November 12, 2026

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, Block-G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051

SYMBOL: MANYAVAR

To,
BSE Limited
Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 40000
BSE Scrip Code: 543463

Dear Madam/Sir,

Sub: Transcript of the Earnings Conference Call of Q2 FY27 of Vedant Fashions Limited ("the Company")

Ref: Intimation under Regulation 30 and Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and our earlier intimation dated October 31, 2026

Pursuant to Regulation 30 and Regulation 46 read with Part A of Schedule III of the Listing Regulations, we wish to inform you that the transcript of the Earnings Conference Call with the analysts/institutional investors, organized and held on Friday, November 06, 2026, in connection with the financial results of the Company for the quarter and half year ended on September 30, 2026, is hereby enclosed.

The said transcript has also been made available on the Company's website and can be accessed at: https://www.vedantfashions.com/investors-category/reports-results/earnings-call/

We request you to kindly take the aforesaid information on record and disseminate the same on your respective websites.

Thanking you.

For, **Vedant Fashions Limited**

NAVIN PAREEK
Digitally signed by NAVIN PAREEK
Date: 2026.11.12 16:52:51 +05'30'

Navin Pareek
Company Secretary & Compliance Officer
Membership No.: F10672

"Vedant Fashions Limited

Q2 FY27 Earnings Conference Call"

November 06, 2026

MANAGEMENT: **MR. VEDANT MODI – CHIEF REVENUE OFFICER – VEDANT FASHIONS LIMITED**
MR. RAHUL MURARKA – CHIEF FINANCIAL OFFICER – VEDANT FASHIONS LIMITED

MODERATOR: **MR. SAMEER GUPTA – IIFL CAPITAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Vedant Fashions Limited Q2 FY27 Earnings Conference Call hosted by IIFL Capital Services Limited. 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 call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this call is being recorded. I now hand the conference over to Mr. Sameer Gupta from IIFL Capital. Thank you, and over to you, sir.

Sameer Gupta: Hi, good evening everyone, and thanks to the Vedant Fashions management for giving us this opportunity to host this call. We have with us the management of Vedant Fashions on this call, and without taking more time, let me hand it over to them. Over to you, sir.

Vedant Modi: Thank you for joining us today to discuss the Vedant Fashions Limited quarter two and first half of financial year 2027 results. I hope everyone got an opportunity to go through our financial results and investor presentation, which have been uploaded on the stock exchange as well as the company's website.

During the second quarter of financial year 2027, sales of our customers were INR3,515 million, reflecting a growth of about 0.6% over the same quarter two of last year. The quarter's performance should have been viewed with the context of a meaningful shift in the festive calendar. While Navratri commenced in September during FY 2026, the festive season moved to Q3 in FY 2027, and at the same time, the last 10 days of quarter two, this year were actually a Shradh period.

The best 10 days were replaced by almost the worst 10 days in our business from a quarter perspective. During the first half of FY 2027, sales of our customers were at about INR7,710 million, reflecting a growth of about 2.1% over the same first half of financial year 2026. Consistent with our focus on strengthening the quality of retail, we adopted a phased approach to expansion.

Store additions during the quarter were measured, while we built a decent pipeline for the coming period of H2. We believe that continued prioritization of high- potential locations and rationalization of select stores is resulting in a net addition of about 5,000 square feet to our retail area during this quarter. During this period, we also opened an exclusive flagship Twamev store and an exclusive EBO for Mohey.

We witnessed improving retail KPIs during the quarter and H1 period, reflecting our focus on retail quality supported by customer experience, training, data-led merchandising, omnichannel integration, and disciplined KPI management. We also continue to scale up our marketing across key channels, combining social media, influencer and celebrity collaborations, and stylist partnerships across our brands to enhance visibility, widen reach, and build long-term brand equity.

During the quarter, Twamev built momentum around its flagship Truly You campaign, featuring fashion icon Orry. The campaign culminated in a high-impact reveal that Orry widely speculated

high-profile wedding was in fact a self-marriage ceremony, reinforcing Twamev's philosophy of individuality, self-expression, and self-love.

The initiative generated substantial viral buzz, drove exceptional social media engagement with campaign surpassing 700 million views cumulatively, and earned widespread recognition as a masterclass in curiosity-led brand storytelling. The campaign effectively showcased Twamev's premium wedding and occasion wear for both men and women, strengthening brand visibility and consumer connect.

We further extended our approach of shorter- format campaigns designed to improve virality, widen reach, and keep our brands visible throughout the season. Manyavar strengthened its wedding wear leadership through its quiet luxury campaign, the launch of the After Hours collection, and the association of the Manyavar wedding ambassador.

At the same time, we have signed hundreds of influencers and have been working with AI on improving our Meta and Google campaigns to a very effective level. While Mohey connected with brides and their families through its Made for Momentum campaign, supported by influencer partnerships, Diwas gained strong traction through its viral collaboration with Flipkart Fashion featuring Bua Bouncer, complemented by targeted digital and social media initiatives that broadened reach and engagement across marketplaces.

Together, these initiatives have strengthened our brand presence, deepened consumer engagement across our entire portfolio, and positioned us well for the upcoming festive and wedding season. We also undertook a series of measures to improve operational efficiency and drive growth.

We further strengthened our retail teams, thereby building capability, along with in-person training on product knowledge, customer service, and key performance metrics. We also introduced a performance-linked incentive program to sharpen store-level execution. This is on top of the incentive programs that our franchisees already run.

We further refreshed our range with trend-led designs and silhouettes. We will be launching almost six collections within quarter three itself, which will be the first time we do something like this to broaden our lead when it comes to product. We also launched Manyavar Celebration Club, which is our first-ever loyalty program, offering 1% points to all customers to drive even more repeat purchases.

Building on these efforts, along with our earlier initiatives and the core strengths of our business, including our brand equity and operational efficiency, we are very confident and well-positioned to capitalize on the upcoming season and deliver sustained long-term growth and value creation for all our stakeholders.

With this, I will now hand it over to Mr. Rahul Murarka, our CFO, to take you through the financial performance of the company. Wish you all and your families a very happy Diwali and a wonderful festive season ahead. I hope you all celebrate it dressed well in Indian clothes. Thank you.

Rahul Murarka: Thank you, Vedant. Namaskar and good afternoon, everyone. I would like to highlight the key financial performance metrics for the quarter and half year ended September 30th, 2026. Starting from Q2 FY 2027 performance update, during the quarter, the company reported revenue from operations of around INR269 crores, delivering a growth of 2.4% over Q2 of FY 2026. The profit after tax stood at around INR56 crores, with a growth of 0.2%.

During Q2 FY 2027, the performance was mainly impacted due to a shift in festive calendar, with Navratri moving from Q2 in FY 2026 to Q3 in FY 2027. Now, coming to H1 2027 performance update. The company reported revenue from operations of around INR571 crores, with a growth of around 4.8% over H1 of FY 2026.

During the period, continued to report industry-leading gross margin of around 65.3%. The profit after tax stood at around INR137 crores with a growth of 8.3%. Moreover, during the trailing 12- month period of September 2026, the company reported a healthy cash conversion ratio of around 93%, which has been computed based upon operating cash flow over PAT, excluding finance income.

As we look ahead for the upcoming season, we remain focused and confident in the core strengths of our business, along with various initiatives taken, positioning us well for the sustained long-term growth. Wishing you all a very happy Diwali. Thank you and namaskar, everyone. We can now move to the Q&A session.

Moderator: Thank you, sir. We will now begin the question- and- answer session. The first question is from the line of Ms. Prerna from DAM Capital. Please go ahead.

Prerna: Hi, thank you for the opportunity. We just wanted to understand how you are thinking on SSG for the full year now, given the first half is also very muted. Festive season demand, how is it panning out in the month of October? Some highlights over there would be helpful to gauge whether second half is as promising as we are expecting.

Vedant Modi: Thank you for this question. While I agree on us having to do better overall as a company, I feel the shift that we saw at the end of Q2 made a little bit of a difference to our H1 numbers. At the same time, I do not want to talk a lot on dates, but rather, we definitely see the need of continuing to do better in what we do.

From an SSG point of view, October is slightly difficult to comment on because Diwali was in October, and we now have Diwali in November. The kind of trends, the way we internally look at data, is Diwali minus 30 days on a comparable period. That we see a lot of green shoots in. Overall, with the kind of efforts that we have put in, I think H2 as a whole, we are very confident on delivering a strong set of numbers.

While I cannot give you anything particular on an SSG perspective, we feel very confident, not from a guidance angle, on achieving high single-digit SSG is the target that this company aims to deliver from a long-term basis.

Prerna: For this year, how do you see, Vedant? I am just trying to understand how we should really look at the stock. If there is an outperformance or an underperformance to our expectations, how do we really gauge that?

Vedant Modi: Prerna, I think we are very excited with the D minus 30 numbers, and that is what we are focusing on further improving from here on. A lot of effort has gone in from a product and marketing perspective, from a retail experience perspective, and we feel those results we will see in H2. As a company, we do not give much guidance, but the real numbers only have started showing up in November because this H2 will be a very November, December, January heavy focused H2. We are confident that these numbers will start to sort of deliver in a very good way as this quarter moves ahead.

Prerna: Okay. The second question is around area addition. Now that you are getting some fruits to the efforts taken over the last one year and festive season looks promising, do you see area addition scaling up going ahead? What would be your strategy towards the same to reach double- digit, mid double- digit to high double- digit growth?

Vedant Modi: Yes, again, an interesting question. From an area addition point of view, like I have been mentioning in the previous calls as well, we have been a little strategic with our approach, where the closures we have taken in the first half of the year, because that is when the business is overall lower for a company like ours, while the majority of the openings will happen in second half of the year.

We expect to open around mid-single- digit sort of a fleet this financial year. We will continue in a similar fashion next year, maybe improving a little bit from here on. We feel the year after that is when we can get to a double- digit, early double- digit sort of a number when it comes to store openings.

That, coupled with good SSG and continuous growth that we are seeing in other channels of our company, like e-commerce, online, LFS, these kinds of areas, should help propel us to a high double- digit sort of a number as we look two years forward from now.

Prerna: Yeah, understood. My last question is on margins. This quarter, first time ever, we have reported a 39% EBITDA margin on a post-Ind AS basis. Do you think there are any margin-related challenges given that growth in the near term to mid-term may be in high single- digit or low double- digit type, and your operating leverage may not play out eventually? Any kind of risk that you are seeing on either operating leverage or on input cost inflation that may not be in a position to pass out because of increasing competition?

Rahul Murarka: I think it would be relevant to look at a full financial year level. When we look at full financial level, I think we are very confident that we will be able to deliver strong margins, as we have been doing it historically. But because this is a Q1, Q2, and the majority period is H2, as explained by Vedant, we are very confident that we will be able to make up the margin stream in the next H2. And overall financial year level, we should be doing pretty well on the margin segment.

Prerna: Okay, sure. Thank you, and all the best, and festive greetings to you all.

Vedant Modi: Thank you.

Moderator: Thank you. The next question is from the line of Mr. Rishi Mody from Mody Advisory. Please go ahead.

Rishi Mody: Hi, good afternoon. A few questions from my end. First, in your FY 2026 annual report, you mentioned that you're using customer conversations and AI-led camera and stuff to improve our merchandising and upsales or sales conversions. If you could just give us some details on what this technology has helped us, like what was happening prior to this? How were we capturing feedback, and now, what new information has come to light using this technology for us, and how are we incorporating it back into our improvement of our operations?

Vedant Modi: Sure. Before we had AI cameras on the store, we used to primarily rely on sell-through data and grow the number of bills as a primary metric. Those were the sort of two numbers we would focus on and try to improve the store from that point on. But with the AI cameras in place, wherever we saw that conversion is lower than, let's say, the city average or the state average, then we would take a three-pronged approach where there would be a larger training done for that store.

We would also evaluate if the correct store manager was in place for the store, and all those kinds of activities were undertaken. Our supply chain teams would also really look at the store and look at rejigging the way the store's entire category management was done, that replenishment could get even better for that particular store from that point on.

Those are the kind of decisions we've been taking, and the goal is, can all the stores of a state reach what the top 10% of the state was doing last year? It's small increments. The goal is to improve conversion rate in the company by 1%, 1.5% every year. That is what we are trying to achieve with this.

Rishi Mody: Are we seeing the results in the conversions?

Vedant Modi: Yes, absolutely. I think, if I break it down into the top 30%, the mid-40%, and the bottom 30%, we have seen clear results in the bottom 30% moving closer to where the mid-40% is. So, those are the stores we have seen a clear improvement in from this project. The mid-40% moving to top 30% is the next focus that we are trying to drive.

Rishi Mody: Okay, got it. Second, hopping back on the marketing strategy for the company, right? Q4 we saw last year the Rashmika, Vijay Deverakonda campaign, the more larger scale in the primer. If I am to say, more what we used to do pre-COVID, where we used to run more film-based or more actor-based models.

Now again, we have seen this Orry campaign, which, in my opinion, seems a more short-lived campaign in the minds of the consumer. Now, I know you might be doing your own assessment,

so if you could just give us more details on how you are comparing the two campaigns, and are you seeing any divergent trends and incrementally allocating more capital towards which style of marketing?

Vedant Modi: Sure. Thank you for that question, Rishi. But the way I would put it, right, is that both the campaigns were for two very different brands and for very different objectives. Manyavar's TG is very different from Twamev's TG. Manyavar already has a 99% awareness in the Indian market, while Twamev's awareness levels were very low.

So the goal with this campaign was just to put Twamev's name out in the market, for people to know us, for people to consider us fashionable, to know that this is a potential place they could visit. That was the sort of objective we were battling with, and we wanted virality at a controlled budget compared to a very high celebrity campaign.

On the other hand, when I talk about Manyavar, the goal is every time we have a big wedding we could capitalize on, we will continue to do that. But on the other hand, if you look at our Q3 strategy, we have pivoted to trying to make 150 short videos and seeing what works best on Meta and Google.

That is the kind of strategy we are going after, which is the strategy that has worked for every new- age brand in India today. And we have built our own AI-based systems that are continuously optimizing our campaigns, both on Meta and Google. And this is the kind of progress you are making on the Manyavar side, where awareness is not the goal, but consideration is the goal. And we want to drive that very deeply with our target audience.

Rishi Mody: Okay, all right. Final question, Rahul, you changed the investor presentation in the last couple of quarters. We are now reporting only the EBO count. Earlier, we used to report the SIS count as well. If you could just provide us with the Q2 FY 2026 EBO count and the square feet for EBOs, and as well as like how much, typically, the sales contribution comes from EBOs only, so we have a more like-to-like comparison versus last quarter, last year.

Rahul Murarka: We have around 497 EBOs as on September 30th 2026.

Rishi Mody: I am asking Q2 FY 2026 EBO count, Rahul.

Rahul Murarka: Q2 FY 2026, we have 508 EBOs.

Rishi Mody: and square feet would be how much for those 508 EBOs last year?

Rahul Murarka: It was same, 1.67 million.

Rishi Mody: How much sales typically come from EBOs? If I were to just put a multiplier to assess your sales per square feet now versus I know, what progress on that?

Rahul Murarka: 90%, I would say.

Rishi Mody: 90% comes from EBOs. Is this standard, or has it been coming down with e-commerce coming up? I am just trying to get that.

Vedant Modi: I would say that over the course of the last three years, it would have moved from maybe 92% to 90%, majorly on account of e-commerce.

Rishi Mody: Okay. All right. Got it. Thank you. That is it from my end. All the best, guys.

Vedant Modi: Thank you.

Moderator: The next question is from the line of Mr. Aashish from InvesQ. Please go ahead.

Aashish: Yes, thank you for the opportunity. Just wanted to check, I mean, this quarterly shift on the numbers is fine, but you mentioned that you're pretty confident that maybe we are done with the bad phase of the business, and maybe even beyond the next two quarters, we're looking at reasonably good growth. So, what are the underlying factors? I mean, what gives you that confidence? Is it to do with competition subsiding plus your own efforts on different parts of your bouquet of offerings? If you could just make us understand, on the ground, what has happened that makes you so confident for the next FY 2028 and beyond.

Vedant Modi: Of course, thank you for that question. I feel that, number one, from everything we are doing internally as a company, we've spoken a little bit on the marketing side. On the product side, we have been very aggressive with our new product launches and the width of product we're offering to our customers now.

So, all in all the metrics that we track, be it average basket size growth, we've seen it kicking in. ASP is something I've been mentioning, that we should have done better, ideally, in the last couple of financial years. I already see that growth coming back on an ASP side. Repeat consumers have been doing fantastically well for us in the last couple of days from a growth angle. So, I see every lever working in our favor.

The only thing that we need to do slightly better in is newer customers making more buys. If that part of the business is cracked, then we get back to a very good level of growth. With the kind of changes in marketing and in product, we are very confident that these changes will happen. At the same time, having visited multiple parts of India again recently, we are seeing a decent amount of consolidation from a competition angle as well.

While post our IPO competition would have six, seven exit number overall, now we see that in the last couple of months, net store openings have not happened, and people are in a lot of pain from a P&L perspective. Local and regional players don't have very deep pockets, and the kind of losses they are facing, I'm not sure how long it will sustain for.

Given all these factors, while competition consolidation will not give us any short-term benefits, I do think in the long term it will again help us bring back a lot more new customers. From a short-term angle, everything we're doing as a company, the efforts across the ground, I think will definitely help prop this growth back.

Aashish: Second, just wanted to understand. We used to be a wedding wear company, then we got into the regular wear, basically, not on the kurtas and stuff. Our address, that way we've tried to improve as such. So how is that going to help? I mean, is it bringing that additional delta to the

overall numbers? If you could share, how do you think about it? Because for long, Manyavar has been our go-to brand or strong brand, and remaining have to kind of get into the groove overall to help the company to deliver much better numbers. If you could help us understand that.

Vedant Modi: Yeah. I would say that as a company, we've not poured into regular wear at all. The new addition to the family has primarily been in the form of Diwas, and you could say in the form of Twamev. Twamev is the premier higher end of our company, which allows us to capture 20%- 30% extra addressable market. Diwas, on the other hand, is on the value side of festive kurtas, which would again increase our addressable market by 30%, 35%, because that market on the mass side is very large and a big volume play for us. Those things will definitely help us grow faster as we move into the future. Even in the past two years, while the base of these brands are low, they've been growing very well internally.

Aashish: Okay. But do you see that these would be making a mark, or will they still remain, I mean, WIP, which is a small portion of the entire basket?

Vedant Modi: Sir, the way I would put it is, Twamev is something we are extremely confident of that it is already on the path of becoming a big brand. Every KPI that we track internally is performing really well. The only thing which we need to accelerate on is store openings. This is something I've mentioned time and time again, is that Twamev requires 30 best stores in the top 30 markets of India.

If we could, we would open all those 21 remaining stores today itself. It's just that we're signing build-to-suit properties that are taking two years each time to open, and that task is taking a little bit of executional time. But I think Twamev is definitely on that growth path. Diwas has grown beautifully well.

I think it will easily cross the INR100 crores mark this year. From that point again, we will be able to scale it into becoming a very large brand online and on the MBO marketplace front. Again, I would say a one- to two-year journey for Diwas. This is how I would look at the newer brands, and I think given that the base is now increasing, and if we keep the kind of growth we've been able to maintain till now, it will show us very strong results.

Aashish: Sure. Thank you.

Moderator: Thank you.

Vedant Modi: Thank you very much.

Moderator: The next question is from the line of Mr. Sameer Gupta from IIFL Capital. Please go ahead, sir.

Sameer Gupta: Good afternoon, everyone, and thanks for taking my question. First question, so one of the initiatives that we have mentioned is increase in the number of designs and breadth to basically address the challenge of both footfalls and conversion. In the past, we have avoided this path,

given there is no concept of EOSS in this category and increasing risk of write-offs if we pursue a higher breadth of products.

So what has changed? Are we okay now to take this risk to address growth challenges, or fundamentally, we have done some changes in our systems that make us more confident to achieve success on this path?

Vedant Modi: Thank you for that question, Sameer. It is an interesting question. We did not make this change overnight. It took six, seven months. We designed our internal systems and processes in a way where, even though we have doubled, rather more than doubled, the number of designs we make over the last two and a half years, we still will not generate any more dead stock.

This was by improving the algorithms that the whole company runs on from an inventory replenishment point of view. This will allow us to improve our conversions, try out a lot wider range of products, but at the same time, dead stock levels will not increase, is how this whole project was managed.

Sameer Gupta: And you have changed the teams internally, or is it something analytically that you have worked with all the data that you had?

Vedant Modi: No, so it is the same teams when it comes to inventory replenishment. It is a very core central team of ours. And it is just the problem statement was changed, and hence a lot more SOP processes and newer algorithms were designed to help sustain this.

Sameer Gupta: Got it. That is helpful. Second question is on Mohey. So, if you could share some metrics here, how is it been growing? If you could share what is the number of EBOs, exclusive EBOs, in Mohey now? I think you mentioned during the call that you have added one this quarter, but what is the count overall, and what is the salience now of this brand?

Vedant Modi: So Mohey has been doing decently well. We had a strategic shift where we were a very focused bridal lehenga brand. We pivoted to starting to do a lot more things around it, like skirt- top lehengas, stitch suits that people around the bride now wear. And we have seen decent growth coming from this change in strategy.

At the same time, when I look at Mohey, it has become part of the Manyavar-Mohey ecosystem where majority of the newer stores that we open now carry Mohey in it. So Mohey, from that angle, has been growing pretty well from a footprint perspective, from a SSG perspective. So all in all, things have been in a decent way.

EBO perspective for Mohey, we now have six, seven stores of Mohey, and we are still trying to work on concepts where we make the model more economically sustainable before we actually start to really go aggressive on that model.

Sameer Gupta: Anything you can share on the salience now? I remember once it used to be around 14%. Where are we right now?

Vedant Modi: Apologies, are you talking about dead stock of Mohey?

Sameer Gupta: Revenue salience, as in how much is the contribution of Mohey?

Vedant Modi: It is just above double digits now. It just touched double digits, broadly.

Sameer Gupta: Okay. And area-wise, it will be higher than that, right?

Vedant Modi: Slightly higher than that.

Sameer Gupta: Okay. Last question, if I may squeeze in. So, and more of a bookkeeping one. So, same-store sales decline of 5.8%. If you could help us with a comparable number, and whichever way you would want to compare it, maybe growth till Shradh or taking into account Navratri this year, what would have been the growth? Something like that.

Vedant Modi: I think the easiest thing which I can leave you with is if we remove the last 10 days of Q2, then we were positive SSG.

Sameer Gupta: And something that you are happy with, as in positive, is a wide range, but—

Vedant Modi: Not at all. Like I mentioned before as well, right? For us as entrepreneurs, nothing below a high double digit can lead to happiness at an annual level, right? And there is absolutely a need to do better in everything that we do, and we are well aware of the fact. But the kind of efforts that are going in, we feel very confident that the results will start yielding from H2 and would further amplify as we move ahead into the future.

Sameer Gupta: I completely understand, Vedant, but I mean, even when you are at a 5%, suddenly you will not be doing double digits. So from that perspective, I was asking, right direction if you remove the 10 days from Q2.

Vedant Modi: Again, I have been purposely avoiding this. I do not want to be a person that talks about dates in detail or length. But just to give you one angle, right, like A.P. Telangana is a very big region for us. Q2 last year, there was a very big wedding date segment. This year, there are no wedding dates in Q2. Those things do impact our business. I do not want to talk about these smaller aspects. For me, the goal is to deliver a very good number for the whole financial year and more importantly, H2 for now.

Sameer Gupta: Got it, Vedant. Thanks. That is all from me. Wish everyone on the call a very happy Diwali.

Vedant Modi: Thank you very much.

Moderator: The next question is from the line of Mr. Rahul Agarwal from Ikigai Asset Manager. Please go ahead.

Rahul Agarwal: Okay, thank you. Vedant, just want to push on the same question. Next three quarters, I think we have almost 80 days of Hindu wedding calendar. I see there is a great chance for the company to deliver double-digit SSG growth over the next three quarters at least. Are you thinking on those lines? Is the company fully prepared for that? That's just the first question.

Vedant Modi: If we look at overall the next three quarters, I think the ambition is to definitely work towards achieving very good SSG. High single- digit to double- digit sort of a number is definitely what we aim to achieve. Everything that we're doing is geared up to try to achieve those numbers.

Rahul Agarwal: Okay. Get that. Secondly, you mentioned a pipeline you have created for store openings, but at the same time you said we should be mid-single- digit kind of area growth this year, next year, and then maybe high double- digit going into FY 2029. Just want to clarify, is this understanding correct?

Vedant Modi: Yes, I mentioned double- digit. I didn't mention high double digits, as we move into FY 2029. Yeah.

.

Rahul Agarwal: Got it. Just last, one question I had was, almost three years of hard work has gone into reshaping this company. Next phase, Manyavar 2.0, just help you out on what is your vision goal more like three, four years from now? Because as investors, just trying to figure out, and I understand shorter- term quarterly variations we keep on discussing in terms of, where is the company headed.

Just a bit more medium-term vision in terms of, if you could help us appreciate, what is your plan, where is the business headed, and we can actually monitor that over the next two years, whether we are going in the right direction in terms of the goal set. If you could just quantify certain things, whatever is possible, how should Manyavar look like, Vedant Fashions as a company, three years out, in terms of scale, size, which brands could be bigger, what is your goal? That will help us be aligned with what you are thinking internally. That is my last question.

Vedant Modi: Absolutely. Thank you so much for this question. Broadly speaking, the 10-year vision of the company is to own everything Indian wear. That is what we strive to achieve. That is the passion with which we work. From a slightly smaller- term perspective, if I talk the next four to five years, the clear goal is to own the men's celebration wear industry from a premium price point perspective, a mid-premium price point perspective, from a value perspective, to have a very deep control of the festive Indian menswear market as well, on top of that.

The newer brands that we have launched are already in path of achieving those numbers with amazing profitability metrics. I feel we have got into a phase where now the kind of growth, if we continue, this will really add a lot of value to the company overall. The second goal is from a Mohey perspective, where we operate in the mid-premium celebration wear women's industry.

There, we are under 1% of the market share right now, and we are still one of the largest players. The potential to grow from here on is very large, and the goal for us is to take another two to three quarters but figure out the kind of model that will give us the financial profitability for the future and then go really aggressive in that model.

That is going to bring in the next lever of growth for the company as we look at three to four years in advance. Hopefully by the end of these four years, have newer brands which could either be built in-house or acquired, looking at more areas in the Indian wear industry itself.

Rahul Agarwal: All right. Could you quantify, and we can have some numbers to follow and appreciate this path to growth?

Vedant Modi: Rahul , there's a big number in my mind, and I'm young, I'm 27, so the ambition I have for myself and for the company is very large. The kind of growth targets that we keep for ourselves, the bar is set high. Unfortunately, I think we don't want to share any guidance, and Rahul here from the other end is asking me to not speak up my mind, so I'll pass on mentioning a number.

Rahul Agarwal: Sure, get that. Thank you so much, and happy to do you and Rahul . Thank you.

Vedant Modi: Thank you very much.

Moderator: The next question is from the line of Mr. Yatin from ICICI Securities. Please go ahead.

Yatin: Hi, thank you for the opportunity. Just a couple of small questions. In the balance sheet, can see that other current assets have gone up from INR56 crores to INR256 crores. What is this?

Rahul Murarka: Basically, on September 30, we had redeemed from a mutual fund liquid. It is actually a bank balance only, because the funds we received in the bank account on October 1, that is why we have not included in the cash in bank, and rather we have the financial asset, for which we have included a note also in the results page in the last page.

Yatin: Oh, thank you. The other thing that I wanted to ask was: I remember in the last quarter, we spoke about a new leadership team for the MBO and the SIS channel, and mentioned that the dynamics over there are different from the rest of the business. Could you just share, like, what the progress is there? Because I think we have discontinued the disclosure regarding the SIS channel now. If you can just give us some sense.

Vedant Modi: Yes, absolutely. In the MBO business, after a long time, we actually achieved 100% of our budget for quarter two. So it is progressing really well. The kind of growth numbers we are looking at is on the high double-digit side. I think the way things have progressed; we will definitely look at achieving those numbers.

Further from that point on, look at doubling the business from a two-year point of view is the bare minimum we are looking at. The reason we are not reporting SIS anymore is also because we wanted to give the team flexibility. In some cases, the team feels we can do better business by not doing a SIS, but treating the same retail location as an MBO.

The idea was to give them as much flexibility and look at total business that they achieve rather than focusing on how they achieve it. That flexibility is also driving the numbers a lot better now.

Yatin: Got it. Makes sense. Also, I recall that sometime in the past you also mentioned that, I think you were conducting some research, and you had identified around seven, eight states where you want to reduce your presence. Could you also share an update on that, if there are any more learnings, and directionally, like what do you look to implement?

Vedant Modi: Sorry, I think you might be confusing that from another company. We have not mentioned anything around seven or eight states as such.

Yatin: All right. My final question is, the margin for this quarter is obviously lower. Is that also because like, ad spend have been pulled up in Q2 for festive season for Q3? Or is it just that the sales are lower and that's why there's operating deleverage?

Rahul Murarka: Broadly, it's a sort of operating deleverage, and this quarter represents a very small quarter from a full financial year prospect and revenue prospect. Once we look at the full financial year prospect, we are very confident that we will be able to deliver good, strong margins as we have done historically.

Yatin: Thank you so much.

Rahul Murarka: Thank you.

Moderator: The next question is from the line of Mr. Ritesh from Discover Capital. Please go ahead.

Ritesh: Hi. Just had a question. Look, I mean, I am slightly new to the company, but just looking historically, obviously, looking at your own success after the IPO, you had a lot of competition which has entered, and which has in turn impacted your growth and operating leverage. Just want to understand, in terms of, we can hear all of the interesting new steps which you have been taking to handle competition and become a little bit more optimal.

But just wanted to understand, is this competition, in your view, going to actually reduce? What sort of growth rate do we expect to go back to, and what is it giving us the confidence that we can achieve the guidance of high double- digit growth that we are looking for?

Vedant Modi: Thank you for your question. From a competition angle, our understanding is that men's celebration wear is probably one of the most difficult verticals of fashion to operate in. The dead stock pain in this industry is very real, and this is a pain that most retailers understand only after two to three years of operations.

The way we've seen the market evolve over the last three, four years, we feel a lot of the retailers now are facing that pain and challenge. Hence, the market might have 6x, 7x over the last three, four years, but has been flat and slowly starting to consolidate now. We definitely see that competition overall is starting to give off.

On the other hand, from a company's angle, like I've been mentioning throughout the call, we've taken drastic measures, be it team building, be it from a marketing point of view or a product point of view. We've been trying to do as much as we can to further improve ourselves, further elevate ourselves.

Actually, I think we are at the forefront of AI for any fashion company in India, where we have deployed multiple agents across multiple departments, taking care of a lot of our functions now internally. There's a lot of progress that we're making internally, and as we move into the future, we feel these will help fuel our growth.

The major challenge right now that we face is to grow from a new customer build point of view, and we feel with the efforts we are taking, consolidating competition, and hopefully the Indian economy doing even better from here, will gear us up for the incredible growth that the company can do and has the potential to do in the future.

Ritesh: Got it. Just to understand, is the competition consolidating in terms of, are you seeing a lot of stores in specific areas actually like closing down?

Vedant Modi: Yes. So at least from our internal data, our teams capture this data every single month and quarter. Our internal data shows a little bit of consolidation from a quarter-on-quarter perspective for the last two quarters now.

Ritesh: Got it. Even adjusting for looks, even if we look at how the festive season has gone now, if we compare it to the festive season, not the exact same period last year, because obviously some amount is what differed, how is that growth looking like?

Vedant Modi: Apology, are you asking about competition or our internal

Ritesh: No, no. I am saying from our angle, effectively, are we seeing a higher just wanted to understand how to compare like-to-like growth that you are seeing now in this existing quarter, given the festive season is on right now, compared to, let us say, the festive season actually last year, which was in Q2. Are we seeing this high double-digit growth?

Vedant Modi: That is a good question. Overall, when we look at H2, it is something we are very confident about, of delivering good growth. Talking about the scenario right now, the way we look at data internally is we compare Diwali minus 30 days to Diwali minus 30 days, and we see a lot of green shoots from that period. The goal of the company is to do very good results overall in H2 as we move forward.

Ritesh: Okay. All right. Thanks. That is all. Thanks.

Vedant Modi: Thank you.

Moderator: The next question is from the line of Mr. Rishi Mody from Mody Advisory. Please go ahead.

Rishi Mody: Yeah. Hi, thank you for giving me the opportunity to ask questions again. Vedant, you mentioned that M&A is a possibility. Just wanted to understand what type of an M&A would we be more open to. Is there a pecking order, Mebaz-type turnaround, or any gaps in the portfolio that you want to fill up?

Secondly, how are we doing this process? Do we have a separate team internally who constantly assesses M&A, or are we relying on external consultants to bring us the deals and work with us for the future integration? Just how prepared are we on this, given you're seeing stress in the industry and opportunities could pop up?

Vedant Modi: Yeah. So thank you for that question. Again, right now, there is nothing active in the pipeline. However, given that we're a cash-rich company, and fundamentally, our biggest moat is we can

reduce dead stock in any company that we acquire, potentially. That gives us a very big synergy from a long-term angle.

Majorly, we work with external partners as of today to help look at opportunities, but we are also planning to build our own team to further evaluate assets in the market more closely. From the kind of companies we look at, I would say, given that we've not done this a lot, it's a very difficult question for me to answer. I would say we are open to opportunities in the Indian wear segment, is how we look at it.

Rishi Mody: Okay. All right. Fine. Thank you. That's it from my end.

Vedant Modi: Thank you.

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

Vedant Modi: Thank you, everyone. It is always a pleasure interacting with you. We have been really looking forward to seeing what all the efforts by the company and the kind of results it can bring us in H2. Wishing you all a happy Diwali, and thank you very much for attending the call.

Moderator: Thank you, sir. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your line.