

**Date:** June 06, 2026

To Department of Corporate Services, BSE Ltd. P.J. Towers, Dalal Street, Fort, Mumbai- 400 001	To Listing Department The National Stock Exchange of India Ltd. “Exchange Plaza”, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051
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**Ref: BSE Scrip Code: 533941 and NSE Symbol: THOMASCOTT****Sub.: Transcript of Q4 & FY 2025-26 Earnings Conference Call**

Dear Sir/Madam,

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the transcript of Earnings Conference Call held on Wednesday, June 03, 2026.

The same is also available on the website of the Company at <https://www.thomasscott.org/investor-relations.htm>

This is for your information and record.

**Thanking you,****Yours faithfully,  
For Thomas Scott (India) Limited****Brijgopal Bang  
Managing Director  
DIN: 00112203**

**Thomas Scott (India) Limited  
Q4 & FY2026 Earnings Conference Call  
May 03, 2026**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Thomas Scott India Ltd Q4 FY2026 Earnings Conference Call hosted by Valorem 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 this conference, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

**Purvangi Jain:** Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Thomas Scott India Ltd.

On behalf of the company and Valorem Advisors, I would like to thank you all for participating in the company's Earnings Conference Call for the 4th Quarter and Financial Year Ended March 2026.

Before we begin, let me mention a short cautionary statement.

Some of the statements made in today's earnings conference call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions.

The purpose of “Today's Earnings Call is Purely to Educate and Bring Awareness about the Company's Fundamental Business and Financial Quarter under Review.”

Let me now introduce you to the management participating with us in today's Earnings Call and hand it over to them for their opening remarks.

We have with us Mr. Vedant Bang, Managing Director, heading the E-commerce Division of the company.

Without any delay, I request Mr. Vedant to start with his "Opening Remarks." Thank you and over to you, sir.

**Vedant Bang:**

Thank you, Purvangi, and good afternoon to everyone and a very warm welcome to all of you who have joined us for our Earnings Conference Call.

As some of you may be new to our company, I would like to begin with a brief overview about the company and then move on to our operational and financial performance for the 4th Quarter and the Financial Year Ended March 2026:

Thomas Scott India Limited was incorporated in 2010 as a traditional apparel manufacturer and has since evolved over the years into a technology-enabled fashion retailer.

The company has been formed through a demerger from Bang overseas Limited with a vision of creating a focused retail and fashion business. Initially, we operated as a contract manufacturer for apparel from our Solapur facility for reputed domestic clients. This phase laid the foundation for strong product quality, disciplined manufacturing and deep relationships across the apparel ecosystem.

Over the years, we have identified the opportunity to move closer to the consumer and build our own retail identity. Building on the legacy of our manufacturing excellence, Thomas Scott has transformed into a digital-first, data-driven fashion company, integrating technology, analytics and manufacturing to deliver trend-led products with speed and precision. Our plug-in ecosystem combines real-time data forecasting, real-time demand for inventory and its optimization, and rapid product launch capability.

This build-for-demand model, or test-and-scale model, allows us to bring new styles to market in a very short time, thereby managing inventory risks and ensuring high responsiveness to the consumer's preferences. Today, we operate 15 plus brands and 50,000 plus SKUs, including our own flagship brand, Thomas Scott. We also support a number of reputed global brands through exclusive partnerships with marketplaces.

Our products are distributed through leading online platforms like Myntra, Amazon and others, as well as through our own offline stores for our own brand, Thomas Scott. With manufacturing units in Sholapur, Bangalore and Gurgaon, and fulfillment centers across India, we ensure a high degree of control over quality, efficiency and delivery speed. Positioned in the mid-premium fashion segment, Thomas Scott caters to aspirational, brand-conscious consumers who value style and quality at accessible prices.

We also continue to strengthen our technology and analytics platforms. Our own platforms, thread.ai and catalog.ai, are now being actively used across planning demand forecasting and catalog management. These tools allow us to identify emerging fashion trends quickly, gain pricing insights and determine high-demand products, leading to better conversion rates and faster response to changing market preferences.

What gives us particular confidence is the architecture that we have built. The data infrastructure, the manufacturing agility and the multi-brand platform. This is still in its early stage of deployment.

We are yet to harvest its true potential. We are accelerating this one and it is still yet to find its full stride. With that background, let me take you through the company's performance for the 4th quarter and Financial Year Ended March 2026.

Q4 2026 was another strong quarter. I use the word another deliberately because this marks the 10th consecutive quarter of revenue growth. Each quarter we have grown, each quarter we have learned and each quarter we have reinforced our conviction that the opportunity ahead of us is significantly larger than the one we have captured so far.

Our revenue growth of over 63% year-on-year significantly outpaced category averages, reflecting the continued strengthening of our business model and deepening acceptance for brands across marketplaces and customer segments. We have made meaningful progress in expanding our product portfolio. We have had early launches in the womenswear category that have delivered encouraging traction with newly launched styles receiving positive consumer responses.

We have also entered footwear as a category during the quarter, marking our maiden foray into this segment with initial sell-through trends indicating healthy consumer acceptance. All of this based on the same trend analysis that supports our existing business in apparels. Consumer demand generally remained healthy throughout the quarter, supporting strong sales momentum across channels.

Additionally, our strategic winterwear inventory positioning continued to contribute positively through January, highlighting the effectiveness of our data-driven merchandising and seasonal planning capabilities. These developments coupled with our focus on operational execution, product innovation and technology-led decision making enabled us to deliver another quarter of strong growth and profitability.

Turning to our financial performance, revenue from operations for Q4-fy26 stood at Rs. 78 crores, registering a strong growth of 63% year-on-year. EBITDA for the quarter stood at Rs. 11 crores, reflecting 67% year-on-year, while EBITDA margins stood at 14.14%. Profit after tax for

the quarter stood at Rs. 6 crores, representing a growth of 43% year-on-year, while PAT margins stood at 7.71%.

For the Financial Year 2026, revenue from operations stood at Rs. 255 crores, reflecting a robust growth of 58% year-on-year. EBITDA increased by 72% year-on-year to Rs. 33 crores, with EBITDA margins expanding by 105 basis points to 13.1%. Profit after tax for FY26 stood at Rs. 19 crores, registering a growth of 51% year-on-year, while PAT margins for the year stood at 7.57%.

Our business verticals continued to perform strongly during the quarter. Our own brand, Thomas Scott, recorded revenue of Rs. 91 crores during FY26, growing by 62% year-on-year. This performance reflects the increasing acceptance of the Thomas Scott brand, supported by our online-first, rapid product launches and data-driven merchandising approach. The licensed and other brand segments reported revenues of Rs. 148 crores, representing a growth of 53% year-on-year. Growth was driven by strong momentum across our market place partnerships and continued premiumization of our product portfolio in international brands. Our contract manufacturing business also delivered a strong performance, supporting revenues of Rs. 15 crores during FY26, a growth of 91% year-on-year, supported by improved capacity utilization and sustained relationships with marquee customers. FY26 was a year that validated our model, validated that data-driven merchandising works, that technology-led inventory management works, and that a multi-brand platform built on one shared operational backbone works. We believe genuinely and without caveats that we have only just gotten started.

Our revenue has compounded 60% over 3 years. Our EBITDA has grown at 88% over the same period. Our ROCE stands at 22.31%. I would like to add that these are outcomes of a company that is still in the early chapters of its story. The new categories that we have entered on the same backbone are still within nascent stages in our portfolio. Our technology platforms are also in its pilot stages. As we move into FY27 and beyond, we remain sharply focused on what has driven our performance - disciplined execution, product velocity, technology investment, and a relentless attention to what the Indian consumer wants.

We have earned the right to be ambitious and we intend to be. We are only getting started. With this, I would like to open the floor for questions and answers.

Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Sucrit D. Patil with Eyesight Fintrade Pvt. Ltd. Please go ahead.

**Sucrit D. Patil:** Good afternoon. I have one question. The question is, forward-looking guidance on what type of strategic pathways are you planning to position Thomas Scott as a leading omnichannel

apparel brand, accelerate digital commerce penetration across tier 2, tier 3 cities, and future proof against evolving consumer preferences and competitive disruptions in the fashion retail business. Thank you.

**Vedant Bang:**

So, I understand that the guidance that you are looking for is broadly and strategic.

So, what I can say is, for Thomas Scott brand, we have understood what works in terms of identifying trends and launching them. Our test and scale model works really well and which reflects in the growth of the brand. The brand has grown year on year profitably with north of 60% growth rate.

We intend to continue this performance or better it by leading into some of our learnings. We are working on solving for speed by localization of inventory in all geographies. We are looking at additional fulfillment centers to support improvement in the overall speed of delivery so that we are able to cater to the evolving younger consumer demand.

What you will also find is that the products that we launch are also leaning towards an aspirational class who are looking for good quality products in natural fabrics like cotton or linen, but at a more accessible price. So, we intend to be the pioneer in that particular space while staying true to the younger consumer and their preference for speed. So, that is the direction in which Thomas Scott is going to go.

But generally speaking, it is still digital first and it is still going to rely on the long-standing model that has worked for us because of test and then scale.

**Sucrit D. Patil:**

Thank you and best wishes. Thank you.

**Moderator:**

Thank you. Our next question comes from the line of Ankush Agarwal with Surge Capital. Please go ahead.

**Ankush Agarwal:**

Thank you for taking my question. Just one question. Our other current assets have increased from about 7 crores to about 46 crores. So, if you can let us know what is this increase about?

**Vedant Bang:**

So, the other current assets comprise of an insurance claim receivable from a previous fire incident that occurred last year to the tune of about 22 crores approximately. That is one part of it. Second part to it, there is also certain deposits that we have, financial deposits, either with the government or certain financial authorities. So, to that extent, there is about 7 or 8 crores that we hold in deposits in that manner. There are some advances, rent deposits that we have paid for our rental properties. So, there are some advances out there as well. And there are some supplier advances that have been given. So, these generally comprise the other current assets, but the bulk of it is explained by two parts. One is with the insurance company or with the government authorities and financial authorities.

**Ankush Agarwal:** Second, this new category that we are entering in footwear and all. So, obviously, it broadens our target market But in terms of profitability as well, are these categories margin accretive in the longer run or it could be similar?

**Vedant Bang:** So, in the new categories, we are completely focused on premium brands only. So, it will be margin accretive. The brands that we are doing are higher MRP brands. So, we believe that this will be not only margin accretive, also ROCE accretive. So, there are categories where we manufacture ourselves and hold the inventory from raw material to WIP and then the finished goods. In these categories, we want to take advantage of the base platform that we have built in terms of technology of identifying the trend and be able to take inventory bets based on this and have credit periods such that we are able to sell through these products even before the credit period lapses. So, the model has been constructed for some of these categories in a manner in which it is ROCE and margin accretive while not the same as how we are approaching it right now. Having said that, as I said, we are also focusing within this only on the premium brands.

**Vedant Bang :** So, we believe that we will have margin accretion through these categories.

**Ankush Agarwal:** That's right.

**Moderator:** Our next question comes from the line of Murtaza with Pinpoint X Capital. Please go ahead.

**Murtaza:** Thank you for the opportunity. Sir, just to further continue, I just wanted to also understand regarding like in Q4, there was some sort of a dip in our own brand whereas the licensed brands had faster growth pace. So, I just wanted to understand how are we seeing the revenue mix shaping up probably in the coming two years and just wanted to also understand from the perspective of what the blended margins we can expect coming forward.

**Vedant Bang:** Sure, Murtaza. I will answer your question without giving very specific forward guidance but with this particular question, you are referring to the QoQ performance of Thomas Scott brand. So, for Thomas Scott brand, I can tell you this that there are new models that have opened up which involve outright sale of Thomas Scott brand products to marketplace channels. When this happens, we generally do not sell to the final consumer, we sell to the distribution arms and this is generally done at a price which is lower than the retail price, you know, sometimes as low as 30%, 40% lower than the retail price, right, because of which the revenue that we record is not at the retail price level, it is at the wholesale price level in these cases. But having said that, the margins at the EBITDA level are still neutral which means that even when we sell on an outright channel rather than selling to the final consumer, the final bottom line margin that we make at an EBITDA level or at a contribution margin level remains the same. So, it is just a model change, it is not the margin change, rather the margin is in fact higher now on our own brand. So, that is the reason why there is a slight difference. But generally, Thomas Scott brand even with model change will continue to exhibit, you know, positive growth in the future.

Obviously, if we do report these numbers rather than on actual net sales basis which is reconcilable with our financial but on GMV basis, which is gross merchandise value, then you would see even higher growth than what you are seeing right now. But to maintain consistency with the financial reports, we always report on net sale basis. But having said that, this growth journey will continue for Thomas Scott brand as well into the future. It is for us, on a GMV basis, our fastest growing brand and that will continue to be the case in the future as well.

**Murtaza:**

Understood. So, what it means is that there is no dip in volume, it is just a model we have changed and sort of the realization we are kind of booking because it seems like that. So, what kind of a mix are we seeing going forward regarding our own brand and license?

**Vedant Bang:**

So, it is, see on a net sale basis, it is a little difficult to say because of certain model transitions. I will also explain why this model transition happens. What happens is some of our products are very fast selling products, they do really well. The data in terms of consumer acceptance is very well available with our marketplace partners. In such cases, they offer to purchase from us these products outright with a certain credit period. It works for us as well because it allows us to kind of invest in future inventory and managing inventory is much better.

So, given this context, we do believe that the further scalability on this model is also very good. So, which makes it a little complicated to commit or rather to discuss numbers from a percentage wise on both the channels. What I can tell you is the baseline growth rate that we have given so far, we are working towards continuing that in the future and both channels, be it own brands, be it Thomas Scott brand would continue the same pace of growth.

With Thomas Scott brand, one thing I can tell you without giving too much specific on the margins, the contribution margins are also improving because of these model transitions that we are doing year on year. So, those enhancements are also there.

**Murtaza:**

Understood, sir. Regarding, I saw there was a mentioning of thread.ai and catalog.ai. So, are we planning for them to become a third-party SaaS product or how is the business model as of now and what kind of timeline are we looking at, internal timeline we are looking at for the revenues from these tools or what is the plan regarding these?

**Vedant Bang:**

Right. So, we are now actually converting these into a super app for internal use only and with a number of other tools. There would be probably few disclosures towards HY on this, but generally these will still be for internal use.

We are not yet prepared to have SaaS as a business and we want to focus on our core business model at the moment while we continue to benefit from the fruits of what we have developed.

**Murtaza:**

Sure, sir. Understood. Lastly, regarding the raw material price volatility, I just wanted to understand how do we manage across or what sort of pass through is available to us?

**Vedant Bang:**

So, generally we plan couple of quarters in advance of the basic raw material. Having said that, there is a general industry wide supply issues caused by raw material price escalations owing to the West Asia war. So, there is certain cost escalations that have happened at an industry wide level.

Fortunately for us, one area of direct impact would have been winter wear, but we have planned this winter wear well in advance. So, there is minimal impact out there. In terms of our continuous products, yes, as and when the products are moving into production there is slight cost escalation.

But everyone understands that these are temporary in nature and our suppliers and ourselves are working with each other to minimize the impact on the consumer. However, to a certain extent, a part of it may also be transferred in terms of marginal price increases. But due to our advance planning, we are in a good position to navigate through this at the moment.

**Murtaza:**

Understood. So, just one final question regarding working capital and the borrowing. There is some sort of a sharp increase in FY26. I just wanted to understand, is this the sustainable level where we are at or are we expecting it to further normalize? What is an optimum level of debt we should look at going forward?

**Vedant Bang:**

So, currently our debt to equity is actually closer to 0.4 or 0.3. This is largely because we had one major fire incident last year which we had disclosed where we had 22 crores rupees worth of inventory wiped. So, that receivable currently sits in other current assets. Against that, we have bank funding of an equivalent amount.

As we receive the recoverable from the insurance company within the next few quarters, that will essentially offset those short-term borrowings as well and then it will come down to a 0.2 kind of level. And generally, our business model is robust enough to manage with these levels. There may be certain short-term borrowings that we may have to take time to time to fund our working capital.

But these are all temporal. These are not like permanent increases. The working capital requirements day-to-day vary quite a bit.

What you are seeing is essentially a 31st March one-day cut of what our drawdown was in the short-term borrowings on that particular day. There are other days when the drawdown is much lesser as well. Unfortunately, we do not release balance sheets of every single day.

So, generally, it fluctuates a little bit but it will be within this range only. The one-time decrease will come in the short-term borrowings on account of insurance receivables. So, that is definitely something that we will see.

That will move the baseline itself downwards. Coming to working capital, working capital in terms of days has generally improved for us from our debtors' inventory and payable days overall, holistically, if you look at it. And we will continue to work on improvements, particularly on the debtors' side.

**Murtaza:** Have we taken into consideration that inventory that was burned earlier into the current numbers?

**Vedant Bang:** No, that inventory has been written-off.

**Murtaza:** Okay, understood. Thank you very much. All the best for the future. Thank you.

**Vedant Bang:** Thank you.

**Moderator:** Thank you. Our next question comes from the line of Ankur Gulati with Genuity Capital. Please go ahead.

**Ankur Gulati:** Hi, quick question. Any views on operating cash flow turning positive in the next 6 months, 12 months?

**Vedant Bang:** So, at the moment, the focus is on continued growth and we are giving high double-digit growth numbers. So far as we keep continuing this growth without any further infusion of capital, it is not easy to have positive operating cash flows. So, it is only when the overall opportunity is seized and we start growing at a rate which is similar to our return on capital employed of 23-24% or even 25%. It is during those times that the cash flow from operations would start becoming positive. But as of now, the focus continues to remain on growth.

**Ankur Gulati:** So, the point is, let's say 250-day working capital. How are you going to fund it, the growth? You will borrow, right? That is the only way to fund this, Unless you are saying that you are open to dilute.

**Vedant Bang:** No, at the moment, we are happy with our current short-term borrowings that we have working capital limits. Our working capital also fluctuates quite a bit. So, what you are seeing is the 31st March point in time. Again, you must consider that the major sale of that quarter has also come in March month itself of Ugadi, Gurupada and Ramzan Eid. All these 3 events were in March and this is where the sale was concentrated. Much of it has been received since then in April. Obviously, I do not give that cut of balance sheet. So, what I am trying to say is that the short-term borrowing limits even at a 0.2 or 0.3 of debt is more than sufficient to kind of cushion that overall requirement that we have to continue the way we are operating.

**Ankur Gulati:** What are the repayment terms of whatever debt you have? And how much is the term loan and how much is the working capital loan?

- Vedant Bang:** So, as I said, the majority of our liabilities are working capital loans only. If you were to look at our borrowing, our long-term loans have actually decreased year-on-year from Rs. 2.42 crores to Rs. 1.48 crores. And these are mostly mortgages that we have taken. Short-term borrowing is the part where it is around Rs. 45 crores, which was the drawdown as of 31st March. Against that, there is a Rs. 22 crores drawdowns, which is against the insurance claim receivable. So, actually the number, if you are just against the other current assets, is close to Rs. 22 crores.
- Ankur Gulati:** Can you just reiterate the revenue growth guidance for this year, if at all there is any guidance?
- Vedant Bang:** Sorry, I am not giving specific growth guidance. But what I am trying to say is that the growth that we have delivered, we will continue to deliver similar growth.
- Moderator:** Thank you. Our next question comes from the line of Aditya, an Individual Investor. Please go ahead.
- Aditya:** Hi, sir. So, I have only one question regarding the inventory levels. So, how are inventory...
- Vedant Bang:** Yes, we can hear you. Please go ahead, Aditya.
- Aditya:** So, how are inventory levels and what inventory strategy is being adopted to support future growth while maintaining efficiency?
- Vedant Bang:** Sorry, I didn't fully capture your question, but I am guessing it was on the inventory levels. Yes. So, one thing to understand is that we are end-to-end from manufacturing to retail. We are not only retail or we are not only manufacturing. So, we hold inventory for a manufacturing cycle and then also for the retail cycle, which is the finished goods inventory. So, we always have a mix of both.
- It takes us anywhere between 45 to 60 days, you know, to manufacture and then another 100 to 120 days to sell. This is a typical period. Individually, if you compare these periods with a like-for-like manufacturer or a like-for-like retailer, you would find these to be quite optimal.
- There is also, but on top of this, certain growth inventory that we are building. So, we are not building for status quo. We are building for growth inventory.
- So, there is an additional inventory that is always there for the future growth that we have planned, which is in the form of raw materials, WIP and things like that. So, as long as we are growing, there will be sustained investments in inventory and those will again show up in future growth numbers of revenue.
- Aditya:** Okay. Thank you so much.

- Moderator:** Thank you. Thank you. Our next question comes on the line of Subhanu Bangal with Three Head Capital. Please go ahead.
- Subhanu Bangal:** Good afternoon. Sir, I am very new in this business. I want to understand our average selling price in our both own brand and subsidiary brands.
- Vedant Bang:** Sure. So, the approximate selling price for our own brand is something I can really disclose to you. It is somewhere close to Rs.999 at a retail price. Alright. This is not the same as the wholesale price. We also do a lot of wholesale sales. So, it is purely at a retail price level. These are the kind of levels that we generally target. Sometimes, we receive rebates, incentives and commission decreases from market prices up to about 20% of the retail price, which is funded by the market places. Those are again not in our control. Sometimes, you may observe prices lower than that, which are completely funded by our market place partners in the form of rebates. But the price level that we target is, as I mentioned, for our own brand. For other brands, again, it varies quite a bit because we have a lot of brands and every brand has its own market. Some of our premium brands sell for as high as Rs.2,500 to Rs.3,000. And some of the value segment work that we are doing can be as low as Rs.600 to Rs.700. But it is not easy for me to give you a blended mix because it does not explain fully the price point level. Having said that, what I can tell you is that generally, our overall portfolio is premiumizing and we are having better price realizations year-on-year. And we are moving towards higher priced products as well while giving the same value to the--
- Subhanu Bangal:** Understood. That means we are premiumizing our ASP and our product mix that means our margin will be increased going forward also. And as you said, we are also entering premium categories like Supers and Premium men's or others category. Can we expect margin improvement in FY27 also?
- Vedant Bang:** So, we are working on margin improvements, but I cannot commit to a specific number. But generally, there are a lot of interventions that we are doing to enable better operating margins in the future.
- Subhanu Bangal:** And my last question on our retail segment. As on FY26, we closed around 6 stores in Bengaluru. Are we targeting any store increases in the future?
- Vedant Bang:** At the moment, the return on capital employed is higher for our investments in the online segment and we are focused on optimal capital utilization. The way the store business is structured is that it should grow organically which means that stores have to create the profitability to purchase the 7th store. So, as and when that happens, a new store would also get opened. But it will be a pure organic growth on the offline side. Right now, the business model where our execution capability and ROCE maturity is best is online and we are focused on that particular platform.

- Subhanu Bangal:** What was the sales mix as on FY26 from our store segment?
- Vedant Bang:** So, from our store, we have done close to about 7% of our Thomas Scott brand revenue.
- Shubhranu Bangal:** Understood. Thank you. Best of luck.
- Moderator:** Thank you. Our next question comes from the line of Pawan Kumar with Shade Capital. Please go ahead.
- Pawan Kumar:** Thank you for the opportunity. So, my first question is what was the sales mix of your own brand like from online, from your own stores and some other channels?
- Vedant Bang:** Yes. So, there are only two channels essentially. One is offline and one is online. Online is about 93%, offline is 7%. Now, online, we sell on wholesale basis as well as on retail basis. So, when I say wholesale basis, we sell to distribution partners of Amazon or Myntra and on retail basis, I mean we sell directly out there.
- Pawan Kumar:** Very clear. And the second question regarding the new segment you are coming into is footwear. Are you manufacturing this on your own or you are sourcing outside? What's your plan in that?
- Vedant Bang:** So, with this particular segment, we have decided to take advantage of our tech capabilities and partner up with manufacturers rather than do it ourselves. And in that, we kind of give the manufacturer a mechanism through which they are also able to participate in the success and provide us better credit terms in return. The idea is that we should keep these newer categories as zero net capital investment categories such that we are able to make a healthy margin and healthy return on capital employed with minimal investment. We are anyway invested in our fulfillment centers and the bulk of the overheads that are associated with this business. So, there is no further investment of that sort also for these new categories. It is essentially only a very baseline investment in inventory. And so far, the results show that we are able to recover much faster than we are able to pay for these categories. So, it is very healthily ROCE accretive, the new areas. But to answer your question very directly, no, we are not doing in-house manufacturing of footwear. We are getting this manufactured by trusted manufacturing partners.
- Pawan Kumar:** Okay. And lastly, what is your capacity utilization right now for maybe all the whatever you are doing right now?
- Vedant Bang:** So, presently, our factories are completely full. They are at max capacity. We are actually using a lot of captive capacities to fulfill our total supply requirement. Captive capacity is essentially a factory that we rent out or job work holistically. We take the machinery, we take the infrastructure and our own production and quality team ensures that the product is being produced as per the quality standards and within the timelines that we need to supply. So, I

would say that our in-house portion is actually at full capacity and we are using short capacities from captives at the moment.

**Pawan Kumar:** So, the follow-up on this, like are you planning to expand your manufacturing capacity or like you will be following this model like outsourcing?

**Vedant Bang:** So, what we found, house manufacturing is a reliable source, but it cannot be scaled overnight. So, there are steady investments that we are making in terms of expanding our in-house manufacturing, but it will scale at its own pace because it relies on, you know, infrastructure development, investment in labor, training and those kind of things. So, we will have to balance out both in-house as well as outsource.

**Pawan Kumar:** So, right now, any plan for this or like?

**Vedant Bang:** There are continuous expansion plans in our own capacity, especially in Sholapur. So, Sholapur, our space is large enough for our capacity to increase more and those investments are being done by us periodically.

**Pawan Kumar:** Thank you for all your answers. All the best.

**Moderator:** Thank you. Thank you. Our next question comes from the line of Siddharth, an Individual Investor. Please go ahead.

**Siddharth:** So, my first question is, you had two fire incidences in the last one or one and a half years, right?

**Vedant Bang:** Can you state your full question? Then I can answer it together.

**Siddharth:** So, yes. Basically, how come two fire incidences? And what about the safety protocols and everything of the employees and everyone?

**Vedant Bang:** Sure. So, it is important to understand that we operate a number of facilities, including some of them being factories, right? Where all these incidents, not the second one, but the first type of incident that had happened in Gurgaon was fairly common. It was not a major incident, but we are obligated as a part of compliance process. To report these incidents to, you know, on the portal, to the investors. So, we do it. The first incident that happened in Gurgaon was not a material incident. The amount was very small in that. And you can say it was once in a 10-year kind of or 5-year kind of incident that just happened out of bad luck. We do take our fire safety standards very seriously. And we have regular fire audit and fire NOCs from local authorities. What you will also find is that the local amount for the first incident was not very material. But the second incident was a major incident. Without delving into the specifics, because it is subject to insurance claim, that incident was unfortunate and beyond anyone's control. Having said that, what you will find is that we have always reported that all our

employees and all our staff have always been safe and protected from these incidents. Because that is our first priority whenever this happens. We have an internal process to follow and we follow it.

**Siddharth:** So, what about the insurance claim? When are you planning to get it?

**Vedant Bang:** Unfortunately, this is something that is subject to insurance and also adjustment process. So, I cannot actually comment on it at the moment. But rest assured, we have everything in place to be able to recover that amount.

**Siddharth:** My second question is regarding the huge related-party transactions with Bang Overseas. So, is it like normal or what is it?

**Vedant Bang:** So, initially, when we had started, we did not have the balance sheet strength to take on certain licenses. So, they were taken with Bang Overseas. Over a period of time, they have been transitioned to us directly. The only related party transaction that remains with Bang Overseas, which will remain over a period of time, is that they are a fabric supplier to us and we will continue to purchase fabric on a nominal basis from them. But they are one of the vendors. They are not the only vendors for fabric purchases. But over a period of time, this is going to get phased out.

**Siddharth:** Okay. So, my next question is your FY24-25 receivables had grown by 141%. But your PBT grew by 60% and net profit by 30%. How come net profit is increasing by 30% but receivables increasing by 141%? Same trend we are seeing in FY25-26. PBT net profit increased by 46% but receivables increased by 48%. Huge receivables are getting accumulated. So, what is the plan for it? Why is it increasing? Is it going to reduce because all the earnings and everything is going into receivables.

**Vedant Bang:** The receivables have actually come down this year from last year, from FY25 to FY26. And this will continue to decrease further. Because that's what we are working on. There are certain B2B channels that have opened up for wholesale sale of the goods that we are making in Thomas Scott brand. So, there are certain receivables that arise from that. Other than that, we are continually working to reduce it. And it will come down over a period of time on the receivables. Having said that, it is lower this year in terms of number of days than it was last year. What you must also understand which is important is that our sales are concentrated, rather I would say more than 70-75% of our sales are actually coming in the last month of the quarter. So, all of that amount is actually due. You are looking at a point in time number and making an assessment. But if you look at it on a continual basis or if I was able to share with you a balance sheet on a continuous basis, what you will find is that there are certain working capital recoveries that happen post-event which result in overall improvement. So, it is not fair to look at point-in-time figures and then make a broad assessment. You will find that similarly with our utilization of short-term debt that it goes to strikes and troughs. And this is a part of

the general business, the way it works. And the nature of how events are clustered in the last month of the quarter.

**Siddharth:** But the percentage growth of receivables is much higher than your profit growth. Are there any bad debts in those receivables?

**Vedant Bang:** Any amount that we identify to be not recoverable, we adjust for it immediately. Right now, all of our receivables are against our marketplace partners directly or indirectly or their distributors or alpha sellers of them, most of it. And otherwise, it is people for whom we do the contract manufacturing who are again reputed players. As and when we do identify, we make it. What you must also understand is that we have done a provision for exceptional item against the insurance claim amount of close to Rs. 1.206 crores in this quarter and in the previous quarter as well. If you adjust for this exceptional amount, also you will find a higher PAT growth.

**Siddharth:** So, any guidance on when this amount of receivables will reduce? Or when will it come in control or when your debtor base will reduce, probably?

**Vedant Bang:** So, this is a continuous process. You will find consistent improvement whenever the balance sheet gets reported.

**Siddharth:** But then how will you manage the working capital because you are saying that you will not raise the funds for working capital.

**Vedant Bang:** That's what I am trying to explain to you that the working capital position that you see is a point in time and you compare it with another point in time. As I said, there are sales that are clustered around the last month. A lot of that is received in the coming month, say in April or May. So, our working capital position as of March end is not the same as it is for April. And this is improving. So, overall, we believe that within our current fund sources, we should be able to work out the working capital.

**Siddharth:** Okay. But this is putting pressure on stock prices. Anyway, I wanted to ask, you have six stores. But according to what I saw, I think some stores have closed, right?

**Vedant Bang:** So, If you look at the gross number of stores and then the net number of stores, obviously, there would be a difference. There are stores that we have closed in the past when we found that they are not performing. Generally, we decide fast in terms of what is working, what is not working. We track the actual consumer behavior within the stores in terms of purchasing. And if we don't find potential in it, we exit those stores as well. So, that does happen. It's a part of any retail business.

**Siddharth:** Okay. Fine. That's it from my side.

**Moderator:** Thank you. Our next question comes from the line of Harsh Shah, an Individual Investor. Please go ahead.

**Harsh Shah:** Thanks for the opportunity. So, my question is that you mentioned that you typically have 40 to 45 days of inventory and 100 to 120 days of receivable days. So, I wanted to understand. So, for the outright sale that we are doing to the distributors of these platforms, in that model, you mentioned that the price of the sale is usually lower than the direct retail sale. And you also offer them a credit period. So, is that beneficial for our working capital cycle or how does it work?

**Vedant Bang:** So, first, I will delve a little bit into the fundamentals. First, what I said was that it is about 30 to 45 days on inventory to manufacture, which is the manufacturing cycle, without any buffer. And then we have 100 to 120 days of finished goods holding period. This both put together explains the general inventory cycle of a company that would be doing both, which is 30 to 45 days of manufacturing and 100 to 120 days of holding the finished goods. On the debtor side, there is a couple of things that are important to understand. One is our manner of accounting is such that we maintain all customer returns also in receivables till such time that the inventory comes back to us from the marketplace partners. In case the inventory does not come back to us, we make a claim as per an approved turnaround time period, which is between us and the marketplace. And we recover that amount. So, if my customer returns are somewhere close to 20%, that amount would at any point of time be within the receivables for such time. Other than that, in our B2B model, we offer credit periods depending upon the margin profile that is offered by the distribution partner. And we try to keep it margin neutral and ROCE accretive when doing this. So, these are decisions that we make from time to time. Sometimes, selling to some of these distribution partners also helps us to get the inventory much closer to the final customer by housing it in warehouses of the marketplace partners itself.

**Harsh Shah:** So, in the new model also, the receivables days and the inventory days and everything is similar to the older model?

**Vedant Bang:** No, it is actually lower. Again, I don't want to give out specific data that I have. It is actually lower. And you will find continuous improvement in the debtor days as we proceed as and when some of these models are unlocked. And there are certain mechanisms that we are unlocking that allow us to get it down.

**Harsh Shah:** And you also mentioned that there is some growth in inventory that you have to keep because you are in a growth stage. So, right now, for the next year also, the current balance sheet that we are seeing, the inventory and the trade receivables can support the growth for the next year?

- Vedant Bang:** Yes, it will continue to support the growth for the next year. There will be working capital improvements as well that will come in. But generally, our current sources of capital support us for the growth plan for the coming year.
- Harsh Shah:** Okay. So, there will be no increase in debt in this year?
- Vedant Bang:** Again, about Rs. 22 crores of short-term debt is attributable to an amount that relates to our insurance claim. So, once that is received, then it goes lower to that extent. Till it is not received, this is the baseline around which there will be some fluctuation.
- Moderator:** Thank you. Our next question comes from the line of Kushal, an Individual Investor. Please go ahead.
- Kushal:** So, our B2C brand has grown 62%. What was the value you were holding? Give a classification between...
- Vedant Bang:** Hello. Sorry, Kushal, you are not fully audible. You got off mid-sentence.
- Kushal:** Yes. So, out of this growth, what was the value versus volume growth?
- Vedant Bang:** You mean in terms of units sold?
- Kushal:** Yes.
- Vedant Bang:** Yes. Okay. So, currently, we are not reporting the units sold because we sell in multiple channels. We are selling wholesale as well as retail. So, it is not like-for-like channels. At the moment, we are not reporting unit growth. But generally speaking, unit growth has been almost at a similar pace of our volume growth. I don't have a specific number to give you, our revenue growth. You can say that there has been about, maybe it is about 3% or 4% points lower in terms of growth because there has been a general increase in the selling price.
- Kushal:** How much percentage of sales exposure we have in export market?
- Vedant Bang:** So, at the moment, we have no direct exposure to export market. We do sell to distributors who do sell it in export markets. But for us, all our billing are domestic.
- Kushal:** And last question on the receivable side. As we mentioned that receivables are point-to-point mentioned in the balance sheet. So, how much percentage of those receivables are already recovered in May or April?
- Vedant Bang:** So, generally, there are two major parts of the receivable. One is the actual receivable from the marketplace. The other is the customer returns. Typically, the customer returns is realized in the next month itself of any particular period. So, that would come in. And typically, customer

returns of any quarter is 20% of the gross sales normally in e-commerce. So, that part is realized in the coming quarter. Other than that, the cash flow realization is also typically from whichever quarter it happens in 45 to 60 days, which is periodically realized. So, that also happens simultaneously.

**Moderator:** Thank you. Our next question comes from the line of Manish, an Individual Investor. Please go ahead.

**Manish:** There are two questions for my side. First is, there is a line item like other assets that is, I think, raised surprisingly. I think, in the balance sheet, from Rs. 8 crores to Rs. 48 crores, that is other asset items. Can you please elaborate about that?

**Vedant Bang:** So, I had answered it earlier. That was one of the first questions actually I got. So, other current assets comprise of an insurance claim receivable of Rs. 22 crores. Other than that, so far, we were not required to pay taxes or certain tax-related deposits that we have. So, those are there. There are certain deposits that we have with statutory and financial authorities. So, that is also there in that. There are certain advances that have been given to supply chain partners. That is also part of this. So, these are generally the parts to the other current assets. But the major one being the Rs. 22 crores, that is Rs. 21 crores to Rs. 22 crores, which is the insurance claim receivable. And then balance is split between this. About Rs. 6 crores to Rs. 7 crores is the part which is with the authorities and deposits.

**Manish:** Understood. And sir, in trade receivables, that is currently Rs. 86 crores as per the balance sheet, what is there like under a 6-month receivable out of this Rs. 86 crores?

**Vedant Agarwal:** So, majority of our receivables are, more than 90% of our receivables. I would say. I don't have a specific number. But generally, most of our receivables are less than 6 months.

**Moderator:** Thank you. Our next question is a follow-up from Subhanu Bangal from Three Head Capital. Please go ahead.

**Subhanu Bangal:** Thank you for the follow-up. Sir, as you already mentioned, why our B2C own brand sales down Q-o-Q. But I want to understand one more time, more simply in my way. Sir, please help me to understand why Q-o-Q sales are down?

**Vedant Bang:** So, as I had mentioned, there is a certain amount of sales that we are doing through B2B model, which is selling to distributors of marketplace channels, such are Myntra and Amazon, rather than directly selling. In which case, it comes in outright. In those cases, we do not sell at retail price. We sell at the wholesale price, which is an X percentage lesser than retail price. This percentage is negotiated periodically with the distributors. So, automatically, we are not reporting. And we are reporting the net sales, which is the billed amount. We are not reporting the gross or net merchandise value. So, there will always be a difference between these numbers.

- Subhanu Bangal:** But now, going forward, we will calculate as a net sale basis.
- Vedant Bang:** We have always calculated on net sales basis. And we have consistently reported on that basis only. As I said, we have started selling to wholesale distribution partners of marketplace channels, such as Myntra and Amazon. And those sales are happening at less than retail price, because they then sell it ahead at retail price.
- Subhanu Bangal:** Understood. Thank you. And my next question on our return percentage, because our majority sales are coming from online. What was the return percentage last final sale year? And what was the trend?
- Vedant Bang:** Generally, our return percentages are lower than category averages. It varies from brand to brand. Generally, our customer return percentage is around 20%, which is far lower than most other brands. Having said that, there is consistent improvement in that return percentage also going down. As we proceed, there are certain marketplace-led initiatives. There are certain initiatives led from our side. A combination of these factors enables us to control the return percentages. But it's a part of--
- Subhanu Bangal:** What percentage happened in FY25?
- Vedant Bang:** So, I don't have the specific number with me. So, I don't want to misquote. But what I can say is it could be somewhere around 20%-23% in FY25. And here it is closer to 20%-21%.
- Subhanu Bangal:** Thank you. That's it from my side. Thank you.
- Moderator:** Thank you. Our next question is from the line of Ishan Modi, an Individual Investor. Please go ahead.
- Ishan Modi:** Yes. So, first of all, congratulations on the great set of numbers. I had a few questions. My first question is that our sales have been increased by 60% almost. But I see the cost of goods is still in the same range. So, how is it possible that our cost of goods is in the same range only YoY level?
- Vedant Bang:** Sorry, your voice was not very clear. Can you repeat your question, please?
- Ishan Modi:** Yes. Am I audible now?
- Vedant Bang:** Yes, now you are.
- Ishan Modi:** Yes. So, my question is that our sales have been increased by almost 60% on a YoY level, right? But if I see the cost of material, it has been on a flat range. So, how is that come?
- Vedant Bang:** You are saying cost of materials has gone by how much?



- Ishan Modi:** It has not growth. I think it is spread on YoY level.
- Vedant Bang:** The cost of materials has gone up. It's not like that. I can give the breakup. But generally, the gross margins have expanded because our other brands that we are working with are more in the premium segment and as the premiumization is happening, there is a general improvement in the overall margins. But to be honest with you, we do not look at the business from a gross margin point of view. We look at the business from a contribution margin point of view. Because there are multiple models through which we operate with marketplace channels, which are neutral at that level. But there would be a proportionate increase in the COGS. But generally, If you look at NMV level, Net Merchandise Value Level, you will find that there will be an improvement. Largely because we are selling more and more of our premium brands on the licensed and other brands' side.
- Ishan Modi:** Not sure exactly. But let's say if I see the income statement, if I see the Q4 of FY25, the cost of material consumption is around Rs. 21 crores. And in this particular quarter, it is around Rs. 15 crores. So, I think there is a substantial decrease in the cost of material consume. So, I am not able to understand how is it possible if our sales have increased by 60%.
- Vedant Bang:** Yes, if you look at it on year-on-year basis also, there is about 16% lesser contribution of the cost of material consumed, which is explained by 16% improvement in the overall selling price owing to premiumization and generally baseline increase in the price at which we sell in Thomas Scott brand as well. But mostly owing to premiumization on the other brand's side. The licensed and other brands that we are selling are more premium.
- Ishan Modi:** Alright, so this premiumization in brand selling has been coming from the B2C licensed brands. Which brands have contributed much in premiumization?
- Vedant Bang:** So, the other brands, not the B2B side, but the B2C licensed and other brands are the ones that are contributing to the premiumization. So, 58% in March 2025 was our material cost. It has come down to 52% in March 2026 of the total expenses, I am saying.
- Ishan Modi:** So, in the B2C side, which of the brands has contributed the most for the premiumization?
- Vedant Bang:** So, again, this is confidential information and something that is associated with exclusive marketplace channel partnerships that I have. So, I am unable to provide you specific brand-related growth numbers because it also impacts the disclosures made by my marketplace partners. But generally, it is our international brand portfolio that is driving premiumization. Our international brands that we support that we are operators for include brands like Nautica, French Connection, FCUK and Kenneth Cole.
- Ishan Modi:** Also, I would like my second question. Our short-term borrowing has increased by almost more than 200% based on the FY25 to FY26 if I see the cash flow statement that has been released. So, what is the reason behind this much amount of increase in short-term borrowing?

- Vedant Bang:** So, as I mentioned earlier, Rs. 21 crores to Rs. 22 crores is the insurance receivable which is sitting in other current assets. Against that, there is a short-term borrowing increase to that level to support business growth despite financial and operational disruption that happened because of the fire incident that we had earlier. So, to that extent, there is an increase. Otherwise, if you look at the baseline, it would be lower by that amount which is Rs. 21 crores to Rs. 22 crores. So, as and when we realize the insurance claim receivables, you will find that the short-term borrowing will come down to that extent.
- Ishan Modi:** And I think there was an exceptional item. So, it was also related to the fire incident that happened last quarter.
- Vedant Bang:** Yes. Totally, we have booked close to Rs. 1.06 crores in this quarter relating to the same fire incident. We have realized to such an extent that it is not receivable. So, as a part of the claim process, we do come to know time-to-time certain amounts that we would not receive and then we finally write that off rather than keeping it in our books.
- Ishan Modi:** Alright. And one more thing, the cost of material or maybe I can say the gross margin. So, going forward, are we expecting to stay in the same region that was in this quarter or are we expecting to shoot it up in the coming quarter?
- Vedant Bang:** Generally, depending on the planning and how the events are, we switch between a direct retail distribution and wholesale distribution model. So, because of which the gross margin can vary quite a bit. But the net margin, rather the operating margin, largely remains consistent. So far as we are focused on growth, our EBITDA margins will remain at the current level that we are working on. We target the levels at which we are and we achieve them.
- Ishan Modi:** Alright. And any colors on the incoming financial or how we are looking on the top-line number and the different verticals as to how the product mix will improve?
- Vedant Bang:** So, we are working to make the top line growth continue the same as last year. So, we are working to increase our revenue growth in that fashion. What we are working on as well is in terms of improving our working capital, increasing our return on capital employed through smarter intervention. So, those improvements may also come in from there.
- Ishan Modi:** Alright. And how do you see the product mix improving between different channels going forward?
- Vedant Bang:** So, generally, we let our consumers decide the product mix. We don't target, so our business is not a very typical retail where we decide that ABC is the product mix and then we produce based on that. We essentially launch a lot of test options based on an analysis of what is being demanded by the consumers. Once those test options are launched, those test styles are launched, we evaluate the consumer demand and customer feedback on that. And based on that, we scale up what works. So, whichever category works for us, or whichever style works

for us, it scales itself up naturally. It's not something that we have to force. So, the mix can vary year-on-year depending on what the actual consumer wants and what they are accepting from what we are making from a test-to-scale point of view. But generally, the 80% contribution will continue to remain of men's apparel and the remaining 20% will be a diverse set of categories.

**Ishan Modi:** Alright, alright. Thank you all for the coming year.

**Moderator:** Thank you. Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now like to hand the conference over to the Management for closing comments. Over to you, sir.

**Vedant Bang:** Thank you all for participating in this conference call. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations Manager at Valorem Advisor. Thank you. Thank you everyone for joining this call.

**Moderator:** Thank you. On behalf of Valorem Advisors, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.