



BRAND CONCEPTS LIMITED

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Date:- 10th November,2025

To,
National Stock Exchange of India Limited
Listing & Compliance Department
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai - 400051

To,
BSE Limited
Listing & Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Symbol: BCONCEPTS

Scrip Code: 543442

Subject: Transcript of Investor Call held on 07th November,2025

Dear Sir/Madam,

Pursuant to Regulation 30 of the Listing Regulations, copy of transcript of the Investor call held on Friday, 07th November,2025 at 02:00 P.M. (Indian Standard Time) to discuss Company's performance for the Q2 & H1 on ended 30th September,2025 for the FY26 is enclosed.

The aforesaid information is being uploaded on the Company's website at www.brandconcepts.in.

We request you to kindly take the above information in your records.

**Thanking You,
Yours faithfully
For Brand Concepts Limited,**

**Swati Gupta
Company Secretary & Compliance Officer
Mem No. A33016**



BRAND CONCEPTS LIMITED

Q2 & H1 FY26

POST EARNINGS CONFERENCE CALL

November 7, 2025

Management Team

Mr. Abhinav Kumar - Whole Time Director and CEO
Mr Kalyan Maheshwari - President, Accounts & Finance
Mr. Manish Peshwani - VP, Commercial

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q2 and H1 FY 2026 Post Earnings Conference Call of Brand Concepts Limited. Today on the call from the management team, we have with us Mr. Abhinav Kumar, CEO; Mr. Kalyan Maheshwari, President, Accounts and Finance; and Mr. Manish Peshwani, Vice President, Commercial.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risks and uncertainties. Also, a reminder that this call is being recorded. I would now request the management to brief us about the business and performance highlights for the period ended September 2025, the growth plan and vision for the coming years, post which we will open the floor for Q&A. Over to you, Abhinav.

Abhinav Kumar:

A very good afternoon, everyone. This is Abhinav this side, and thank you for joining our call today. I think this time, we've given a summary of our performance highlights, and I'm sure everybody would have gone through it. But just to recap, so we're very, very happy to announce the highest ever top line and EBITDA in terms of our performance in this quarter. The revenue is up 26% year-on-year, and the EBITDA is up 33%. From the preceding quarter, I think we are plus 33% in terms of the revenue growth.

We've seen a good growth happening all across our channels. The good part is that it has been fuelled by all the channels. However, particularly mentioning our e-commerce marketplace operations, which I've always talked about that we focus a lot on the marketplace because it gives us a better sort of handle. That business has surged by 63%, while the overall e-commerce is at 23% growth. Large format also in this quarter has delivered a very good growth. It is also fuelled by a lot of business development activities and point-of-sales expansion in large formats.

Our margins, I think are pretty much intact. In fact, they don't fully reflect the strong sales growth and gross intake margin expansion as we continue to invest in future growth and capacity building. However, we still have delivered the challenge is when you go for a high growth, you generally tend to compromise on certain margins. But I think I would give a lot of credit to the entire team that we've been able to grow while not letting go of our margins. So we've sort of kept our margins intact. And hence, it is quite evident in the EBITDA figures.

I've been saying for a company of our size, we've made a sizable investment in CapEx in totality, you see we've made almost a INR 35 crore investment in the hard luggage as well as in the new warehouse facility. Both the investments are Phase 1. So we will continue to invest going forward as well. So this obviously will have its effect on higher depreciation and interest costs in the initial few quarters. But however, I'm very, very confident that in the future, we'll see the true benefit of all these investments.

We continue to expand in retail. We've opened five new Bagline stores this quarter. And all the locations that we've opened in Aerocity, Delhi, Oberoi Mall, Bombay, Mumbai Airport, Bangalore Airport, all these are very premium retail zones. So we are solidifying our position in all the premium retail places. Obviously, internally, though if I compare Aeropostale from last year to this year, we've grown pretty well. However, we had higher expectations from the brand, but it's still not opening up to its true potential. And we believe that in the times to come, we should be able to capitalise on that brand as well.

External challenges, we tracked and we realised that in the past few years in our segment alone, more than INR 600 crores of capital infusion has happened. And hence, there are new age companies, there are legacy companies. Legacy companies obviously are obviously well leveraged, sitting on huge cash piles. The new age companies with a lot of fund infusion and raising of capital, they are also flushed with funds. And we continuously see that they continue to burn aggressively, driving up talent costs, driving up EBO rentals and all of that. So we continue to see that challenge.

However, we have our own strategies to overcome those challenges. And of course, investing into our own manufacturing is a step forward towards that strategy. You will see increased borrowing also. Obviously, it is towards funding of higher working capital requirements and the CapEx towards the hard luggage plant and stores and warehouse and all of that. In terms of business development, we stay focused on our strategy as a multi-brand licensing company.

Our focus is on brand-wise positioning to maximise portfolio strength. We are segmenting the brands under various price proposition. So we want to get into the value segment also now. And the value segment would be aided through our own manufacturing setup. I'm very, very bullish. I'm very hopeful that, that leverage also will start out to play in the years to come. While keeping our premium positioning intact, Tommy Hilfiger continues to show a very robust growth.

Benetton has further grown this year. And we've solidified our position further by taking on Superdry, which we announced very recently. So Superdry is going to announce our position in the Premium segment. It's a very prestigious partnership for Reliance as well as for us. For us also, it's the first brand that we're doing with Reliance. And I think for Reliance also, I think we are one of their first licensees that they have signed. So as a partnership, both of us are very, very confident and looking forward to doing some meaningful business together.

Yeah, with that, I conclude my -- this thing, and I'd like to open the house for the Q&A.

Question-and-Answer Session

Moderator: Sure. Thanks, Abhinav. Rajiv, you can end the slide. All those who wish to ask a question may use the option of raise hand. In case you're unable to raise hand, you can put your question on the chat box and we'll invite you to ask the question.

Abhinav Kumar: For a change today, there are no questions.

Vinay Pandit: So until the question queue assembles, Abhinav, can you throw a bit of light on what steps or actions did you take that saw us seeing such a huge improvement in the turnover growth. And in spite of that, you were able to maintain your margins. If you can throw some light on that thought process while people assemble for the queue.

Abhinav Kumar: Right. So essentially, from June itself, we have started changing our stance. So wherever price corrections were also required, we did that. And I had hoped that -- so till about last year, we were also holding on to a lot of new product launches, Vinay, because most of the products were, again, in the Premium segment and taking the pricing higher. And while we were looking at that the market is going the other way around, we sort of held on to our new launches as well. So post June, we sort of decided to move ahead with certain newer models with price corrections.

But at the same time, we had the product pipeline ready. We started launching the new products as well. And actually, much to our surprise, we saw that the two best-selling products that we had, one was our top-of-the-line product. That was also a best seller and our entry price point, that was also a best seller. So gave us a lot of confidence of launching more products. So I think we've seen a lot of product launches in various brands this year, this quarter. Tommy alone, we've launched almost four to five new styles in the past three to four months.

So I think all of that, plus a renewed focus towards e-commerce, our e-commerce portfolio is strengthening. Our operations are strengthening. So I think all of this put together has helped us. In terms of marketing, we've invested a lot in marketing. We continue to invest. So all of this put together, I think has resulted into this kind of work.

Moderater: Sure. We'll take the first question from Ishpreet. Ishpreet, you can go ahead.

Ishpreet Kaur: Hi, Abhinav.

Abhinav Kumar: Hi, Ishpreet.

Ishpreet Kaur: So good comeback on the P&L side, but yes, a little bit of disappointment on the balance sheet end. So just trying to understand, so the new changes like you just mentioned that you've done for the brands to do well, does this mean that this inventory and receivable is a sustainable one? Or do you think it's a short-term thing and it should come back to normal?

Abhinav Kumar: No, I think working capital as we keep on expanding in the newer brands, it would take a toll on the working capital for some time. And I have mentioned this in the past also that hence, our working capital requirements will continue to grow for a certain amount of time. Once the brands start stabilising, that's when you will start seeing these numbers.

Ishpreet Kaur: Okay. So it's nothing related to maybe the slight sales mix or something?

Abhinav Kumar: No, no. It's not particularly related to sales mix change or anything of that sort. So the new brands, as I said, once you expand this, you will have stock, you'll have all of that.

Ishpreet Kaur: Right and generally, it takes a year for the brands to settle and start performing and showing.

Abhinav Kumar: I would say about three seasons. One season is about six months.

Ishpreet Kaur: Right, three seasons...

Abhinav Kumar: I would say three seasons and you'll start seeing things look bright.

Ishpreet Kaur: Right. And are there plans to add any more new segments or new brands?

Abhinav Kumar: No. Right now, I would say that we are pretty much sorted now. Juicy Couture, as I mentioned earlier also, Juicy Couture, we are looking at amending our agreement. And hopefully, we should be able to do that as -- we should be able to make an announcement soon. Where we are adding probably more categories because we invest so much into the brand of the mother category as well. So that's something which is ongoing. But in the lieu of that, what we'll also do is today, our terms are of 15 years, which is a 10 plus 5. And hopefully, now the term would be a 20 years. So it will be a 10 plus 10 year renewal. It will increase our tenure.

So apart from that, right now, I don't see any major addition of brand today because we're pretty sorted. I would want to now first consolidate and grow these brands. But yes, if there is an opportunity which is like a no-brainer, then probably we might consider. But at the moment, our outlook is that we don't want to increase more brands.

Ishpreet Kaur: And Juicy Couture, if I see like I have visited a few stores here and there while traveling or in Mumbai itself. So some of the stores don't have the Juicy Couture. In Mumbai also, I saw one or two stores, right? So is it like a stage-wise thing and maybe it will be restricted to a few places only, Juicy Couture?

Abhinav Kumar: You're talking about Bagline stores, Ishpreet?

Ishpreet Kaur: Yeah, Bagline stores.

Abhinav Kumar: Yes. See, Bagline stores currently, as I mentioned earlier also, we have a limitation of size, right?

Ishpreet Kaur: Correct.

Abhinav Kumar: So currently, Juicy Couture is available across, I think, 17 or 18 stores of Bagline. No 20 around 20 stores of Bagline. So we've not been able to launch it across all the Bagline stores. So yes, you're right that it is a phase-wise approach. We also look at it from the point of view that if it is a city where the higher ASPs are doing well, that's where Juicy Couture fits in better.

Ishpreet Kaur: Okay. And if you could also maybe mention how much of sales would it be now, Juicy Couture? Is it a meaningful number?

Abhinav Kumar: So I would say in the H1, we've done INR 5 crore sales in Juicy. Which if you ask me, given that we launched only in April, I think it's a very good figure.

Ishpreet Kaur: Right. And sorry about the earlier discussion we had on the working capital. So these levels of working capital should stay another 12 months to 18 months till the brand picks up in sales?

Abhinav Kumar: Yeah, about at least two to three quarters at least.

Ishpreet Kaur: Sure, great. Thank you so much. I may come back into queue.

Moderator: Thank you, Ishpreet. We'll take next question from Yashowardhan. Yashowardhan, you may go ahead and ask the question.

Yashowardhan: Yeah, hi, Abhinav ji, am I audible?

Abhinav Kumar: Yes, yes. Hi, Yashowardhan.

Yashowardhan: Yeah, hi, Abhinav ji, how are you doing?

Abhinav Kumar: Good, good, good, Yashowardhan.

Yashowardhan: Okay. So it was very heartening to see the growth coming back after so long. So congratulations on that part. And we all know that the industry has been quite competitive. And even when the last time we interacted, you mentioned on that, that we have reduced our prices. I think that would be one of the reasons why the growth has come back. Is that assumption correct? Or how is the industry scenario in terms of, let's say, demand and then competition, if you could touch on that?

Abhinav Kumar: See, as I mentioned, Yashowardhan, that, yes, we have corrected our pricing as well. But at the same time, I was mentioning that in our bestsellers list, the exit as well as the entry, both were best sellers, right? So that's what -- for us, at least we've seen traction happening on both the ends. However, yes, pricing has also been one of the factors where the growth has come from.

Yashowardhan: Okay. Okay. And in terms of competition or the pricing from the competitors as well, since one of the industry leaders have been acquired, so I think they might be keen on making profitability better, right? So are we seeing prices in industry getting increased or to the base level as to what they were before? Or is the new pricing the new norm, normal?

- Abhinav Kumar:** I don't believe this pricing to be the new norm, Yashowardhan because today, I think the large players are also not coming back on the pricing. So I understand one of the competitors has been bought on, but balance two competitors, the legacy players are still very much in business. And I haven't seen price -- yes, there has been minor price corrections here and there, but the pricing has not come back to what it was two years back. So those pricing levels, I don't think they're coming back.
- Yashowardhan:** Okay. Got it. And so GST has been reduced, right? So are we seeing any benefit of that in terms of demand revival or increase in our pricing power? Any comments on that?
- Abhinav Kumar:** In our category, the GST remains the same, Yashowardhan. So we were earlier also at all our categories were at 18%, and we continue to be at 18%.
- Yashowardhan:** Okay. Got it.
- Abhinav Kumar:** But yes, the GST impact overall on retail has been very positive. So from a retail sentiment perspective, yes, GST has left more money in the pocket of the common man.
- Yashowardhan:** Okay. And if you could share an industry number that what will be the volume growth because even though the pricing has been corrected, but there must be volume growth, right? So any number that we must be tracking? And what would be that number for us as well?
- Abhinav Kumar:** Yes. So see, in terms of volume growth, so before that also, I would like to actually mention that the results that you see are obviously consolidated figures, which include our retail as well as the manufacturing division, right? And if I look at the retail alone, I think from a growth perspective, we've done much better in growth. So if I talk about retail alone, our retail division, we've grown by 33% year-on-year. From last quarter to this quarter, there is a 33% growth. And if I look at H1, our overall growth is at 15%. So from that perspective, from a retail perspective, yes, our growth has been good.
- The volume growth over here would be, it depends on category to category, but I would say that it will remain in a similar percentage, probably in certain categories, it might be a couple of percentage points higher where you've had some price corrections. And in certain categories where the pricing has been flattish, it will remain that. So I would still say that our value growth is sort of corresponding to the volume growth.

Yashowardhan: Okay. Got it. And in terms of overall portfolio, if I looked at, I think overall in the industry, the growth is coming from the lower price and it is the place where the competition has been there. And if I look at our portfolio, we do have Tommy, which is the major brand for us.

But apart from that, the new brands that we have signed as well are probably in the same tier, a few notches above. So what is our strategy? And if I'm looking at the consumer behaviour, I doubt whether they do have a, let's say, aspire or loyalty towards the brand, right? So still pricing is one of the factors which is moving the sales. And in that kind of market, we are launching the brands which are actually more expensive than what we have currently. So some colour on the strategy and how do we look at this?

Abhinav Kumar: See, as I mentioned earlier, we are a multi-brand portfolio company. So with Aeropostale, with UCB and of course, our own brand Vertical, that's where we want to play the value and the mass sort of segment, which is mass and mass premium. That segment is what we want to play. We've still not been able to make any dent in the mass segment, right? So if I talk about, for example, you said the growth is coming from the lower segment. Now if I quote my figures, Tommy Hilfiger for the quarter we've seen a 39% growth. This, again, I'm talking only retail numbers, right? I'm not talking about the consolidated figure.

So if I talk about the retail figure, we've grown by 39%. UCB has grown by 30%, whereas Aeropostale, we've actually seen a dip during this quarter. And that's the reason I mentioned in our internal challenges that while H1 Aeropostale is still there is a growth, but the overall figure is way too small. Even in H1, if I look at -- even if you don't consider this quarter, if we look at overall H1, Tommy still has grown at more than 15%, right? And Benetton has grown by almost 6%.

So if you see premium also continues to grow. I'm not saying that while there is competition, while there is this thing, but with the rising aspirational income and everything, I think it will be wrong to say that premium today is not growing or can't grow. Yes, the growth at the mass segment is higher. We have not been able to capitalise on that, which we are trust me when I say that we are very, very focused, and we are trying to capitalise on that. So hopefully, you will start seeing those results also in the next couple of quarters. We have our strategies in place. Let's see. I'm very hopeful that we'll be able to make a dent over there as well.

Yashowardhan: Okay. And coming on to the Slide No.6 of the presentation, where you have mentioned the internal challenges. It is mentioned that signing

with a large e-commerce group, there was some let's say, impact or the anticipation of spillover impact has to be fully materialised. Can you please elaborate on that? What is that? And what are the arrangement with which site are we not currently present on? Or what are we anticipating?

Abhinav Kumar: You're saying internal challenges, is it?

Yashowardhan: True.

Abhinav Kumar: While the signing with a large e-commerce group for overall brand, this one is what you're talking about, right, this point?

Yashowardhan: Correct.

Abhinav Kumar: So essentially, as I said, Aeropostale was a bet for us. And that bet was also coupled from the fact that Aeropostale is signed with Myntra, for the mother brand. And hence we were very, very hopeful because we are very close partners with Myntra. So we were very hopeful that once the mother brand is signed with a close partner of ours and it's a large e-commerce group, they're going to take for the overall brand, I think it's going to be a good, and we benefit from that. So you always have to understand in licensing, we are the licensee category, right? We are not the mother category.

So we get a lot of rub off from the mother category. So if the mother brand is doing very well, if the mother category is doing very well, we naturally get benefited out of that, right? So now with a giant like Flipkart, Myntra signing Aeropostale, we were very hopeful that we will also get benefited. We've not been able to capitalise on that. However, as I said, we are in process. And hopefully, in the next couple of quarters, we should be able to work this out.

Yashowardhan: Okay. I do have few questions, but I will come back in queue.

Abhinav Kumar: Sure.

Yashowardhan: Thank you.

Moderator: Thank you. We'll take the next question from the chat from Ashwini Agarwal. Just wanted to know how do you see Superdry and Off-White as a brand, like you used to categorise brand as major and minor brands. Also, you had said earlier about brands positioning like Juicy Couture fit perfectly for premium women handbags category. So in this positioning terms, how do you see Off-White and Superdry?

Abhinav Kumar:

Okay. So Off-White is luxury, it's pure-play luxury play. So if I have to categorise it in terms of major brand and investment, I would say that it's not a major brand from a turnover perspective. From a prestige perspective, from all the other perspectives, obviously, Off-White opens a lot of doors for us, internationally as well as domestically. From a turnover perspective, it's a luxury brand. I don't foresee that in the next five years, it can be a INR 300 crore or 500 crores retail brand. So from that perspective, it'll have its restricted this thing. In totality, we have plans of four to five stores.

So it's a niche category, niche experiment. But strategically, I think it is a very, very important brand for us, extremely important brand. And I think in the years to come, I think everybody will start understanding the strategic relevance of having such kind of a brand in your portfolio. With Superdry, I think it's in that premium pricing proposition. And I think it's a beautiful brand. I love the brand. The design philosophy of the brand, it caters to a much younger audience. So in a way, it's very different from Tommy Hilfiger. Tommy Hilfiger is a little more elevated, a little more classic in terms of its designing, whereas Superdry is a very young sort of design sensibility.

And considering India as a very young country overall, I think it's going to be, and it is one of the largest brands in Reliance's portfolio. So they're also showing confidence in giving us their single largest brand as a licensing partner, I think it speaks volumes for whatever credibility that we've been able to create for us. So we're very, very humbled. We're very excited about this brand. And this, I definitely see a heavyweight brand in our portfolio.

Moderator:

Thank you. We'll take the next question from Samyak Shah. Samyak you can unmute yourself.

Samyak Shah:

Hi. Thanks for the opportunity. So my first question would be what would be the like-for-like growth in this quarter?

Abhinav Kumar:

This quarter, like-to-like growth, actually, we compare only and only in EBO and large format where we have a direct control and access on. So over there also, if you'll see, we've grown in Small Leather Goods and Travel Gear put together, if I see, I think we've grown by almost 6.5% in like-to-like.

Overall retail sales, if you look at, and this I'm not talking only quarter, this I'm talking H1. It's a little distinct to calculate a quarter because of different periods. So our quarter starts from a particular date to a

particular date. Generally, in retail, we don't necessarily look at from that perspective because Diwali has shifted either or later this year. So, to check whether Durga Puja and Diwali fell on the same dates or different ones compared to last year, we can look at that period for comparison.. Otherwise, it is always healthy to look at a longer, at least H1, right? So H1 if we see, we've grown by 6.5% like-to-like, whereas my overall growth for H1 is an 18% in these channels.

Samyak Shah: Okay. Thanks. And the next question would be what would be the split between trolleys and handbags? If you can just give me some numbers just to get a sense of how the segments have performed. And also how do we see both of these categories moving forward?

Abhinav Kumar: So for the quarter, if I see, Travel Gear is approximately 54% of our overall thing in which only the luggage, if I talk about, which is trolley is about 35% of our overall sales. Small Leather Goods continue to contribute to about 42% and the balance is women handbags.

Samyak Shah: Okay. Thanks.

Moderator: Thank you. We'll take the next question from Runit Kapoor. Ronit, you can go ahead.

Abhinav Kumar: Hi, Runit.

Runit Kapoor: Hi. Congratulations on the strong revenue growth.

Abhinav Kumar: Thank you.

Runit Kapoor: So I have a few questions. One of your associate company, I noticed, 7E Wellness is not being consolidated due to cumulative loss. So can you just specify what business is there in that associate?

Abhinav Kumar: So 7E Wellness is a joint venture with a U.S. firm by the name 7E Wellness. And it's into the beauty segment. We deal in a technology-based facial equipment. So it's a microcurrent facial this thing, which we've launched in India. So where the JV partner is, the U.S. company is at 51%, and we are at 49% at present. Now that company also, I would in fact, very, very actually happy and proud that we've been at it for quite some time. It's a different team. It's a different setup, and that team also has been working very, very hard. And very recently, now we are starting to see the results even in that company.

So we have actually partnered with one of the most prestigious salons in the country with our machine and the entire facial this thing. So it

helps in basically anti-aging. It's a non-invasive anti-aging treatment, which I personally foresee that it has a great potential in India.

Runit Kapoor: So in terms of like revenue like currently generating, I think, very miniscule revenue, right?

Abhinav Kumar: Yeah, very miniscule revenue. We are probably at a run rate of about INR 10 lakhs, INR 15 lakhs a month.

Runit Kapoor: Okay. And one more thing was you have a related party entity, I think Industrial Fabrics where you're supplying some annual rent or some rent and power expenses, which is close to INR 1 crore a year. Could you just specify the nature of the transaction like it's some office rent or like what?

Abhinav Kumar: Overseas or...

Manish Peshwani: This is merged with the [indiscernible].

Runit Kapoor: No, no, not that one. Industrial Filters and Fabrics.

Abhinav Kumar: Yeah. So yeah, Industrial Filters is related another entity. Now the building where IFF Overseas essentially runs or the manufacturing runs, that office building belongs to another entity. And hence, there is a rental being given to that entity.

Runit Kapoor: Okay. And one more thing was any, now so like even IFF Overseas is merged, which is into soft manufacturing. So any plans to move into luxury handbag manufacturing like for contract manufacturing?

Abhinav Kumar: Very good question actually. I personally foresee a huge potential, a huge upside through handbag manufacturing. But sooner or later, I will get into it, not today, not today. We'll wait, but I want to get into it.

Runit Kapoor: Not in a next couple of years or such like?

Abhinav Kumar: Yes, probably two years down the line, one and a half, two years down the line. Right now, we've already made a lot of investments. Now, I think it's important that now we have few. We have a lot of buckets which we can tick on. We have a path which is already set. So I want to first achieve that, get to that level and then look at further opportunity areas. And in those opportunity areas, handbag manufacturing, I think is a very, very key item for us.

- Runit Kapoor: Okay. And last question is, could you specify like what was the revenue and EBITDA margin are you expecting for the year?
- Abhinav Kumar:** I think it will be wrong to exactly say that, but I would still say that, yes, internally, we are targeting for at least 20% sort of a growth in terms of revenue for the entire year.
- Runit Kapoor: And margin would be like 11% plus or like this current quarter levels or they should improve the level?
- Abhinav Kumar:** **As I said earlier,** I have delivered more than 11%, delivered 12%. I would say that I will remain in 10% to 11%.
- Runit Kapoor: And lastly, when would the deleveraging exercise begin? Like any more debt you plan to take on or like you reached the peak debt?
- Abhinav Kumar:** Yeah. No, further debt expansion, I don't think we are right now looking at it. Further, if we would need, we will probably need more working capital. And if we need, now we'll be funded through a capital raise or equity whenever it is required.
- Runit Kapoor: Okay. And I think lastly, preferential allotment was done in October. So could you specify what is the reason for that, like for deleveraging or for growth?
- Abhinav Kumar:** No, essentially it was warrants which were issued to the promoter category. It is also to raise funds internally. And so it was done for INR 20 crores. And again, the reason for that is to improve our leverage on the working capital.
- Runit Kapoor: Okay. Thank you. That's it from my side. All the best for the future.
- Abhinav Kumar:** Fine. Thank you.
- Moderator:** Thank you. We take the follow-up question from Samyak Shah. Samyak you can go ahead.
- Samyak Shah: Thanks for the opportunity again. I wanted to know the split between value and volume growth for the quarter?
- Abhinav Kumar:** Manish, can you give me the volume growth for the quarter?
- Manish Peshwani:** 49%.
- Abhinav Kumar:** This is retail, right?

Manish Peshwani: Yes.

Abhinav Kumar: So the volume growth is about 49% for the quarter, whereas the value growth is about 33% for the quarter.

Manish Peshwani: Category mix.

Abhinav Kumar: And that's owing to the category mix also.

Samyak Shah: I'm sorry, this is for the entire company level, right?

Abhinav Kumar: Primarily retail level because see, out of the INR 97-odd crores that we posted, there is a INR 3.5 crores of the manufacturing division, which is IFF Overseas, which is now merged. And that INR 3.5 crores is outside of Brand Concepts. So the other brands that we do manufacturing for that has added a INR 3.5 crores of top line. So all the analysis that we do like-to-like, growth, degrowth, all of that, we do on our retail division. So I'm talking about a INR 94 crore base on which I'm talking about.

So last quarter, Brand Concepts retail division, we did INR 70 crores. This quarter, retail division, we've done INR 94 crores, so from INR 70 crores to INR 94 crores. This 33% growth I'm giving you the mix of volume and value for this INR 94 crores.

Samyak Shah: Okay. And secondly, on the INR 35 crore CapEx that we are doing at Trolley's, are we on track as per the timeline that we have given?

Abhinav Kumar: I think we are ahead of schedule over there, Samyak. I'm very happy to share that we are ahead of schedule. We've already started reaching 20,000-plus units a month, whereas I had mentioned that the optimum capacity would be about 25,000, which we will take at least 10 to 12 months to reach there. And we commenced operations in July. And last month, we crossed 20,000 pieces of production.

Samyak Shah: Okay. That's great. Thanks.

Moderator: Thank you. We'll take another follow-up question from Yashowardhan. Yashowardhan, please go ahead.

Yashowardhan: Yeah, hi. Thanks for the opportunity again. Since we are having so many brands, I just wanted to know that what would be a dead stock? We must be tracking that number, right?

- Abhinav Kumar:** Yeah. But we don't have any dead stock, dead stock Yashowardhan. It's a constant process where if there is an old season merchandise with discount and when we sell it in different channels. And then there are certain defects and all of that, which come or customer usage pieces, which come back to us if that's a dead inventory. But generally, those are all at a very, very acceptable levels, less than 1% of our sales. And it's a constant journey. So that way, there is no dead stock line in our...
- Yashowardhan:** Okay. The rationale for asking that question was to know that our capital is not getting stuck in that. So that's pretty much clear. And, sir, in terms of seasonality, Q3 is the best quarter for us, right?
- Abhinav Kumar:** Not necessarily. Again, it depends. As I said, Q2 and Q3, it also depends on Diwali. So for example, Durga Puja, Diwali this year, both of them were in Q2. Otherwise, generally supply happened in Q2. Retail is now happening in Q3, you're right. Yes. So from a retail perspective, yes, Q3 is one of the best quarters.
- Yashowardhan:** Okay. And sir, do we track the number that from what part of -- so let's say, geography-wise sales that probably north or west would be, let's say, the best performing market for us in terms of growth, we must be targeting the new geographies. Do we track that? And if yes, what would be the number? And how are we trying to grow? What will be our strategy, the next leg of growth for us?
- Abhinav Kumar:** In fact, for us, North has been a little subdued because of the overall Punjab region. So both Q1 and Q2 Punjab region has been a little disturbed initially with the war and everything that happened, that had an effect, then the whole Canada and that situation, which happened. So Punjab continues to be a little subdued. Rest, I would say that our mix is overall pretty heavy. And right from rest, which has shown very, very good growth. So including West, North. South is rising. However, I would still say that we are very, very underpenetrated yet in South. So we're focusing a lot on South. But yeah, overall, we have a very healthy mix.
- Yashowardhan:** Okay. Got it. So what is the strategy in terms of opening the stores? Because earlier as well, you had mentioned that we must be opening some stores for JC exclusive and for Tommy as well. And since we are having so many brands now, the stores that we must be adding even in Bagline, those stores must be bigger than what they used to be in order to incorporate all the brands?
- Abhinav Kumar:** Yeah, we experimented with a bigger format of store and a new identity in Raipur. And that's almost a 1,000 to 1,200 square feet kind of a store,

whereas earlier we used to open 300, 400, 500 square feet of stores. So now we're looking at 1,000-plus kind of a size so that we are able to incorporate more brands over there. From a store opening perspective, I think we are focused more on malls. And from a geographical point of view, if you ask me, our focus would be right now to penetrate deeper into the Tier 1. We still have very few stores over there.

Like, for example, I would believe that the entire Delhi-NCR region can take at least five to six more stores. We can open at least five to eight stores over there. Bombay alone, we could open these cities are so big and so vast that I think another three, four stores in Bombay would can easily be accommodated. So the focus is on the Tier 1 penetration, penetrating more, even increasing the density of stores over there. And then at the same time, if there is a new premium mall coming up in a Tier 2, Tier 3 city, we would love to be a part of that destination mall.

Yashowardhan: Got it. And what would be the mix of COCO and FOFO stores?

Abhinav Kumar: Currently, it's almost 50-50, 50% are COCO and 50% is going to be FOFO.

Yashowardhan: Okay. And last question from my side would be, after all these initiatives that we are taking, what is the growth that we are envisaging for next few years?

Abhinav Kumar: There I would say that internally, we would be eyeing at anywhere between a 20% to 25% CAGR over the next three years.

Yashowardhan: Okay. Got it. Thank you so much and best wishes.

Abhinav Kumar: Thanks.

Moderator: Thank you. Any participants who wish to ask a question may use the option of raise hand.

Moderator: Hi, there's one follow-up question from Ashwini Agarwal in the chat. The focus right now will be on stabilising and scaling the newly acquired brands? Or are we still actively looking to get more brands on board?

Abhinav Kumar: I think I already answered this. The focus is going to be scaling and stabilising the brands which we already have taken.

Moderator: Since there are no further questions, Abhinav, would you like to give any closing comments?

Abhinav Kumar: No, I think we've covered everything pretty much. And I think, Vinay, the summary slide has really sort of helped, where we've tried to answer most of the queries in our summary performance highlights itself. And this is something that we will try and continue to do going forward also in our results, where as a company, we live by the standard of transparency in everything. And hence, all of this is a step forward towards that where we make all our investors aware about what exactly the company is doing.

So just signing off by saying that I think we've changed our orbit from now on. And hopefully, we continue this going forward. We have a lot of levers which we can work upon. We are working upon. No one is perfect and where there's a scope of improvement, that's exactly where the real joy lies. I think is always there. So I believe that we have a lot of levers. So if the markets become supportive, we'll grow more than our peers, even if the markets are not very supportive, I think we still have a lot of levers on which we are working where we should be able to continue a robust growth. So the focus is now on putting the pedal on this growth. And hopefully, with everybody's support and with my team's hard work, we should be able to deliver.

Vinay Pandit: Right, Abhinav. Thanks a lot, and thanks to all the participants for joining on this call. This brings us to end of today's conference call. Thank you.

Abhinav Kumar: Thank you everyone for joining.