"Khazanchi Jewellers Limited

Q1 FY27 Results Conference Call"

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MODERATOR: **MR. PARTH ACHARYA – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Results Conference Call of Khazanchi Jewellers Limited hosted by Kirin Advisors. 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 and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Parth Acharya from Kirin Advisors. Thank you, and over to you, sir.

Parth Acharya: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Khazanchi Jewellers Limited. From the management team, we have Mr. Rajesh Mehta, Chairman and Joint Managing Director; Mr. Vikas Mehta, Chief Financial Officer.

With that, I hand over the call to Mr. Rajesh Mehta. Over to you, sir. Thank you.

Rajesh Mehta: Yes. Hello, everyone. A very happy good afternoon, and thank you for joining us today. It's our pleasure to welcome you to Khazanchi Jewellers Limited Q1 FY Earnings Call. For all those joining us for the first time, Khazanchi Jewellers is a legacy jewellery company with over 5 decades of experience across B2B and B2C segment. Over the years, we have built a strong presence through our design capabilities, traditional craftsmanship, stringent quality standards and dependable execution across gold, diamond and precious stone jewellery.

Q1 FY27 has been a strong start to the financial year with healthy momentum across both our B2B and B2C operation. We are particularly encouraged by the progress following the launch of our flagship showroom and the implementation of dedicated ERP systems. The strong customer response and increasing retail scale reinforce our confidence in Khazanchi's growth strategy.

Coming to our Q1 FY27 financial performance. Revenue increased by 45% year-on-year to INR586.36 crores versus INR403.84 crores in Q1 FY26. EBITDA increased by 89% year-on-year to INR39.98 crores versus INR21.15 crores. EBITDA margins improved by 158 basis points to 6.82%. Profit after tax increased by 84% year-on-year to INR27.83 crores versus INR15.15 crores. PAT margins improved by 99 basis points to 4.75%. EPS increased by 82.35% year-on-year to INR11.16.

The fact that EBITDA and PAT grew considerably faster than revenue during the quarter is particularly encouraging. It reflects an improving business mix, operating leverage and benefits of scale as we continue to expand the business.

And now I'm going to recap our growth journey since listing. I am very happy and delighted to share that your company has successfully completed 3 years since its listing on the BSE SME platform in August 2023 and is now progressing towards migration to the main board, including a proposed listing on the main board of both BSE and NSE, subject to necessary regulatory approvals and fulfillment of all applicable requirements.

Over this period of 3 years, our revenue grew mix 5x from INR481 crores to FY23 to INR2,049 crores in FY26, while our PAT grew 10x from INR8 crores to INR89 crores. The progress we have achieved over the past 3 years reflect the continued confidence of our shareholders in the management and strategy of the company, the trust of our customers and business partners and the sustained commitment of our employ.

We thank all our stakeholders for their support, and we build the next phase of Khazanchi's growth story. Your company is poised to achieve a revenue mark of INR5,000 crores by 2030. We are targeting annual revenue growth of approximately 25% to 30%, supported by our strong B2B foundation, expanding B2C and digital ecosystem and value creation across every segment of the business. We have always delivered more than our projections.

Our growth outlook on our B2B business. Our B2B business continues to provide scale, stability and consistency to the company. Over the years, we have built strong and enduring relationships with the jewellery houses, wholesalers and organized retailers across India. These relationships are supported by our ability to meet large volume requirements, offer differentiated designs, maintain stringent quality standards and ensure reliable and timely execution.

Going forward, our focus will be on strengthening and broadening our geographical reach while expanding our client base across existing and new markets. We aim to deepen engagement with existing customers by increasing our share of business and product offerings while also adding new customers across geographies. This will enable us to grow both the breadth of our customer network and the depth of our relationship, reinforcing the long-term scalability and resilience of our B2B business.

Now growth outlook for our B2C segment. B2C business will be the key growth driver going forward, and we have a very aggressive plan to launch 8 to 10 stores over the next 3 to 4 years across geographies. This store will be a combination of our flagship store and premium boutique minimal jewellery stores for minimal jewellery and latest lightweight design. Our retail expansion is aimed to accelerating our B2C growth and increasing the B2C contribution to approximately 40% of overall revenue by FY 2030.

I would also like to highlight an important development in Khazanchi's capital market journey. At the recently concluded Annual General Meeting, our shareholders approved the resolution for migration from the BSE SME platform to the main board of both the exchanges, BSE and NSE. This remains subject to necessary regulatory approvals and fulfillment of all applicable requirements. The proposed migration comes to an important stage in the company's journey following a significant expansion in scale and profitability since our BSE SME listing in August 2023.

Looking ahead, we will continue to strive and deliver beyond our conservative outlook by strengthening our B2B business, expanding our B2C presence and increase the contribution for higher-value categories, particularly natural diamond jewellery, enhance our product and brand portfolio and explore opportunities in silver jewellery category.

Overall, our aim is to build Khazanchi into a stronger consumer-facing jewellery brand while retaining the scale, relationship and execution capabilities developed over several decades. We sincerely thank our shareholders for their continued trust, support and confidence in the company. Your encouragement remains central to our commitment to create sustainable long-term value. We will continue to focus on disciplined execution, responsible growth, strong governance and transparent communication.

We look forward to your continued support as we pursue the next phase of our journey. With these remarks, I would now like to open the floor for questioning. Thank you so much.

Moderator: Thank you very much. We will now begin with the question-and-answer session Your first question comes from the line of Rajshree Mehra, an Individual Investor.

Rajshree Mehra: So first of all, congrats on the strong Q1 performance. My first question is where are we currently in the main board migration process? And can we expect the listing in the next month or 2 months?

Rajesh Mehta: Yes, we are into the submission process of the application and all the documentation part, and we are going to submit the documentation very shortly. Surely, we would be -- the migration process will be completed in another 2 months, we believe.

Rajshree Mehra: Okay. And my last question is that you just mentioned of INR5,000 crores target. So what will drive us to that scale? And by when do you expect to achieve it?

Rajesh Mehta: As you know that we were able to achieve INR2,000-plus crores this financial year. And we have been into the expansion part of both our legs B2B and B2C. We have been seeing a constant growth of 25% to 30% on both these segments. And on the expansion plan, we have already defined that we are coming up with a few more showrooms by FY 2030. So all these expansion plans and all these growth strategies will help us to achieve our top line of INR5,000 crores.

Moderator: The next question comes from the line of Keval Mehta from Mehta Securities.

Keval Mehta Congrats on the good set of numbers. Sir Q1 FY27 revenue grew by 45% Y-o-Y to INR586 crores. What was the underlying growth in jewellery volumes or grams sold during the quarter?

Rajesh Mehta: So the growth in the quantum was around 15%.

Keval Mehta Okay. Yes. But can you also tell me that what was the underlying growth in jewellery volumes or tell me that how much you sold -- how much grams you have sold during the quarter?

Rajesh Mehta: The quantum numbers, if you want, I can share you on a later date. You can drop in a mail so that I can share you the number.

Keval Mehta Yes, sure, sir. And sir, Q1 was the first full quarter of new flagship showroom. So revenue and store level EBITDA did the showroom generate?

Rajesh Mehta: That's what we are in what they say, match with the target. We have already defined that the showroom is going to fetch us in a revenue of around INR500 crores and somewhere around 80% to 85% of that we have been working, and we are achieving that.

Keval Mehta Okay. And where does this current monthly revenue run rate stands.

Rajesh Mehta: I couldn't get you, sir?

Keval Mehta Sir, that new showroom, which is your new flagship showroom, right? So where does it current monthly revenue run rate stands?

Rajesh Mehta: Sir, it is around monthly figure you said approximately around INR30 crores to INR35 crores.

Keval Mehta Okay. And after delivering about 45% revenue growth in Q1 versus earlier FY27 guidance of 25% to 30%. So what growth range are you now targeting for the full year?

Rajesh Mehta: So we are going to attend top line if things grow at the same pace, and we are very confident of achieving the already defined figures with our retail sales and 25% growth we are expecting in our B2B segment also. In that case, yes, that overall today's top line, if you consider, we would be able to achieve 30% growth.

Moderator: Your next question comes from the line of Rohit from Nirantar Capital.

Rohit: Sir, you have given a guidance of about 25% to 30% growth. And on an absolute basis, you said INR5,000 crores. So if I take 30% growth, then it comes to about INR5,800 crores. Just trying to understand right, the growth here, earlier you had given a split of target of taking your retail share to about 20%, 25%. So would that now change with the target that we have in our mind? Because earlier you said that you expect both verticals to grow equally.

Rajesh Mehta: So now we are -- since we have plans of improving our bottom line to a greater strength, and we have been working on the growth of both the segments, and we have been focusing on expanding our retail leg also. So in that case, our bottom line will be very much better, and we would be able to give a high PAT margins. And ultimately, we are also...

Rohit: Sorry, 25% to 30% CAGR was for PAT and INR5,000 crores revenue was for -- this was -- the CAGR was not for revenue, right? Just to understand.

Rajesh Mehta: Yes, it was both you can define at the same pace, 25% to 30%. We are trying to achieve it. We are already defining it at a constrained basis.

Rohit: Okay. Now sir, let's say, within these 2 segments, let's say, B2B, let me just take first B2B. Do you expect the growth to come from the existing clients that we have? We have somewhere around 1,000 clients, right? But we are able to actively build only 500 one. So are you expecting more of the revenues or more of this growth coming from wallet share gains from existing ones? Or do you have -- have you taken any steps to drive the growth from the clients which are not able to build or have you hired more people or...

Rajesh Mehta: That we have been continuously doing it. In a business cycle, we do not have clients which have been running with us for or there is a possibility that 20% of the client can move on and once again, they will join, and we are into the process of adding up new clients also. In that whole process, we are adding up clients so that, that growth strategy can be achieved.

Rohit: So just trying to understand, have you like hired more people in your team? Therefore, it gives you the confidence that we will be able to drive more growth even on the B2B side, which probably was let's say, subdued earlier?

Rajesh Mehta: Yes. Already, we are on the increasing our staff strength and all the approaching with all our product line and marketing strategies to add up more clients.

Rohit: Okay. And regarding your retail strategy, sir, as you said that you still hold this target of about taking the retail share to 20%, 25%, which would mean at INR5,000 crores, about INR1,250 crores revenue or INR1,200-odd crores revenue from retail stores, right?

Rajesh Mehta: Yes.

Rohit: Your current store, this flagship store will do somewhere around INR500 crores peak revenue. So INR700 crores of revenue obviously will come from the new stores that you are targeting. So for that, again, have you hired a retail and merchandising team or regarding your experience from the current flagship store, what you can take to your newer stores, right? Do you want to open the stores only in Tamil Nadu or you want to expand in other geographies as well?

Rajesh Mehta: Sir, initially, we have plans of opening up stores in Tamil Nadu. And since we have defined a period of, say, 3 to 4 years period. And based on that, initially, we are planning to open up in Tamil Nadu alone. And later on, as per the management decision and as per the expansion plans, we can even have stores in some other states also. So that is our base plan.

Rohit: Okay. And what has been the experience from the implementation of the ERP that we did? I think...

Rajesh Mehta: We have been having a great experience with regards to the ERP implementation in our new showroom. Here, we are able to understand which product is moving fast, what is the average customers' demand. Based on that demand, we are modifying our product requirements, reordering levels and everything. We are making a concrete ERP system so that it can be replaced on a replica basis for the upcoming showrooms.

Rohit: Understood. And that's what gives you the confidence that to scale other stores -- new stores up, it will not take as much time as this one because fast running will get replicated over there. And just last 1 or 2 questions, sir. On this growth part, the 25% to 30%, how much of the growth do you expect to come from volume and how much you expect from price realization? And obviously, price realization can come from the mix change you have like this virtual diamond and those kind of things, right, versus jewellery.

Rajesh Mehta: What your said when there is -- it is actually already digested in the minds of the clients, our customers that when there is a growth of, say, nominal 10% to 15%, they try to invest into the same type of quantum or they can even increase their quantum requirement. But if the prices are very high, there is a price increase of, say, 25% to 30%, then there is a correction in the volume content. In that case, you would be able to achieve volume, I believe. And later on, as per the price movements, we can decide things.

Rohit: Okay. And on this volume and price realization, any idea you have, sir, any ballpark figure you have in mind that approximately how much could come from volume growth and how much from the price realization?

Rajesh Mehta: No, when we are into the expansion plan and we are adding up additional stores and all, yes, we are surely the -- we have confidence that we are going to give -- if the prices are on the same stance, then the growth would be around, say, 25% to 30% in the quantum basis also. If there is a certain increase in the prices, and we are trying to achieve on both the sides, volume-wise also and quantum-wise also the same growth.

Rohit: Understood. That's quite helpful. The last thing, on the margin side, retail stores generally have higher margins. Your B2B is about, let's say, 5% and 6%, your retail stores are north of 10%, right? So as the retail contribution goes up, do you expect the margins to inch up not significantly, let's say, even from 6% to 7.5% over the next 1 or 2 years? Or because of the investments that you are undertaking, you expect the margins to remain at these levels for next 1 years, but then can sharply pick up thereafter?

Rajesh Mehta: Since the overall share of the retail is going to increase to 40%, we are targeting to reach at least 40% of the retail sale by FY 2030. So in that case, the share of retail increases, then our margins of what they say, retail sale will be -- our margins -- retail margins will be high. In that, our bottom line will also improve. In that case, overall, our EBITDA and PAT margins will improve.

Rohit: Okay. So you are expecting retail sales to go up to 40%, 25%, right, not 20%, 25%. You said 40%...

Rajesh Mehta: We are going to reach the 40% share by 2030, that's what.

Rohit: Understood. Yes. By 2030, you expect it to go up to 40%. Congratulations for the good quarter.

Rajesh Mehta: Thank you so much.

Moderator: The next question comes from the line of Miten Shah, an individual investor.

Miten Shah: Congratulations on posting good set of numbers. So my first question would be regarding this working capital days. What would the blended working capital days? And also, if you can give split of working capital days in wholesale and retail separately as well?

Rajesh Mehta: Yes, what they say in wholesale, the average working cycle is around 40 to 45 days. And in the retail segment, it is nearly 100 to 120 days.

Miten Shah: Okay. Okay. So my question is like if you see the cash flow last year, looks to be negative as such. So do we see any improvement in the cash flow generating positive cash in the current fiscal and subsequent fiscal as such?

Rajesh Mehta: Yes, that's what. Obviously, we have an expansion plan, we had added up additional inventory, stock inventory for the new retail store. That's what the cash was there. And it is converted in the form of stock. So that the cash flow has been negative, but we would be improving the cash flow and it would be as per the requirements, we will be able to generate cash.

Miten Shah: Yes, yes. Because the reason I'm asking, I understand because we are in the expansion of retail showrooms and our aspiration is also to increase the retail showrooms by 40% by FY2030. So in that case, the inventories will always keep on rising. And hence, my concern is again the same. Would it still be able to generate positive cash flow because as the plan is to increase the retail footprint?

Rajesh Mehta: Yes, definitely, this year, we will be having a good cash -- positive cash flow because we have what they say, correct fund plans with regards to how we are going to operate with for the -- fulfill the stock requirement of the upcoming stores.

Miten Shah: Got it. Got it. So recently, say, in the last 1 month or especially last 1 to 2 weeks, we see a huge surge in the gold price again. So is there any -- what you call a slowdown in the traction in the business per se regarding the increase in the gold because of this increase in the gold price?

Rajesh Mehta: See, that's what the movement in the gold price has been there for a very long period of time. And every time when there is a steep rise in the prices, yes, there is a certain slowdown of, say, for a fortnight or 2 weeks. Then that price get digested. And once again, the upcoming seasons are coming up, marriage seasons are there, festival seasons are there. So we are seeing a very good demand in the very upcoming near future. So this price rise will be easily digested.

Miten Shah: Got it. Got it. And since we want to increase retail footprint, contributing somewhere around 40% by FY2030. So is there any -- I mean, obviously, capex would be required for that. So is there any plan to further increase -- I mean, to borrow money or to -- how would that be planned out to achieve this 40% I mean...

Rajesh Mehta: We are planning a retail development of 40% to reach there, we have our internal earnings, we will be utilizing it for expansion. And certain cases, as and when required by the required, the management will be deciding as and when it may be raised by debt or some other means.

Miten Shah: Got it. Got it. So as of now, what is the debt on the company, say, long term or short term separately?

Rajesh Mehta: So the company is having a total bank limit of INR100 crores till date.

Miten Shah: Yes, yes. I'm talking about any long-term.

Rajesh Mehta: Nothing, sir. That is only the limit.

Miten Shah: Except for the working capital?

Rajesh Mehta: No, no, no. So that is the working capital we are using from the bank.

Miten Shah: Yes. And we have around 1,000 customers in B2B. So what would be the contribution from top 10 clients in terms of percentage from B2B?

Rajesh Mehta: So as we have a diversified portfolio of clients, we have been dealing with all the clients who have been there nearly decades and having 2 showrooms, 3 showroom in all the district headquarters of all Tamil Nadu and some parts of South India. So we are dealing with all the clients. So none of the clients shares more than 5% to 6% of our total revenue.

Miten Shah: Fantastic, fantastic. And somewhere in the presentation, I heard it is an asset-light model -- business model. So I didn't understand that correctly. I mean what do we mean by asset-light business model as such?

Rajesh Mehta: Since it was like that because there was a question they stated that since we have been invested the, what they say, capitalizing fund for developing this company-owned flagship showroom. So in the upcoming 2 years, are we going to have with the same type of module that all the assets will be owned by the company. We said no, we are going to operate with an asset-light model so that we will have and leased the property for that and use it for our development.

Miten Shah: Okay. Okay. And any contribution from e-commerce platform as such as of now?

Rajesh Mehta: No, till now, we have not much contribution from e-commerce, but we are on the run to make a concrete for e-commerce platform where we are going to sell lightweight minimal jewellery products of diamond jewellery, rose gold and even silver jewellery also. So that is under progress, and it will be launched very shortly.

Miten Shah: Got it. And when you say other states, basically, which is roughly around 25%, I mean, which are those other states and predominantly, which is the highest after Tamil Nadu?

Rajesh Mehta: After Tamil Nadu, it is Andhra sir.

Moderator: Your next question comes from the line of Vidhi Purohit with Phoenix Capital.

Vidhi Purohit: Sir, what was the inventory days and overall working capital cycle at the end of Q1? And now that the flagship showroom is operational, have you started seeing some normalization in the working capital cycle?

Rajesh Mehta: Yes, that's what there is a little increment in the inventory turnover days because we have come up with the new retail stores. But there is not much difference. It has all over the last years as Q4 FY26, if you take the inventory turnover ratio was 63 and now it is 73 days.

Vidhi Purohit: And sir, current borrowings increased meaningfully in FY26, along with the rise in inventory. So with the new store -- I mean with the new store now operational, should we expect borrowing to stabilize from here or could it continue to increase as the business platform?

Rajesh Mehta: No, no. As we are -- the borrowings has been increased for the new store only. And for the further expansion plan, if we have -- we have an internal earnings and if anything is required, it may increase if further projects of expansion executes.

Vidhi Purohit: And sir, Khazanchi has built a fairly large proprietary design library. So how much of your current comes from the new -- I mean, newer designs? And how quickly do you typically with designs that are not moving as expected?

Rajesh Mehta: So we have been analyzing now with the new showroom, we have come up with an ERP system, which is analyzing and giving us data with regards to the fast-moving items and reordering level at the fastest level. So in that case, we have been analyzing designs in that fashion.

And since we have a very vast experience of more than 5 decades of designing things into our B2B segments also and that the old designs have been widely accepted all over South India. In that case, we have a very strong profile of designing our own products and giving it.

So most of the designs, we do not find anything that are very slow moving. So proportionately, we have been adding up new designs and getting designs from all our manufacturers, and we make our own blended products so that it is unique and it is moving very fast.

Moderator: Our next question comes from the line of Yash Rathore with Unique Solutions.

Yash Rathore: Yes, sir. Making charge competition has become aggressive across the jewellery industry. Are you seeing any pressure on making charges in the flagship store or is design differentiation allowing you to protect them?

Rajesh Mehta: That's what since there is an always with regards to design only, the making charges are charged. So already, we have been creating various designs, which are adding up good value to our profit. So in that case, we have been doing very good.

And competitively, we are able to source the right product at the right making charge a lower making charge compared to the market since we have been dealing with both B2B and B2C segment. And based on our quantum requirement, we are getting better pricing so that we are able to offer manufacturing cost to our clients also. In that case, yes, we are on the better side compared to our peers.

Yash Rathore: Okay. Understood. And what progress has been made on the app and omnichannel strategy? And is digital currently being used mainly for custom discovery or financial transaction?

Rajesh Mehta: You are talking about app development, right?

Yash Rathore: Yes.

Rajesh Mehta: Yes. For B2B segment, we have in our design and selection -- product selection app already so that the client can have a look of all our designs and give orders are selected from our -- what they say, from the app and send orders. And for the retail segment, yes, we are coming up with an e-commerce.

We have been working on it and very soon, we will be launching that too. And we have what they say, gold savings kit app that is very helpful for customers to buy gold at any price and save it in the form of gold.

Yash Rathore: Okay. And sir, how many new stores are you planning? What will be the approximate store format and capex per store? And what is the total capex and time line for the rollout?

Rajesh Mehta: We are planning to open up 8 to 10 stores by 2030 in the retail segment, which is a blend of both flagship showroom and boutique type of store coming up with the minimal jewellery boutique store type. So since based on the immediate near timing as what type of store we are opening, then only we could be able to define the exact capex required for that particular store. So that will be defined as and when it is finalized.

Moderator: Your next question comes from the line of Priya Jain with Green Capital.

Priya Jain: So I have a few questions on the retail part. Like for expansion in retail, how do you plan to spend Khazanchi's brand visibility on Chennai? And how much -- what spent on marketing and advertising in Q1? And what are your plans for the remaining quarters?

Rajesh Mehta: Since we have come up with an opening of our new stores, we have always what they say, have tied up with an advertising agency, and we have been working for marketing. For the Q1, we have spent around. Yes. Overall budget, we have, say, 5% to 7% of the total earnings for our marketing.

Priya Jain: Also, sir, on gold correction part, like gold prices have corrected from the recent peak. Are you seeing any improvement in like increase in the gram per bill conversion rate or repurchase in July and August?

Rajesh Mehta: I couldn't get you the question. You're saying that the gold prices have increased or decreased.

Priya Jain: Yes, yes. It is corrected now from the recent peak. So are you seeing any like...

Rajesh Mehta: This percentage of corrections and upward and downward movement is very normal in regards to gold. When the prices are low, obviously, the people try to buy more quantum of gold compared to when the prices are high. But whenever the prices go up in a shorter while of, say, period of it is for the saturation period or it is a digestion period for them to digest that raised price. In that case, yes, for a certain period of time, 5 to 10 days or 2 weeks, the business is a little slow or even the quantum requirement is slow. Later on, it is routine and it gets to the normal.

Priya Jain: And any strategies or marketing tactics internally or Khazanchi is planning to do for customer retention strictly and repeat purchase?

Rajesh Mehta: Yes. We have given lots of different type of offers, different type of schemes we have in our store each and every time based on the festival and based on the item requirements, and we have been creating schemes for them. So based on that, we provide discounts. So that has been a regular activity, and it has been done on a month-on-month basis. So there are always a different, different type of schemes that we are implementing for improving the sales and retaining the customers.

Priya Jain: Also, sir, for the next set of retail store launches, what format are you considering in terms of approximate store size finances investment in inventory requirements and breakeven period?

Rajesh Mehta: That's what we are planning on 2 types of stores based on the -- what they say, based on the venue when we finalize. So based on the venue at that place, what is the size of requirement is there. So we will be defining things when we finalize that on a later stage.

Moderator: Your next follow-up question comes from the line of Keval Mehta from Mehta Securities.

Keval Mehta: Sir, are you planning to expand through franchise model as well or will the upcoming stores remain company-owned?

Rajesh Mehta: Initially, we have plans of having a company-owned only, sir.

Keval Mehta: Company-owned only. Okay. And what -- so I want to know about retail sales as well. But what percentage of retail sales is currently coming from old gold exchange...

Rajesh Mehta: So the old gold exchange is total -- out of the total sale, old gold exchange is somewhere around 15% to 20%. Now it has increased. Last year, it was less after the Modi ji statement, it has increased.

Keval Mehta: Okay. And how much of the upcoming festive and wedding season demand is already visible through advanced booking or confirmed B2B orders?

Rajesh Mehta: As the season starts now from 15 days after 15 days, all the order books are already in execution, and there are upcoming shows also where we are planning to participate. In that case, we have a good demand. And the demand is quite feasible.

And the -- as per the -- what could I say, it is not up like any fixation of orders or something because the consumer always purchases all the ready purchases. So in that case, always that happens as the season starts. But we foresee a very good quarter next.

Moderator: The next question comes from the line of Aditi Jain with Wealth Management.

Aditi Jain: Sir, my question is there scope to improve...

Moderator: Sorry to interrupt. Aditi ma'am, you're sounding quite muffled. May we request you to use the handset, please?

Aditi Jain: Is there any scope to improve B2B profitability through higher making charges rather than relying on a volume growth? And are you already seeing this in a newer design?

Rajesh Mehta: Yes, we have been improving on B2B segment also we are into what they say, expansion of our higher-margin products also. So we have added up Kundan Jadau jewellery and even diamond jewellery for our B2B segment also. So we have been working on improving the margins of B2B.

And on the both side, we have been working because for B2B segment, the volume growth is also very much required so that we have to give work to all our manufacturing units on contract manufacturer. So based on that, we have been working on both sides to improve our top line and bottom line for B2B.

Aditi Jain: Okay. And what is the current inventory level as of today or 30th June?

Rajesh Mehta: Inventory level? I couldn't get you.

Aditi Jain: Sir, I asked what is the current inventory level as of today or 30th June?

Rajesh Mehta: Inventory level means you are talking about what is the total inventory?

Aditi Jain: Yes.

Rajesh Mehta: Yes, inventory is approximately around INR460 crores.

Aditi Jain: Okay. And what is the typical lead time from receiving a customized retail order to final delivery? And is there any scope to shorten this as volume scale?

Rajesh Mehta: It depends upon the type of inventory because we have been primarily working on the handmade designs. Our primary focus is on manufacturing of handmade design. So it depends upon the orders of the clients so that what type of orders they are giving it as the delivery times differs from 7 days to 21 days also.

Aditi Jain: Okay. And are you planning to introduce or scale customer advance or gold saving schemes to improve repeat purchases and partially fund retail inventory?

Rajesh Mehta: Yes. Already our retail clients, we have already introduced a customer gold saving plan, and we have launched already that plan. And from this quarter, it has been in operation, and we have been promoting to all the clients so that they can save in the form of gold so that they cannot -- they do not feel the pinch of increased pricing and can make repeated purchases at our store.

Moderator: Your next question comes from the line of Mayur Parekh with VY Capital.

Mayur Parekh: Can you hear me?

Rajesh Mehta: Hello sir.

Mayur Parekh: So I just wanted to know like what percentage of retail sales come from bridal and wedding jewellery?

Rajesh Mehta: That exact split we do not maintain. But on a broader scale, if you feel, yes, it is 60% of the sales come from bridal and all that because we have a lot of collection and designer collection and Antique Nagas jewellery, temple jewellery and all type of collections, which are for the bridal Jewellery And we have a huge collection of minimal jewellery also. In that case, our whole turnover comes in the blended collection. And on a broader scale, if you want, we can define that yes, 60% of the sales coming from the bridal collection.

Mayur Parekh: Okay. And like with competition intensifying from large organized chains and strong regional jewellers, so where is Khazanchi seeing the most competitive pressure today? Like is it in pricing or any other like customer acquisition or store expansion?

Rajesh Mehta: So, in all segments, yes, competitions are coming up. But since Khazanchi has a very long legacy creating designs that is widely accepted and focusing on customer requirement, matching their, what they say, budgets and everything and manufacturing things according to their requirement. As the prices are increasing, we have been producing a very different type of lightweight jewellery, which seems to be heavier, but it is light in budget.

So all that we have been working it. In that case, since we have a very wide experience of our own manufacturing things and distribution. Our products are widely accepted and since we are into the manufacturing directly, we are able to provide at a better pricing compared to others. In all that aspects, Khazanchi stands different from others.

Mayur Parekh: Okay. Okay. Got it. And just to close this out, like where do you see Khazanchi in next 4 to 5 years?

Rajesh Mehta: Sir, we are targeting a top line of around INR5,000 crores by 2030 with a retail participation of 40% in that.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to Mr. Parth Acharya for closing comments. Over to you.

Parth Acharya: Yes. Thank you, everyone, for joining the conference call of Khazanchi Jewellers Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference call.

Rajesh Mehta: Thank you. Thank you, everyone.

Moderator: Thank you, members of the management. Thank you, Parth sir. On behalf of Kirin Advisors, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines.