

Date: February 17, 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

Dear Sir/Madam,

Ref: BSE Scrip Code: 533941 and NSE Symbol: THOMASCOTT

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Conference call held on Monday, 16th February, 2026.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Transcript of Q3 FY2026 Earnings Conference Call for the Un-Audited Financial Results for the quarter and Nine Months ended December 31, 2025 held on Monday, 16th February, 2026 at 12:00 P.M (IST).

Thanking you,

Yours faithfully,

For Thomas Scott (India) Limited

**Brijgopal Bang
Managing Director
DIN: 00112203**

Encl.: a/a

Thomas Scott (India) Limited
Q3 & Nine Months FY2026 Earnings Conference Call
February 16, 2026

Moderator: Ladies and Gentlemen, Good Day and Welcome to Thomas Scott (India) Limited Q3 & Nine Months 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 call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

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

Purvangi Jain: Good afternoon, everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Thomas Scott (India) Limited.

On behalf of the company, I would like to thank you all for participating in the Company's Earnings Conference Call for the Third Quarter and Nine-Months Ended of the Financial Year 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 for joining 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 Third Quarter and the Nine-Months ended of the Financial Year 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 de-merger of Bang Overseas Limited, with a vision of creating a focused retail and fashion business. Initially, we operated as a contract manufacturer for apparels from our Solapur facility for reputed domestic clients. This base laid the foundation for strong product quality, disciplined manufacturing, and deep relationships across the apparel ecosystem.

Over the years, we have identified an 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-and-play ecosystem combines real-time data forecasting, real-time demand for inventory optimization, and rapid product launch capability. This built-for-demand model allows us to bring new styles to market in a very short time, thereby managing inventory risks and ensuring high responsiveness to consumer preferences.

Today, we operate 12-plus brands and 22,000-plus SKUs, including our own flagship brand, “Thomas Scott.”

We also support major global international brands through partnerships with marketplaces.

Our products are distributed through leading online platforms like Myntra and others, as well as through our own offline stores in Bangalore for our brand, Thomas Scott.

With manufacturing units in Solapur, Bangalore, and Gurgaon, and fulfillment centers across India, we ensure a high degree of control over quality, efficiency, and delivery speed.

Positioned in the online premium fashion segment, Thomas Scott, our own brand, caters to aspirational, brand-conscious consumers who value style and quality at accessible prices.

We continue to strengthen our technology and analytics platforms. Our own platforms, Thread AI and Catalog AI, are normally being actively deployed across product 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.

Building on a strong foundation, we continue to focus on scaling our operations efficiently, deepening our brand presence, and leveraging technology to drive sustainable, profitable growth.

With that background, let me now take you through the “Company's Performance for the Third Quarter and Nine Months ended of FY 2026.” For the quarter under review, we delivered our highest-ever quarterly sales performance this quarter. Revenue from operations stood at INR66 crores, an increase of 46% year-on-year.

EBITDA for the period stood at Rs.8 crores, reflecting a 41% increase year-on-year. EBITDA margins stood at 11.92%. Profit after tax stood at INR5 crores, an increase of 67% year-on-year, and PAT margins stood at 7.54%.

For the “Nine Months ended of the Financial Year,” revenue from operations stood at INR177 crores, an increase of 56% year-on-year.

EBITDA for the period stood at Rs.22 crores, up 75% year-on-year, with EBITDA margins at 12.65%.

Net profit for the nine months stood at Rs.13 crores, registering an 82% year-on-year increase, with PAT margins of 7.4%.

This strong financial performance reflects disciplined execution and operating leverage gained from our scale and digital models. This performance was despite the fact that during the quarter we encountered an unforeseen incident at one of our warehouses in Bhiwandi in Maharashtra. On 25th November 2025, an accidental fire resulted in the loss of inventory and certain fixed assets stored at that location. I am relieved to share that there was no loss or injury to life. The affected inventory was adequately insured under a valid insurance policy. The estimated losses are fully covered and the insurance claim process is currently underway. Thanks to the swift response of our teams, we were able to restore the supply chain operations very quickly and minimize disruption as much as possible to our customers and channel partners. This incident has further reinforced our focus on strengthening risk management framework and enhancing operational resilience across the organization.

In “Other Updates,” our own brand, Thomas Scott, recorded revenues of INR27 crores, marking a 91% year-on-year growth, reflecting the rising strength of our own direct-to-consumer franchise and sharper assortment planning.

The licensed and other brand segment sustained steady momentum, reporting revenue figures of INR34 crores, up 18% year-on-year, driven by healthy traction across key partner platforms.

Meanwhile, Contract Manufacturing Business contributed INR5 crores, registering a robust growth of 113% year-on-year, supported by improved capacity utilization and enduring client relationship.

Demand conditions during the quarter remain encouraging. Our expansion into new categories, including winter wear, contributed incremental revenue streams and supported overall growth.

We remain confident in our long-term strategy and are committed to delivering sustainable growth backed by prudent financial management and disciplined execution.

With this, I open the floor for "Questions and Answers." Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from Rehan Syed from Trinetra Asset Managers. Please go ahead.

Rehan Syed: Good afternoon to you and thanks for taking my question. So, sir, my first question is around your inventory levels that have risen significantly to INR77 crores. I understand that as you scale your SKU count reached to about store of 31,216 in 9M FY26, how are you ensuring that a high-wheel approach does not lead to a long tail of slow-moving inventory in your fulfillment centre? This is my first question.

Vedant Bang: Sure. I will take one question at a time. So, on the inventory management part, I just want to be clear that the SKUs that we report are the number of SKUs that we have launched to-date. Not all of these SKUs are in stock, which means that there could be a number of SKUs which would have sold through over a period. And if you see the incremented SKUs within this quarter, it has been at a constant pace that we have been recording quarter-on-quarter. In fact, much of the growth is coming from going deeper in SKUs that have performed much better in the previous period. So, the pace of launch remains constant. There is very slight acceleration in launch of SKUs, which is commensurate with us entering into H2, where the manufacture season is. However, that remains stable generally. And the in-stock SKUs is actually the correct metric to look at, and you will see how we can update, how we release that information so that it gives more knowledge. In any case, I just want to reiterate on one of our longstanding high-width, low-depth strategies. So, it is important to understand that when we launch a style, we do not launch a lot of inventory in that style; it is just 100-120 units that we launch across four, five, six sizes to just test out. Once this test is completed, and then only do we decide based on certain performance markers, whether we have to scale or not. Due to this test-and-scale model, generally, the inventory contribution in some of these styles is very less to launch our style. But yes, once we have identified how well it is performing, our ability to scale is what

drives future growth and profitability. So, this is the core of our model and how we are doing things. And that remains to be there. Other than this, obviously, even the styles that we are launching, so, one is doing high-width, low-depth, the other is launching smart inventory based on actual trend insights that we do, we identify what is actually working, which micro-markets, which is key words, are actually working on marketplace and we launch based on that. So, we are launching very specifically where there is organic demand. Having said that, even then, there is end-of-life kind of inventory that does come up, for which we use our end-of-season sales periods, which is typically in June-and-December to clear out the inventory. And those sales typically are at a discount. So, largely, a combination of these factors allow us to clear most of the inventory within a 180-to -40-day kind of period. And that is for the tail inventory, the period that I was speaking about, not for the general on an average. Even then, if there is a certain amount of inventory that cannot be liquidated, then we have a liquidation team based out of Bangalore that looks into how brand markers can be removed, and then this can be removed at a certain discount in an alternative market. But again, that is a very small percentage of the overall inventory. So, all in all, the various steps that I mentioned allow us to kind of manage inventory more effectively. This is to answer your first question. I will pause here in case you would like to ask the second question.

Rehan Syed:

Yes, it has been answered very clearly. And my second question is that your trade receivables have climbed up to INR71 crores as of H1 FY26 from INR57 crores in FY25. So, given that 94% of the revenue is now B2C, which usually involves shorter payment cycles, so what is the reason for this increase and what steps are being taken to improve this business cycle? And connecting with this question, could you please give an overview of how your stores are performing in Bangalore?

Vedant Bang:

Sure. So, that would be three questions. I will take question two on the receivables. With respect to receivables, there are a couple of factors that are important to understand -- one is that our general payment cycle online is about 30 to 45 days with the marketplace partners. We are also selling a lot of inventory on B2B2C model, okay, essentially thereby removing all various variables in terms of logistic costs and those kind of things. So, in those cases also there is a credit cycle associated with it. Having said that, in the case of pure B2C, we show all customer returns as a receivable till such time that the inventory is received backed by us. So, at any point of time, some portion of our receivables would actually be customer returns and stop that spending to be received again. So, that is the second aspect to understand which stands in receivables. So, that technically stops spending within the scope of receivables. And that is mostly from an accounting point of view, how we represent things. And the last point is that most of our sales for the past quarters, including this current quarter, have been concentrated in the third month of the quarter, largely because the festive or the sale periods are forming again. Just to give you an example, last year, March was Eid, Ugadi, Holi, Gudi Padwa. June was end of season sale. September was Dussehra sale. And again, December was end of season, winter. So, because of revenue concentration in a given period, about 50%-60%

revenue coming in month-three, thereby the receivables kind of showcase a point in time factors of being higher than normal, which reverses over the general course of business. So, a combination of these three factors have to be understood to look at the business with greater clarity. But, just to be clear, yes, receivables are something that would normalize over a period of time. As we scale, it is that we are working on multiple models. But, as this would also kind of come to a more stable level. But, so far as the sale concentration in month-three, that is kind of the major factor that results in a certain amount of escalation, because most of the receivables emanate from that particular month. That is a question three on stores. So, the stores have been performing well, but again, as I said, it is just six stores at the moment, which is a very low base, they are not a major contributor to the overall revenue or to the capital deployed of the company at this point of time. And currently, we continue to be focused on getting greater depth within e-commerce online or greater width within e-commerce online. And that focus continues to remain. At this point, it is again too early. It has only been a quarter since the last time we kind of looked at performance. It is still a bit too early to kind of look at it. But, we are going to kind of do a full review in March and maybe as a part of the next set of investor presentation release, we will talk a little bit about how the stores are performing more specifically.

Rehan Syed: Yes. Sure. Fair enough. Last onekeeping question like if you just highlight how you are seeing Quarter 4 regarding any festive headwinds or tailwinds if you have any on that?

Vedant Bang: Sure. Quarter 4 again remains a generally upbeat quarter from a demand point of view. We do see good demand overall. Again, month-three, where we have our Eid and Gudi Padwa sale happening, that would be the defining month for us. But largely, it remains from a demand point of view, things seem to be positive. Some of our bets that we did this year end of the winter wear have paid off well, some of it has shown effect in Q3, and some of it will show effect in Q4 as well. Other than this, there are a few lateral projects in terms of increasing width that we are working on. And at the same time, we are also looking at how we can work with the right partners who can distribute inventory globally as well. There is an entire global e-commerce angle that has come into play right now. But, these are small seeds that we are putting in right now, which may give a bigger resolve over the next few quarters. At this point of time, the focus continues to remain to be in-depth within the categories and within the brands that we are working with at the moment, with positive demand movement.

Rehan Syed: Okay. That is it for my side and good luck in the coming quarter.

Vedant Bang: Thank you.

Moderator: Next question is from the line of Ankush Agrawal from Surge Capital. Please go ahead.

Ankush Agrawal: Yes, hi, thank you for taking my question. Firstly, I mean, we have seen a sharp jump in our other expenses during the quarter, so is there something to read over there or it is a normal course of business?

Vedant Bang: Yes, so thank you for that question. Other expenses have largely escalated because of increased marketing initiatives on our side from a Diwali, Dussehra point of view. So you need to kind of get greater brand visibility during this time because the spends across the board from a competitive landscape is generally higher on marketing. So, this is something that we had to do, now, the visibility trends to get the right amount of visibility onto our products. And that is what has happened in this particular period. Again, for us, the visibility spends are largely ROI-oriented. So, we kind of make sure that we are still earning the right price and the ROI on the spends that we do out there. So, this is to answer on the other expenses, largely owing to increased marketing expenses during festive period to ensure that brand gets the right amount of visibility and does not lose out on visibility to the other competitors...but it is absolutely in the order of business.

Ankush Agrawal: Okay. Secondly, in your notes-to- account, you have mentioned that we have taken a write-off of inventory of about Rs.22 crores and that same has been written off in the P&L. But your expense does not tally that we have written off that Rs.22 crores in the P&L. So, just wanted to understand where we have written-off that amount?

Vedant Bang: Sure. I will just clarify on the accounting of it. So, we have a valid insurance claim. Our insurance policy completely covers this value in question. So what we have done is, we have written off the carrying value of the inventory. And based on the relevant communications that we have had with the insurance company, based on that, there is a certain amount that is expected to be recovered, and that has been recognized as a receivable, which is equal to the carrying value of this inventory. So, what has essentially happened is that there is a write-off in the P&L, which is based on the value of the stock, and there is also an exceptional gain that has been recorded on account of expected insurance claim receipts, and there is an insurance claim receivable also that has been recorded accordingly. So, these are net of each other. So, the portion that is not covered by insurance, which is amounting to about Rs.31.22 lakhs, which has been communicated to us, that part we have written off because that is something that is known to us, that is not covered by insurance. But yes, net-net, the loss that has occurred on account of fire has been covered against the insurance claim receivable based on the policy coverage.

Ankush Agrawal: Right. So, net-net Rs.31 lakhs is what we have written off during the quarter in the P&L.

Vedant Bang: Rs.21.8 lakhs, yes, above.

Ankush Agrawal: No, but there is a receivable against it, right? So net impact on the P&L during the quarter is only that Rs.31 lakhs, right?

Vedant Bang: Yes, just the Rs.31.22 lakhs.

Ankush Agrawal: Lastly, Vedant, just on the receivables, so like being the D2C sort of business, one would expect that the receivables would be relatively modest, I mean, I do understand that given the scale and the kind of receivables they have, at least 45-days that you are saying, but still for a business from, say, for example, now almost 35%-40% of our business is coming from own brands, and even if we understand that in the business that you are doing for the licensed brand, the receivables might be on the higher end, but still, I mean, a receivable which is close to like 100-days sort of does not add up for a business like yours, so I mean, even if you say 35-45 days sort of receivable cycle, still that number on the books, it is still relatively higher, just one thing that I wanted to ask is, since a lot of our sales are routed through our parent company, Bang, so is it a situation where in some of the receivers are also stuck on that company or that company pays us off immediately as soon as they receive the money from the marketplaces?

Vedant Bang: Okay. So, there are two parts to this. One is most of our sales is driven through marketplace models. And within marketplace models, there are a number of sub-models that we operate on. They are in the nature of a B2B2C transaction also in some cases. So, in those cases, basically, there is a credit period associated. Again, it depends on the model itself. But, for that, we get better commercial terms in terms of pricing, in terms of variability in the variable expenses. So, those things are managed better in those models. So, that is why we prefer it even though the credit period is slightly on the higher side in those cases. Having said that, the real reason why receivables kind of look to be on the higher side are, one is the timing effect of concentration of revenue in a particular month, and the second is that the customer returns, the way in which we account for it, though it is actually stocked, it is shown as returns till such time that it is received back. I mean, we can consider looking at a way of accounting or representation where that inventory actually looks in stock in this thing, but then we have to prepare certain comparatives to make sure that the investors understand this better. So, one is the transactions which were happening through Bang Overseas, which was a related party, that is getting curtailed over a period of time as a percentage of the overall revenue. Most of the contracts are getting transferred directly within Thomas Scott (India) Limited. And these effects have already started to show from Q3 onwards, to continue into Q4. So in that case, also there is no pass-through or anything. But otherwise also, the pass-through is just 1:1 in most cases. So, it is just a sale of a month or so that kind of remains and that churns grew in the coming one it.

Ankush Agrawal: Okay. So, like in the very long run, as you grow as a business case and everything, do you believe there is room for substantial reduction in receivable day or it would be more of a sort of gradual reduction, it would still sort of settle at a relatively higher levels?

Vedant Bang: So, we believe that long-term receivable days would settle at somewhere around 60-days. And this is under current accounting practices. But, we need all the contracts to be transitioned in

that manner, our models to kind of move into pure B2C. So, those kinds of things are under play right now. As soon as that kind of comes into effect over a period of time, automatically, you will start seeing receivable days of closer to 60-days. I cannot commit a timeline at the moment as to where we will get that because at the end of the day, there are certain business considerations where we offer additional credit period as well. But that should kind of normalize over the period of time as we scale.

Ankush Agrawal:

Got it. That was helpful.

Moderator:

The next question is from the line of Divya Jain from Sapphire Capital. Please go ahead.

Divya Jain:

So how much will the winter wear collection contribute to our revenue this quarter?

Vedant Bang:

Sure. So when we say winter, there are two parts to it, actually -- One is our autumn-winter '25 kind of collection, which is, say, heavier shorts and those kind of things, and then there is core winter wear articles, which is like jackets, sweaters, sweatshirts and those kind of products. Now, when I say winter wear, I just mean core winter wear products, I do not mean, other articles in which there would be winter-based launches. When we look at pure new winter wear products, which is largely sweaters, sweatshirts, jackets, these products have contributed somewhere close to about 15% to 20% during this particular quarter, and in the month of December, it was as high as 35%.

Divya Jain:

All right. And can you quantify the inventory loss at our warehouse in Bhiwandi?

Vedant Bang:

Yes, so the carrying value of the inventory at our warehouse in Bhiwandi has been disclosed in the notes to account at Rs.21.85 crores approximately.

Divya Jain:

All right. And one last question. Our expectations for revenue next year and also for EBITDA margins?

Vedant Bang:

So currently, we are not giving any forward-looking statements in terms of this thing, the revenue or the margin projections. But, we will continue to remain on a growth trajectory that we have been. So, you would see a very, very similar set of growth numbers is what we are expecting over a period of time. The growth will continue and we are targeting EBITDA margins between 12% to 15% at any point of time. So, we will maintain that. Obviously, as we scale, there is potential for these margins to improve.

Divya Jain:

All right, sir. Thank you.

Moderator:

Next question is from the line of Harsh Shah from Sumaria International LLP. Please go ahead.

Harsh Shah :

Hi! Thank you for the opportunity. Congratulations on a good quarter. So, my question is related to our fire incident. And so we have recorded a write-down in our P&L and we have

recorded a receivable from the insurance company. So, what is the timeline when do we expect to receive the payment from the insurance company?

Vedant Bang: Sure. Thank you for the question. So, since the matter is subject to insurance and survey, I cannot really comment much on it, but generally, our claim is mostly claim of stock and stock claims are generally backed by strong GST documents. So, based on this and based on our understanding of how claims work, stock claims are generally faster to settle. The only thing is that the sheer documentation that is required to be submitted considering the high volume of transactions that were happening from this particular warehouse is on the higher side, and there are certain prescribed formats in which these submissions have to happen. So, there are a few iterations that we have to go through. But, generally, once the entire documentation is completed, we do not expect that it should take too much time for the claims to be settled. And then our team is on it to make sure that this happens at the fastest pace possible. But yes, having said that, there is no fixed timeline that I can mention at this moment. But generally, stock claims, as I said, are faster in general to settle.

Harsh Shah : Okay. Thanks.

Moderator: Thank you. Next question is from the owner of Ankur Gulati from Genuity Capital. Please go ahead.

Ankur Gulati: Vedant, can you quantify revenue loss because of fire? I understand 21 odd crores of inventory. So, if we have to quantify revenue loss, should we just add gross profit to this, that is the potential revenue loss in this quarter?

Vedant Bang: Thank you for the question. I am thankful for you to ask this question. Now, while it is a little difficult to say because there was lot of efforts our teams the teams of Thomas Scott has put in to make sure we make sure we cover up revenue. So, it is a little difficult to say because of the event, there are certain other actions that we took, factories started working a little extra, teams started working more efficiently, we figured out how we can work with channel partners more deeply. So, a lot of effort that was taken by the team post the incident and a great momentum has been achieved by the team owing to that desire to kind of make sure that we do not miss targets. So, there was a big change overall in terms of how we kind of manage things. And we worked very hard to kind of ensure that our growth journey does not get impacted despite this setback. Our supply chain was quick to react. So there is a lot of things right from the grass-root factory worker to the operational logistics teams, that have worked around the clock to make sure that the journey that the company is on in terms of growth is collectively kind of achieved. Having said that, and I am totally speaking from my, judgment, and it is very difficult to quantify because maybe we would have kind of been in a very different stage had that not happened, but certainly based on my judgment, we feel that there would be about a 15% to 20% further revenue that we could have potentially achieved based on judgment even despite a certain amount of hard work that was put in by the teams post the

particular event. And some of the expenses that we have incurred in this quarter, they would still remain at the current level. So, the margins could have been also higher. But, we have still kind of made sure that as much as possible the overall impact is minimized. And even for the future quarters, we kind of upped the entire level of efficiency or the level at which we are operating at, so that this momentum that we are in terms of growth, it continues going ahead as well. But yes, so headline is that it is a little difficult to quantify, because there are certain steps that we took post that certain amount of hard work that the team has put in post that, which I am very thankful for. But, in general, purely based on my judgment, we believe that 15% to 20% additional revenue could have been expected in this particular quarter.

Ankur Gulati: So you did 67, 15% of that is Rs.10 crores. So steady state, it should have been close to let us say 75, 76 this quarter. Fair enough.

Vedant Bang: Yes, so I mean, that is what I think. So we were looking at a number closer to 75 to 80 in case a fire incident had not happened. But again, though, it is difficult to say.

Ankur Gulati: And in this fire, did you lose anything which you committed to some of your e-commerce clients or some of the brands? So, is there a penalty clause that has triggered it yet or no?

Vedant Bang: So, our growth percentages have still been very high and there are no penalty clauses dictated in general. In some contracts of ours, there are minimum guarantees that are there. But, even those would not be invoked because the revenue levels are still much higher than the minimum guarantee levels. So in any case, there is nothing from that side. In fact, channel partners have been very supportive through this journey. And there have been certain new avenues that we have been working with channel partners in terms of increasing speed to delivery by housing inventory with channel partners. So, those kind of models have opened up and that has resulted in making sure that the revenue level remains.

Ankur Gulati: Last part. Whatever the inventory loss, is there any color that whether you lost that mostly for your own showroom or was it for licensed brands or for e-commerce?

Vedant Bang: So, it was a very similar mix to the revenue mix overall. So, generally we house inventory in a manner that is optimized for speed. So it is not that it is concentrated with one particular brand or two, it is concentrated very evenly across all our warehouses.

Ankur Gulati: Okay. Thanks. All the best.

Moderator: Next question is from the line of Swapnil Kabra from SK Enterprises. Please go ahead.

Swapnil Kabra: Yes, hi, Vedant. Congratulations on another quarter of good performance. So, I just had a couple of questions. What exactly is the driving demand for us, and what are the triggers that will help us in growing the top line? And also, are we in talks with any new brands?

Vedant Bang: Sure. So, generally the demand has been upbeat and our test and scale model is something that is servicing us better than before, where we have a lot of top-ranking products that we have created over this period of time. And there is a good amount of demand and ranking on those products and they are driving kind of continuous profitable sales for us. So, going deeper in general, with our existing brands and making sure that we are able to maintain ranking to our superior quality and execution, that is kind of making sure that the demand momentum is maintained. At this point of time, I cannot really comment on any brand that we are onboarding or are looking or, are looking at because that is generally competitive information for us. But, the focus at this point of time is in terms of going deeper in terms of the existing brands that we are working with and also kind of focusing how we can leverage our e-commerce know-how to create additional channels for demand, even with the current brand pool. Probably, you will hear more on this in the March quarter once there are certain contract signings or launches that happen, which are in the pipeline. But, till such launches or contract signings are completed, I am unable to comment on that.

Swapnil Kabra: Yes. So, is this a function of better customer discovery or anything else that you want to add here or better marketing, I mean?

Vedant Bang: Yes. So it is really a function of making sure that our products that are top-ranked continue to remain top-ranked, and we keep adding more and more top-ranked products. So, we are doing small batch launches, seeing how things perform. So, our inventory investment is very low, but the products that hit, they are big hits, and we have to just make sure that we are maintaining them with the right quality in stock all the time. And as soon as that happens, marketplaces in general start pushing products by themselves, your product kind of starts climbing the ranks and getting more visibility by itself. So, this momentum has kind of come in and that is contributing to greater demand as well.

Swapnil Kabra: Yes. Thanks.

Moderator: Next question is from the line of Anil Parekh, individual Investor. Please go ahead.

Anil Parekh: Okay. Thank you for taking my question. Hi Vedant. I was just trying to understand the business of Thomas Scott in a little more detail. I was going through your website and I see products which are listed at a price point of greater than 4,000 for even shirts and jeans. I was just wondering, because when you compare this pricing to popular brands like Levi's when it comes to Denims and Jeans, they are priced at a lower price point. So I guess my question is, which age group is your primary target audience? Any details you could share on what percentage of your sales go to under 20-age group between 20-and-30-and so on? What would really help? And, in addition, your expensive products, how quickly do they move compared to products under 1,500, could you share with me some details, could you give us a little bit of color on that?

Vedant Bang:

Sure. So there are two parts to your question. One is on pricing for Thomas Scott brand and the other is on the demographics. I will take the first question. In terms of pricing for Thomas Scott brand, so Thomas Scott has been launched as an online-first online-focused brand. Okay? When we had launched essentially at that point of time, even right now, there are certain browsing pages that are available on marketplaces that are available to only a certain discount percentage. All right? So, there is a high MRP, high discount kind of strategy that was implemented for some of the product lines back then. And it has continued even today to make sure that we are relevant in those browsing pages. It is more of a strategy that we use to make sure that we can get as much additional visibility for our products as possible by being able to enter those pages. And you may have seen some of those products generally, but our selling price is not that high, it is mostly at par with what a premium brand would be. So, our Denims typically have an average selling price of close to actually Rs.1,200, our trousers are close to again Rs.1,200, shirts are between Rs.800 to 1,000. That is where the average selling price tends to trend. So, generally, it is a good selling price from an online point of view. It is slightly more than what you will find for a lot of other brands online. But again, I want to emphasize that the quality that we offer and the kind of product that we offer, the same factories that make goods for world-class brands are also making for Thomas Scott and there are certain additional costs associated with it. But it is this very quality that kind of creates the repeat customer behavior for us. So, that is the reason why our pricing is maybe on a slightly higher side, but I do not think it is remarkably higher than the competition. Having said that, overall, it is just a high MRP, high TD, high discounting kind of that and those products that you may have seen that you may have formed that view, but generally pricing is at par. And in terms of demographics, so our major demographic actually is the 25-to-40 years segment. And there is also the secondary demographic that we target, which is between 20-to-25 years segment. Essentially, a lot of purchases that happen are, for young individuals who are young men who are moving into their first job or into corporate jobs or have just in the first two, three years of their corporate jobs. A lot of our marketing initiatives also towards it kind of see us as the preferred brand or a casual go-to-office or go-to-go out or daily wear positioning. And then these customers tend to remain repeat customers for a long period of time, ensuring brand loyalty. So, that is how we kind of target our customers. But yes, most of the major demographics in terms of actual sales is about 25-years-to-40 years.

Anil Parekh:

Yes, that is great. I have a quick follow-up. How do you see the consumption landscape in India changed for an apparel company like yours, say if we talk about two years out or five years out, any information on that could be tremendously helpful because you are an online marketplace for apparel, how do you see this consumption pattern change, what does it look like, it is going to be three, four years out?

Vedant Bang:

Sure, sure. I will just talk about online apparel first and then I will kind of zoom into where we are. If you look at online apparel, it was growing at a very steady rate, right up to COVID, maybe somewhere around 30%-35% kind of growth rate that some of the marketplaces were

experiencing right up to COVID. In COVID, there was a J-shaped kind of increase in online purchasing. This was largely driven by the lockdowns. And this resulted in your first-time customers kind of trying online, doing the test and buy, those kinds of things. And now the bulk first-time customers that were created during COVID, they are now the repeat customers who are doing the 30th, 40th, 50th purchase online. What we have found in terms of our understanding of the purchase patterns, we have found that as these customers are going from their first purchase to their 30th or 40th purchase, their basket size and the kind of brands that they are purchasing are both increasing. By brands increasing, I mean they are premium nizing in general. This was something that we recognized in early 2024, and that is when we decided that premiumization as a trend is going to continue because of a number of factors -- one is with repeat purchases increasing confidence in online... that is the first factor; and the second factor is an increase in the aspirational class overall who are aspiring to buy products of a superior quality or a superior make. And the third factor is also disposable income increasing in general for the younger consumers. So, a combination of these three factors made us believe that the right space for us to be would be from the mass premium to premium kind of segment online. And that is where we veered our entire focus. We believe that this market will show outside growth against your baseline growth that online apparel is experiencing. Generally, online apparel in major marketplaces is experiencing a 25% to 35% kind of growth even right now. We believe that there will be outside growth that there would be in the more premium or mass premium segments. And our focus will continue to remain out there.

Anil Parekh: So, the mass premium and the premium segments that you are defining, are you defining it somewhere in the price bracket of Rs.1,000 to Rs.1,500?

Vedant Bang: Yes. So from Rs.750 right up to Rs.2,000 is the bracket that we are looking at.

Anil Parekh: Okay. And my last question is what percentage of products sold come back as return?

Vedant Bang: Sure. So this deferred usually from brand-to-brand and category-to-category. And there are two types of returns, I will just put a little bit of light on this. In our case, our customer returns are quite low. So, we have customer returns of somewhere approximately close to 20%, which is lower than 28% to 30% than most other apparel brands experience in terms of customer returns. Our return to origin, which is basically in the case of cash on delivery (COD) orders, where the customer does not accept the order, so generally at the industry level, it is anywhere between 10% to 20% depending on how localized your inventory and how fast you deliver to the customer. In our case, it is as low as 6% to 9%. So generally, our return percentages are lower than the benchmark. Two reasons driving this. From a customer returns point of view are superior quality, and the value that we are giving to customers at that price point. And in terms of RTO, it is because of our speed, our localization of inventory, that we are able to kind of have lower return to origin, (RTO) cases. So yes, that is on the customer returns.

Anil Parekh: Excellent. Thank you so much.

Moderator: Thank you. Next question is from the line of Ankush Agrawal from Surge Capital. Please go ahead.

Ankush Agrawal: Yes, hi, Vedant, thanks for the opportunity again. So Vedant, a core part of our business growth is driven by us identifying trends and then launching SKUs and benefiting from them. But, can you give some sense of how much of our business would still be reliant on, say, SKUs or designs that were launched one year or two years back, because unless we have a base business and as the business size grows, I think driving growth from new trends every now and then would slightly become difficult at a larger scale. So, just wanted to understand how the base business is shaping up?

Vedant Bang: Sure. So, the positive is that we are focused in menswear as a segment where the trends are very long cycle. So, even today, amongst the bestseller products that we created, say, two or three years back out, maybe just 2% or 3% of those products have actually gone into a de-trend bucket. Otherwise, these trends are long term. In fact, in the case of menswear, we find that launching more colors. If a base color, say a black color short is doing well and if we launch a few more colors in that, we end up finding that customers are also purchasing those other colors once they have confidence in the first color that they purchased. So, the trends are very long cycle and you can capitalize deeper on trends in menswear once we kind of identify what is working and launch lateral products as well with color variation. And as I said, for the trends that we launched two or three years back, the de-trend data has not been more than 2% to 3%. So, we are stacking up a lot of bestsellers or rather a lot of high rank products over a period of time. And that is driving a lot of our growth as well. Having said that, it is still important to keep accumulating those bestsellers. And that is why the passion engine also needs to keep churning. So, growth is a double engine of fashion bets as well as replenishment or high rank style. And we need to kind of maintain the balance between the two. We are maintaining a very constant rate at which we are launching new SKUs. It is accelerating at a constant rate, just to be very clear. It is not like if we launch 5,000 this quarter, it is same 5,000, grew by 2,500 year-end SKUs in the coming quarter. But, again, our bet sizes are so small that it becomes lesser and lesser significant as a percentage of the overall launches that we do.

Ankush Agrawal: Got it. That was helpful. Thank you.

Moderator: As there are no further questions, I will now hand the conference over to the management for closing comments. Sir, would you like to give any closing comments?

Vedant Bang: Sure. I would like to thank all participants in this conference call. Of course, if you have any further questions or would like to know more about the company, please do reach out to our Investor Relations Manager at Valorem Advisors. I would also like to thank Valorem Advisors for arranging this conference and the entire team. So, thank you.

Moderator:

Thank you very much. On behalf of Thomas Scott (India) Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.