doing this, right?

Ramesh Kalyanaraman: Yes, now almost everyone have started.?

Prolin Nandu: Okay. Understood. And lastly, so what you're saying is that the exchange margin dilution will be taken care by cash for gold, including cash for gold and rest of the things should be as it is right, of last year and hence, the PBT margin should be similar to what you did in FY '26? Did I get that correct?

Ramesh Kalyanaraman: Yes. For the full year, we are even on a conservative basis, we hold to the PBT margin of the last financial year. That's also on a conservative basis because we are really seeing this cash for gold quotient coming up. And the promotional offer for the exchange campaign has also been tapered down a bit and our focus is also there for cash for Gold. And I think PBT margin should catch up to the previous year on even a conservative basis.

Prolin Nandu: Okay. That's it. Thank you so much. I'll join back in the Q&A session.

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

Devanshu Bansal: Yes sir. Sir, I was checking there has been a dip in gold price of about 20-odd percent over last 2 - 3 months. I wanted to check typically such movements lead to consumers sort of sitting on the sidelines. And once the gold price sort of stabilizes, then there is a very high pickup in volumes, right? So have you started to sort of see that upsurge in volumes to compensate for the dip in gold price is what I was sort of trying to understand.?

Ramesh Kalyanaraman: No. So it is always that customer does not come asking for a volume of gold. They come with a budget. And when the gold prices are lower, volume will automatically be higher. except for the coins, nobody asks a 10 gram of chain or 15 gram of chain. They ask for a INR2 lakh worth chain or INR1 lakh worth bangle kind of. So automatically, when the gold prices are low, the volume will be high.

Devanshu Bansal: That is fair. Sir, but typically when it is going downwards, so because of the volatility as per your earlier comments only, so that sort of restricts consumers to visit the stores, they remain in wait and watch mode, right? So I was checking that are now consumers believing that gold prices have stabilized and now we should sort of come and shop? So what's your sense on that what I was saying?

Ramesh Kalyanaraman: Yes. So things on ground, I told you it is strong. And the pause of revenue, pause of momentum is a usual scenario in the industry, wherein if the gold price is very volatile, even if it goes very high, low, some volatility, the consumer takes a pause to see the direction where it is going. But wedding demand cannot take a pause of more than what, 2- 3 weeks because wedding has to happen. The discretionary demand, they can wait maybe a month or 1.5 months, whatever occasion they are trying to buy for. So I agree with you. Some pauses do happen. But again, people start coming back when they think that the prices have stabilized to the point which they want. And we do not see anything as of now because July has been good.

Devanshu Bansal: Got it. And sir, such significant moves may also require some modification in terms of grammage for articles, right? So earlier because over the last 2 years, we were sort of lightweighting our products. So, have we started to sort of work on that perspective also? Or do you see this gold price correction as a short-term thing which was sort of start of you were saying in the coming quarters

Ramesh Kalyanaraman: Yes. So, we don't want to comment on the gold price. But yes, that becomes a challenge, okay, more during the period when gold price is on the rise. And the price correction has been only 15% - 20% and for which we do not overreact for these kind of things. And it's a task for procurement team, and they always keep products on the sweet spot where consumers come maximum for that so-called sweet spot. So that is the usual procedure. You would have seen over the last 2 - 3 years also, price does not stay at a point, it goes up, it comes down. So we play around it.

Devanshu Bansal: Understood. And sir, one bookkeeping thing. So this customs duty increase related gain would flow in Q2 and some part of Q3 as well, right? So assuming that it is a 6-month cycle, so that should come in next couple of quarters also some bit?

Ramesh Kalyanaraman: So mostly in Q2, it does not flow through Q3. So approximately INR40 crores was in Q1 and the rest was in Q2. And yes, this running quarter may come in the rest.

Devanshu Bansal: Okay. And lastly, if you could spend some time on this new format ATM, right? So this was in the news today. So if you could just throw some light as in how you are planning to ramp this up in Tamil Nadu? That would be my last question. Thank you so much. What are the key differences in this format versus the current format? And how, what is the ramp-up plan for this?

Ramesh Kalyanaraman: Yes. So it is a very regional specific brand which we have launched in Tamil Nadu. The first showroom will be opening on August 21st in Chennai, and we will be opening four more showrooms in the next few months. That is the plan for the new brand. And then it is a regional specific brand unlike Kalyan. Kalyan is a hyperlocal brand, but we keep only 30% inventory which is completely local. Rest is national inventory. And this brand is an authentic Tamil brand where we compete the regional and the local players than the national players.

Devanshu Bansal: Got it. And these four stores will only be in Chennai or you plan to go in other cities as well?

Ramesh Kalyanaraman: There will be other cities also. The first two was in Chennai.

Devanshu Bansal: Okay. And overall, sir, as in from an opportunity perspective, what is the number of stores that you anticipate maybe 2 - 3 years down the lane for ATM?

Ramesh Kalyanaraman: Yes, the expansion of ATM will also predominantly be FOCO, asset-light. And it's a huge opportunity. Tamil Nadu, if you look at the regional and local competitors, the Tamil Nadu market is very huge and huge opportunity. And for the future scale-up and things, let us finish these four showrooms and then we'll come back to you with the plan for ATM.

Devanshu Bansal: Got it sir. Thank you for taking my questions.

Moderator: Thank you. The next question is from the line of Rushabh Doshi from Nirmiti Investment Advisors. Please proceed.

Rushabh Doshi: Yes, thanks for the opportunity. So I just wanted to understand the policy whenever these custom duty changes happen. So now that I'm seeing that we have passed it on to customers, but in general, in the long-term, what is the policy and also what happens if this reverses? Let's say if there is a cut in the duty?

Ramesh Kalyanaraman: It is all depends on market dynamics. So there's no policy around these kind of things. But this quarter or the last quarter because of the promotion for exchange we used that also for promoting our old gold exchange.

Rushabh Doshi: Okay. That's all from me. Thanks.

Moderator: Thank you. The next question is from the line of Devesh Rathi from Capital Zen Partners. Please proceed.

Devesh Rathi: Hello sir, good evening. Thanks for the opportunity. Sir, I would like to know what is the outlook for Candere for current year and for the next financial year? How is it shaping up? How is the profitability of Candere? I mean how do we look at Candere being profitable for current year and next year?

Ramesh Kalyanaraman: So Candere has been PAT positive for the first quarter and should continue for this financial year. And we told you that Candere we will be opening around 50 showrooms in the financial year. And the focus for Candere more will be to add inventory in the existing stores so that we get more throughput in the existing showrooms.

Devesh Rathi: Okay. But is it going as per our plan or how are we looking at the profitability? the profitability will increase from here on? Or as you said, we are looking to add more inventory, which will compress our margins or how will that part be?

Ramesh Kalyanaraman: No, adding more inventory will not compress margins. Candere has been PAT positive from second half of the last financial year, and it continues to stay positive. And our focus is to increase the throughput in the existing showrooms. That will be the first priority. And again, to add 50 showrooms in Candere. That is the plan for the financial year.

Devesh Rathi: Okay. Thank you sir.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investment. Please proceed.

Vivek Gautam: Sir, just wanted to know this dip in the margin is a temporary dip and by when can we expect margins to increase back, sir?

Ramesh Kalyanaraman: I told you, it's a short term wherein exchange had to be promoted, because the larger objective is to help recirculation of gold and to reduce import of gold. That is the larger objective. And it's very short term, because we also told you that while we are promoting exchange of gold for ornaments, we also are promoting cash for gold, which is margin accretive and exchange is margin dilutive, it should negate.

And you know that we had some onetime gain, which also was given to the customer for promoting exchange. And it's very short term. I told you that even a conservative basis, we believe that the PBT margins should stay at least in the range of last year.

And again, you would have also noticed that there has been employee cost increase, because employees are one of our key strengths, and we always take steps to nurture and retain talent, and that's also there around 0.2% -0.3% in Q1.

Vivek Gautam: Overall story remains intact, opportunity size is quite large. And the movement from unorganized to organized market in India all over remains quite strong, and we are the clear beneficiary of it along with other major players in the sector.

Ramesh Kalyanaraman: Yes. There's a very good shift from unorganized to organized. It still continues. We see traction even as we speak. And we are well positioned to take revenue from the unorganized segment and expansion is also on track. And yes, so very positive environment.

Vivek Gautam: And the second thing which we have done quite nicely has been the our FOCO partnership wherein now many of our FOCO models, many of the erstwhile moment pop stores are opting to become our franchise and it's a win-win situation for both of us sir. Is my understanding correct?

Ramesh Kalyanaraman: Actually, we don't see a lot of our franchise partners our franchise model are basically taken up by partners who are in franchisee business already and/or automobile industry or something. And they are only partners. They are only financial partners. They don't play any active role. So we don't see any merit of existing jeweler becoming a Kalyan franchise. And actually, we don't have any of them as we speak as a Kalyan franchise.

Vivek Gautam: It's altogether new franchisee only, I mean, your jewelry business, initially for the first time inside and outside...

Ramesh Kalyanaraman: They are only financers now. Wherein they don't play a role in the management, right?

Vivek Gautam: Okay, sir. Keep up the good work, sir. Okay. Thank you.

Moderator: Thank you. The next question is from the line of Ashish Kanodia from Citigroup. Please proceed.

Ashish Kanodia: Just on the employee cost side, I see there's almost 54% increase in the standalone employee cost. So is it that there was some onetime bonus payout, etc , which happened this quarter or this is more like an increase in wages and so the growth will continue over the next few quarters?

Ramesh Kalyanaraman: It is not a onetime. So, over and above our usual annual increment. Once in a few years we give better increment to make the employees motivated and it should be there in the future quarters also. But yes, operating leverage will negate all these kind of things.

Ashish Kanodia: Sure, sir. And second, I think you called out that while old gold exchange is margin dilutive, cash for gold it gives you some margin benefit. I just wanted to understand like what is the benefit we are getting from cash for gold? And secondly, I think when you're paying the customer cash, like if someone is bringing in old gold and if you're paying in cash, it will not form part of your revenue, at least that's what my understanding is. But from a margin point of view, how does it benefit?

Ramesh Kalyanaraman: Yes. So, when we buy gold from a customer for cash, we buy at a discount to the spot. Exchange, we actually buy at the board rate itself. So once gold for cash gains momentum, that should negate the dilution of margin, which happens because of exchange, which is why I mentioned that margin going forward will not be impacted.

Ashish Kanodia: Sir if you look at from a full year perspective, say, FY27 versus FY26 for PBT margins, let's assume that it remains flat, like when you said it will not be impacted, if we assume flat, this includes the benefit which we'll get from custom duty increase. Is that right?

Ramesh Kalyanaraman: So short term, I am not talking about the customs duty because the running quarter also because last Q1, we have actually given most of the portion of the customs duty to consumers for exchange, So even as we speak, we are not diluting in what we are giving the consumers for exchange. Of course, we have reduced the kind of the offers which we give for exchange.

But we still are not looking on a short term, but cash for gold has picked up now. So, there can be some customs duty advantage also in the running quarter, but conservatively the customs duty buffer can be shared with the consumer.

Ashish Kanodia: Got it. And lastly, when you look at the inventory because of this increased old gold exchange and also because of cash for gold, do you think that in the medium term, does it impact your inventory level, inventory planning, etc?

Ramesh Kalyanaraman: No, because it's also inventory for us even if we buy gold for cash, And only to the bullion extent, meaning we'll have to sell bullion if the old gold is more because we have to maintain the gold loan. most of the vendors, especially in the studded category are on invoice basisfor which they will have to pay cash only. So, to have cash in the system, if the exchange quotient is more, we will have to do bullion. That's why you see bullion sale in Q1 also.

Ashish Kanodia: Got it. And just lastly, is it possible to share what kind of a custom duty benefit we can expect in 2Q, like this quarter was INR41 crores. Will it be broadly similar number in 2Q as well?

Ramesh Kalyanaraman: It's in the range of INR60 crores for Q2.

Ashish Kanodia: Got it. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you, sir.

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

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