



**Forcas Studio**  
LIMITED

**FTX**

Regd. Office: **B3-71C/161, Tara Maa Tower,**  
**Khalpool, B B T Road, Maheshtala Kolkata- 700141**

CIN: L14101WB2024PLC267500

November 17, 2025

Listing Department,  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra Kurla Complex,  
Mumbai-4000051

**Symbol: FORCAS**

**Sub: Transcript of Post Earning Conference Call for the Half Year ended September 30, 2025.**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of transcript of Post Earnings Conference Call held on November 15, 2025 on the H1 FY26 Post-Earnings Conference Call of Forcas Studio Limited is enclosed.

Thanking You

Yours Faithfully  
**For Forcas Studio Limited**

**Sailesh Agarwal**  
**Managing Director**  
**DIN: 02856973**

Encl. as above



**Forcas Studio**  
**L I M I T E D**

**FORCAS STUDIO LIMITED**

**H1 FY26**

**POST EARNINGS CONFERENCE CALL**

November 15, 2025

**Management Team**

Mr. Sailesh Agarwal - Managing Director

**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 H1 FY26 Post Earnings Conference Call of Forcas Studio Limited. Today, on the call from the management, we have with us Mr. Sailesh Agarwal, Managing Director.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to briefly run us through the presentation with business and performance highlights for the period ended September 2025, their growth plan and vision for the coming years, post which we will open the floor for Q&A.

Over to you, Sailesh.

### **Sailesh Agarwal:**

Good afternoon, everyone. Sailesh Agarwal, MD and CEO of Forcas Studio Limited. We hereby present our half yearly FY26 results with you. Can we go ahead with the presentations, please?

So we have, added around a million customers in last six months. We have delivered to more than a million customers through B2C platforms. Next slide, please. Keep going ahead.

So we have added one warehouse in Varanasi to cater to the UP market and North India market. Also we have gone live with Myntra FWD as their futuristic brand for the masses. We have already lived around 2,000 options on Myntra FWD. We are also stocking our products, through quick commerce site Zepto and stocking it to almost 17 - 18 cities in the country through their dark stores and delivering it to almost all the major cities in the country. We have added seven new categories in the quick commerce segment where we are seeing good traction.

So, our brand revenue has rose from ₹48.68 crores to ₹71.79 crores, year-on-year. Also, our overall revenue has gone up by 50% comparing last H1 to this H1. Both our brands, FTX and TRIBE has seen good growth. FTX has grew by 49%. TRIBE being the smaller brand as of now has grew 35%. We have also added women wear and kids wear categories under our brand name FTX through which we have generated ₹5.5 crores business till date. We have launched these categories

through offline channels first to test the market and then take it online in quarter three. Next slide, please.

So our business model remains same. It is just that that we have added quick commerce to this. Next, please.

So since last year till date, we have increased our warehouse capacity from 6 lakh pieces holding capacities it has got to 2 million units holding capacity. We have also expanded our Varanasi warehouse as I just mentioned. So today, our goods are being stocked at around nine states. And that is for e-commerce, and for quick commerce it is being stocked at more than 15 - 16 cities in their dark store through which it is, again, dispatched and delivered through around 50 to 60 small towns and cities. Next, please.

So this was our product portfolio, and now women and kids both have also started. So we have three verticals now. Yeah. That's it for you. Next, please.

So, this is our revenue breakup, the comparison between FY25 and FY26. The business strategy remains same. Again, remains same. So, Zepto and FWD has been added to our e-commerce business. We are also looking to add on a couple of more e-commerce, quick commerce sites. So this is very interesting. It is probably the first time in our country that winter wear is being sold through quick commerce within 10 minutes delivery. So we are seeing very good traction in our winter wear products, including jackets, sweatshirt, sweatpants, through Zepto and we are delivering it within 10 minutes.

Also, we have launched Kurtas, and surprisingly, Kurtas is doing very, very well. It was a first test to see how Kurtas does in quick commerce, but we have seen Kurtas are really driving our business in quick commerce. So kids and women being launched. Now we are taking it to e-commerce also, and we will be expanding our line in both kids and women. We also plan to launch a women sportswear line in the same budget segment ₹299 to ₹599, ₹499 from Q3.

So we can go through the financial highlights. So year-on-year, our growth has been 50.6%. EBITDA margin has been, it's up by 72.3%. We have almost doubled up our profit.

**Moderator:**

Can we move to Q&A?

**Sailesh Agarwal:**

Yes, please.

### Question-and-Answer Session

**Moderator:** All those who wish to ask a question, may please use the option of raise hand. In case unable to raise hand, you may unmute and ask a question. We take the first question from Kush Tandon. Kush, please go ahead.

**Kush Tandon:** Hi, Sailesh. Congrats. I think the growth has been pretty strong this H1, and numbers are stacking well. Congratulations on being onboarded on Zepto also. Just wanted to understand, what has been driving this growth. I know the base is decent for us, but interesting price point channel, also we are omnichannel. So can you elaborate a little bit on what has been driving this growth, different products, more categories being added?

**Sailesh Agarwal:** Yes. Thank you, Kush. Thanks for your question. So I believe, the understanding of the data and the availability of data is now actually driving our growth. Actually, there are multiple factors. So one is the data point. So, we are in this business since last 15 -18 years. And through e-commerce now we have the data of the pin codes of what people are buying at which state, at which location. So that is helping us a lot.

So just for the insight, as we wanted to launch Kurta, so we did it in the quick commerce segment first. So, Kurta is one product which generally men don't plan too much, because this is an occasional wear we need it for maybe a pooja or a festive occasion or something. So, generally, it is a last minute buy. So we have seen the sales of Kurta, can be driven only by availability, especially when it did it is being sold at a price point.

So our Kurtas are being sold on Zepto from ₹400 to ₹600, and that is being delivered within 10 minutes. So, surprisingly, our kurtas are doing very well because now people are gradually getting to know that apparels is also available on quick commerce. So that is again a data driven science. We knew which location we need to send the kurtas. So our kurtas are doing good in Hyderabad area or say UP, Lucknow and also some parts of southern India. So this is one.

Second, I think, the understanding of customer, we have been in this business since last 15 - 17 years into the apparel business. We have seen all the ends right from the fabric manufacturing to the garment manufacturing, corporate supply, offline business, online business. So

I think the data and the understanding of customer has really helped us crack the code of growth here.

Again, I want to say our team is also built up in such a way that managing the right price point swiftly is very important. And I think our team is now designed in such a manner that we are able to deliver the same. So all this combined, I believe is working out for us and giving us decent results.

**Kush Tandon:** Okay. Isn't the price point very competitive, in your view?

**Sailesh Agarwal:** See, if you are able to convince a customer in today's time to buy your product, not just because the price is there, but with the price, if you have the right product also and the customer is coming back to you, I think then only a brand can be built. So with price, you can sell only once. The second time, the customer will only buy if he has liked the product. And I think that can be seen with our review ratings on the marketplaces we are selling and also our repeat ratio.

**Kush Tandon:** Okay. So, men's wear and other categories are very different in terms of the way they work, in terms of return profile, SKU requirement. So how do you see the women's wear and kids wear? Obviously, we've seen some initial success, but as we scale up, do we see some challenges on returns, on SKUs, on inventory?

**Sailesh Agarwal:** So it is a valid question. So, number one, every category has a different return ratio for sure. And accordingly, the pricing is set. So we don't take the same return cost for a T-shirt in men's wear, then versus a bottom in men's wear. So similarly, a product selling for women will have a different ratio and the cost calculated for the same will also be accordingly.

That is number one. Number two is we always know that with women wear, the return rates are little higher. So, what we try to do here is we have started with women bottoms first. So women bottoms are something where the return ratios are way lower than women tops. So, what we are trying to do is get into the women bottoms first and women ath leisure first. Build a women, say, customer base like we have already done with the men's wear. Our brand being recently established in the marketplace category.

So, the algorithm already pushes our brand and any new product we launch. So taking advantage of that, we want to track the women wear customer base first and then go to the higher return products such as

tops and other stuff. Doing that also, we will go offline first, see the traction, understand, build the right, say spec, right colours and then take it online. So there our return cost will be hedged. That risk will be hedged.

**Kush Tandon:** What are the returns, as of now as we speak?

**Sailesh Agarwal:** So we have, probably one of the lowest returns in the industry. That is for two reasons, the price point and the quality, we are providing for that price point. For the top wear in men's wear, our return is below 7%, which is I think the industry standard is around 18% - 19%. And bottom wear, our return is around 14% to 15%. The industry standard is around 30%. So our average return is still below 12%. As tops sells more, so the ratio becomes below 12%.

**Kush Tandon:** Okay. 12% in our apparel category sounds, very decent. So you are trying to say that the price point is driving a better return and the product quality?

**Sailesh Agarwal:** See, I truly believe that today's customer will stay with you, if you give them a wow factor. The price in apparel can be the first buy factor, but only a wow factor can sustain him and will make him stay with the product. So we work very hard, in terms of our designing, our quality, our price point, our strategy to make sure that the customer is happy and ultimately they start looking at us as a brand, in the same category, in the same segment.

**Kush Tandon:** Okay. Couple of more questions, on inventory and working capital. I think the receivables have come down, but inventory has shot up, actually. Would you like to comment? We are obviously in a business of managing inventory. So is there a cyclic seasonality issues, or how should we look at the cash flow and inventory going ahead? And do we need to build inventory on certain months, or how does it work?

**Sailesh Agarwal:** Yeah. So I will take you through this. Number one, yes, our receivables have come down considerably as I quoted the same in the last con call. Number two is the inventory. So, these numbers, what you are seeing is a September end numbers. So there are two, three factors which drive this inventory. So the inventory has gone up hardly by 30 to 40 days, and that is because of several reasons. Number one, we are growing by almost 50% top line.

So if we want to grow with 20% to 30% top line, probably, we can manage with the same sort of inventory level. But if we want to grow

with 50%, 60%, 70%, we need to add on a little inventory, keep them, and try to sell them. So there are two types of inventory. One is a set inventory, and one is a new inventory. Always 90% of our inventories, the other products, which are already a set product, which is selling more. And also as quick commerce has started, also FWD has started with Myntra.

So we want to make sure that this quarter three, the winter quarter goes good for us. So that's why we have, it's an intentional decision to add some more inventory and try to grow in this quarter as well. So this is one. Number two is, Kolkata in October's month is almost dead for production. We cannot produce anything, especially garments because labour generally has gone back to their hometown and all.

So hardly we get seven to eight days, maybe a week to its max in Durga Puja time. So winter wear is one thing you cannot produce in November. You have to be ready with it. So this is also one challenge with us that, at the time of any season change, be it winter or be it summer, we'll have to add up to the inventory to cater to the demand. So the speed we are growing at with, I think we will always need to stock up a little more to cater to the demand we are at.

**Kush Tandon:** Okay. But there are months where your inventory is lower is what you're saying?

**Sailesh Agarwal:** Yeah. Absolutely. So, months like, say Q1 types, the inventory goes low. Again you need to, add on to the inventory in say the change of season in summer. So February must the inventory has to go up. But again, that inventory sold in April, May, and June, and obviously, the inventory goes down. So this is one end. Also, we have added women and kids wear. So there also, we have added the inventory to begin with, which we have been researching for good nine months, and then we have launched both these categories. Also, our winter wear is doing very well. The value of winter also goes up. That is again, one reason that the value of inventory seems to be high.

**Kush Tandon:** Finally, any growth guidance going ahead, in terms of growth margin? Can we maintain similar growth, similar margin going ahead?

**Sailesh Agarwal:** See, absolutely. I'm focused on a 30% to 35% growth, which we have been mentioning, but we are growing faster than that. So I would like to say that we will grow anywhere between 30% to 40% year-on-year.



- Kush Tandon:** Okay. And we see that, you are also issuing warrants to yourselves, so increasing your ownership. So probably, you are seeing a lot of conviction in your business?
- Sailesh Agarwal:** Absolutely, absolutely. That is one reason, we want to make sure that, we are able to grow this to a different level completely next couple of years. So the market is huge, the opportunity is huge. I have been saying this for 12 months, and the results are here to see. So this is the first half yearly result. I believe that, this quarter also is going great for us. We are doing great with the winter wear. We obviously added a lot of stock, but it is doing well. I believe winter wear will almost stock out in this coming quarter. And we have very good plans for summers. A lot of new products, new channels are opening. So I believe this is just the beginning.
- Kush Tandon:** Excellent, all the best. Wish you good luck.
- Sailesh Agarwal:** Thank you. Thank you so much.
- Moderator:** Thank you, Kush. We'll take the next question from Kaushal Sharma. Kaushal, you can go ahead please.
- Kaushal Sharma:** Hi, very good afternoon. As you said that we are going our product to Zepto and FWD. So what kind of revenue have we generated yet and what kind of mix we are expecting from this quick commerce going ahead?
- Sailesh Agarwal:** See, quick commerce, we started in the month of July. So it has only been three months. So, within the three months, quick commerce was a completely different new ball game. So we wanted to test first. So we went slow. We started with our T-shirts, which did very well. We were in fact stocked out, within 30 days of stocking up. But, yes, we started with a smaller quantity. So we were trying to test the waters.
- So once that was done, now we have added seven new categories, in quick commerce. So we are doing kurtas, we are doing jackets, we are doing sweatshirts, we are doing trousers, and all these categories have started doing well. So quick commerce is something you have to take some time, understand the thesis of the market, what products will sell, what will not, and then take it forward.
- So for three months, I would not say the contribution is too big, but yes, it is growing rapidly. I believe going forward, quick commerce should be at least, between 5% to 10% of our total revenue.

- Kaushal Sharma:** When are we expecting these levels from the next year or financial 2027?
- Sailesh Agarwal:** Too early to comment that because, it has just been three months. Though we are seeing a rapid growth, and we now also have POs for shirts and denims from quick commerce companies. But I believe, this will come out very soon. Means specifying a date is difficult as of now, but I don't see it stretching too far.
- Moderator:** Kaushal, do you have any more questions? We'll move on to Kapil Ahuja. Kapil, you can go ahead please.
- Kapil Ahuja:** Hi, this is Kapil. I'm seeing flat revenues QoQ. And inventory has jumped up by 82%. The same portion on inventory because it's fashion company and all balls go into inventory only. So how much inventory write-offs have you done in the past five years?
- Sailesh Agarwal:** Our write-off is not much. I believe actually, I've already explained this in my earlier calls, but probably this is, we are interacting for the first time. So our strategy is a little different when it comes to testing new products. So we test almost 100 new options every month, but at a very small depth. So we don't manufacture more than 100 or 150 units, any new style. So that hardly is ₹20,000, ₹30,000 worth each option. So our debt inventory levels are always very low. We are in a model of test fast, fail fast, fast, fast types. So whatever new products we launch, whatever new categories or say SKUs, we get out of those. We only build inventory in those SKUs. Rest we cut off within three months, and that is also done by discounting and our offline channel. So we have both online and offline channels to sell. So that helps us whatever sell the smaller part of inventory, which is left over. So our debt stock inventory is very, very nominal.
- Kapil Ahuja:** So with ₹61 crore of inventory build-up, can we safely say that it will be below 5% right offs?
- Sailesh Agarwal:** Absolutely. I don't think even 5% will be below 2%.
- Kapil Ahuja:** Okay. Thank you. That's all from my side.
- Moderator:** Thanks, Kapil. We'll take the follow-up question from Kaushal Sharma. Kaushal you can go ahead.

- Kaushal Sharma:** Hi. So my question is on your margin. I can see that a slight improvement in our EBITDA margin from 9.3% to 10.6%. Will it be sustainable in near future as we are going very good growth and using AI exploiting data points, and adding lots of varieties of clothes. So will this margin be improve in near future?
- Sailesh Agarwal:** Kaushalji I will tell you, men's wear is one segment where in the entire apparel business, the margins are the lowest. If you compare with women and kids. So we have just started with women, and we have also launched kids. Also from this season onwards, this year onwards, we are focusing more on this Q3 winter wear growth. So all these are high margin products if you compare them with men's wear. So I truly believe that going forward, our margin should sustain, and we should also be able to improve them a little.
- Kaushal Sharma:** What kind of target of EBITDA margin are we expecting with this man and woman category?
- Sailesh Agarwal:** It's again too early to state a number, but I believe, it should increase by at least 5% to 10% again.
- Kaushal Sharma:** 5% to 10% means currently is around 10%. It will go to the 20%.
- Sailesh Agarwal:** It can. No, no 10% of 10%.
- Kaushal Sharma:** 10% of 10%. So this is the differential margin from the April of men and the women and kids.
- Sailesh Agarwal:** Women and kids. Also quick commerce has better margins as you start selling more. The economies of scale, comes in and there also you get better margins. Also platforms like Myntra, we are able to get a little better margins. Again, as the brand is getting established, our ASPs are going higher because our bottom wear is selling more. So the contribution of bottom wear is rising. So as our ASP goes from a 350, 370 types to a 450 types, it will help the EBITDA margin to improve.
- Kaushal Sharma:** And what is the EBITDA margin in this kid and women segment and the men appraisals?
- Sailesh Agarwal:** So the kids and women kids, I would say, is at least 10% to 15% better than men's and women is 20% to 30% better than men's.

**Kaushal Sharma:** And since we are growing in online market and adding Zepto's and FWD and all. So what kind of the commissions and things that we are giving to them in percentage from an overall sales value?

**Sailesh Agarwal:** It is around 30% to 33%.

**Kaushal Sharma:** 30% to 33% across all the online including quick commerce and all?

**Sailesh Agarwal:** Yeah. This is the average. It starts from 22%, 23% goes up till 40%. The average comes to 30% to 33%.

**Kaushal Sharma:** 30% to 33%. Okay. Thank you. That's all from my side.

**Sailesh Agarwal:** Thank you.

**Moderator:** Thank you. We'll take the next question from Manisha Modi. Manisha, you can go ahead, please.

**Manisha Modi:** Hi. Good afternoon.

**Sailesh Agarwal:** Good afternoon.

**Manisha Modi:** My first question is online e-commerce firms also have several other brands of theirs in this category. So how does an e-comm decide which to push up and what to push up or down? What is the chance that you wouldn't focus on their first page on search?

**Sailesh Agarwal:** Sorry. Your last line, I couldn't get it.

**Manisha Modi:** What is the chance that you would not focus on their first page on search?

**Sailesh Agarwal:** Okay. So this is driven by algo. So this completely depends on the algorithm. So it is not the company which decides. It is the algorithm which they have designed. And every company has almost similar sort of algorithm, but, yes, it varies. So the algo works like the first thing is, they check every new listing, which is live on any marketplace, get some minimum count of view.

So say example, if today, FTX goes live with 10 new styles, it will get almost 1 million views from all the leading marketplaces. Then the algorithm sees that which listing is getting more clicks. So the click through rate, whichever is higher, the algorithm pushes that in the front page.

Then second, it comes the conversion, which is converted more. Third comes the returns and the review ratings. And then fourth comes the availability. So we have cracked all these words, and there is a lot of data bank which we have through which we know that...

**Moderator:** Sailesh, your voice has gone away from the system.

**Sailesh Agarwal:** So this is completely algo based as I just explained you. As I was just mentioned the four, five points, which leads a product to be to stay on the top. And end of the thing is, end of the line is the right product at the right price which customer is buying and giving a good review. Also, it depends on the experience of the brand, since how long the brand is selling on the platform, what is the total business the brand is doing with the marketplace, and what is the overall performance of the brand. Like our overall rating on the marketplaces is 4.3 out of 5. So that is also one factor which drives the visibility of a product.

And stocking the product throughout the country, like today we are in 9 states available. So probably 90% of the country, we are catering within 48 to 72 hours. That also really helps because, nowadays, the new generation is very impatient in terms of their delivery period. They want the goods faster. So you have to be good enough to manage your inventory across the 9 states and your mother hub to make sure that the goods are delivered within 48 to 72 hours and that really helps the algo to push your listing up.

**Manisha Modi:** Got it. We are currently under an ASP of ₹599. So how do you see your target audience changing and, hence, volume being lower for incremental growth at higher margins?

**Sailesh Agarwal:** See, I believe we don't want to change our target audience. We want to, this brand is here to cater the masses, which want to buy a great fashionable product, which is delivered to them fastest, which has a decently good quality between ₹299 to ₹599. So the brand is built like that and this is the segment we want to focus. We don't want to change the segment. This is one.

And coming to the improvement in margins, so that will come with the addition of channels such as quick commerce and other offline channels. And secondly is, the addition of new categories and products. So the market, we are not changing. The ASP, we don't want to change. We want to expand the product line categories, and gain more margins out of that.

**Manisha Modi:** Okay. And unlike other players, you don't have in-house manufacturing. So how do you control quality and product?

**Sailesh Agarwal:** So I completely believe that world over, there is no apparel fashion brand, bigger brand or say negligible. If there are many, I don't know means. If there are any, I don't know. But there are hardly any brand who do their manufacturing also and are successful with branding also. So, in-house manufacturing doesn't work if you want to have a complete line of apparels. It can only work if you want to do say a couple of categories.

And, again, then you cannot do fast fashion business if you have in-house manufacturing. So I think that is a plus point for us that we don't manufacture ourselves, but we have enough resources, our intellectual properties through our factories and our research team, which we have developed. I think that is one big advantage of us. And about the quality, we have a huge quality control team with an SOP, which is working for us since last 10 years. And we keep on improving that and keep using more new technology, new machines to make sure that we are always updated with the changes in the requirement of the customer and the need of the quality.

**Manisha Modi:** Okay. But then can't your white labelling brands go direct with suppliers? Why would they want Forcas in between the chain?

**Sailesh Agarwal:** Because, the brands which we cater are mostly large format stores. These large format stores they have maybe a 8,000 to 12,000 square feet store where they want to keep products from multiple manufacturers. So every manufacturer or say every brand has their own handwriting, have their own USP in their products. So they being the retailer, they want to have a mix of all the products. So there is always a room for a brand which is making decent product with latest fashion and if the cost is reasonable. So there is always a room.

**Manisha Modi:** Got it. Got it. Thank you, and all the best.

**Sailesh Agarwal:** Thank you.

**Moderator:** We will take one question from the chat from Mr. Laxmikanth. What is the current capacity utilisation rate and whether the company is operating at optimum utilisation levels?

**Sailesh Agarwal:** They mean to say utilisation of the production capacity?

**Moderator:** Yeah. I don't think you have manufacturing, so this question may not be relevant, right?

**Sailesh Agarwal:** Yeah. So we can always increase our capacity, in terms of outsourcing in any product we see traction with. So, we started trousers with, say, selling them for at around, say, 10,000 - 15,000 units a month. Today, we are selling almost, 70,000 trousers a month, and we have increased the capacity in a span of three months. So I don't see that as a big challenge.

**Moderator:** We'll take the next question from Majid Ahamed.

**Majid Ahamed:** Very good set of numbers. My first question, is regarding especially on a working capital. Especially, I'm seeing your inventory has gone up and your payables to supplier has been more speedier. So for us to sustain growth with the working capital would be in the similar range or would it again increase? How are we going to manage that along with growth? Because if we again keep on diluting capital, raise debt, our ROCE also keeps on diluting everything. So how are we going to sustain that?

**Sailesh Agarwal:** So we have not diluted any further capital since our listing. This warrant issued is 70% - 80% subscribed by me and my brother. So this is one. So we have increased our holding there. And secondly, the working cycle capital is going to be similar. But yes, this is our growth phase. If in this phase we don't try to maximise our opportunities, we will miss the bus. Also, we are working on adding more categories, trying to push more channels, trying to create more number of options every month.

So this is here to stay, but yes in a balanced way. As I just answered, in my previous question that 90% to 95% of our inventory is not the new inventory. It is of the products which are already selling. So we just try to add on more depth to them to maximise the sales of the sale. So I don't see that, inventory is going to be an issue here.

Number two, the inventory always will go up during the Durga Puja season because we'll need to manufacture them, the inventory of at least 30 to 45 days before Calcutta almost shuts down for two to three weeks for Durga Puja. So that is one time and again, the summer season is one period where you need to add up more inventory to cater to the growing demand.

**Majid Ahamed:** Got it, but I'm seeing a trend wherein our payables keep on decreasing. Like, are we paying sooner to supply? Do you have any constraint with your supplier?

**Sailesh Agarwal:** It has been our policy to make sure that our suppliers are paid well. This is since our establishment. Number two, during Durga Puja and Diwali, we make sure that our suppliers are paid really well. This really helps to create a very good reputation in the business. And the way we are growing, we will need a lot of suppliers, a lot of new suppliers and existing suppliers will need with a lot of depth. So this is really, I think helping us where in this market, people are not paying too well to their suppliers.

We always tend to pay at the right time or probably, we try to relate with their issues and try to help them out there. So this is actually helping us create partners for long-term, where if we want to say, grow 4x to 5x from here, these are the same set of suppliers which will become pillars going forward. Also at difficult times, these are the people which will help the company to sustain in the right health.

**Majid Ahamed:** Got it. But the only concern that I'm facing is that if we see the trend of payables, FY24, it was 124 days. FY25 is 47 days. And now it is 13 days. So I'm seeing very hastiness in terms of payables. How are we going to normalise that? I understand that for business both, they're looking at it. But, yeah, as we do like this, you will have a lot of requirement of working capital...

**Sailesh Agarwal:** No, I will come to that. So 124 days to 47 days was the period when we got listed and the IPO fund did come in, and we utilised it to giving it back to our suppliers to make sure that we can grow our supplier base. So this is one. And here, what you see, we have paid because this is again, the time of Durga Puja and Diwali. Also, there was this natural calamity in Punjab.

So Punjab is the place from where most of this fabrics for winter comes in. So that was the time when people were not trying to take advantage of the situation and get the goods for cheaper. So what we did was that, we went all in, in the month of August and September and bought a lot of winter wear from there. So today's situation that only 50% to 60% supply is happening through Punjab this time.

And there is a huge crisis of the raw material. But with us, the situation is completely different. Our targets for the winter wear sales are almost going to be achieved or probably we will overachieve that. This was



just done for the same reason that we foresighted it that, winter raw material supply is going to be mostly from one state only and that state is in trouble. It is better to buy in cash and build up the inventory than wait till the last date.

So currently, the market is struggling with winter wear procurement because the manufacturing is only happening 50% to 60%. So these are some challenges which one faces and you need to take the right call at the right time, to keep growing.

**Majid Ahamed:** So this is more of a strategic call that you have taken to capitalise on the opportunity.

**Sailesh Agarwal:** Absolutely. And that is the reason, this season we are doing great with our winter wear products. If you have around you, just order a sweatshirt of ours. You will understand what kind of quality you are getting at what price point.

**Majid Ahamed:** Sure. It's really great. All the very best. I'm really impressed by your level of growth return.

**Sailesh Agarwal:** Thank you.

**Moderator:** We have another question from Kush Tandon. Kush, you can go ahead.

**Kush Tandon:** Do we plan to do D2C ever? And why are we not doing it in a meaningful manner? Is there a strategy call or you see some challenges there? Any views on that?

**Sailesh Agarwal:** See, D2C is great. But it is not for the brand FTX. So, I probably feel this is the mistake which people do. They start their D2C, but the per click cost, the CPC cost of both Google and Meta have gone up rapidly last four, five years, and it is here to grow only. This will not sustain. Also, at our price point where the ASP is around ₹400, we will not be able to spend that kind of money in terms of advertisement. Also, handling the returns by ourselves will be a challenge. It will only increase our manpower cost and our management cost, our tech cost, everything.

So we have taken this, I believe smarter route by selling through online where we pay commission only when the product is sold. We are not paying anything before that. And then we are working on the algorithm of the platform to make sure that the sales happen. That is way cheaper than trying to sell it through D2C. Also, because we are Omni, we don't

need to burn on D2C. We can be profitable and keep moving ahead and adding categories. So I believe D2C is not for brand FTX. I completely believe in D2C, but this segment of where we are trying to cater the market is not for D2C.

**Kush Tandon:** Okay. So no plans to do D2C in the near future?

**Sailesh Agarwal:** With FTX brand, no. We will not go D2C with FTX same segment brand. Anything we do other than, any other lines of FTX we do, which is at a higher segment, higher price point, then only we can go D2C.

**Kush Tandon:** Okay. Understood. Thanks.

**Moderator:** This was the last question for the day. Would you like to give any closing comment?

**Sailesh Agarwal:** So thank you, everyone. Thank you for joining. We are committed to take Forcas Studio and FTX to become the first value brand of India, which is Omni and which is without any store or D2C. So a lean model brand, where customer and quality comes first is our motto. So we are working very hard on that, and we believe that we'll be able to achieve that and brandify this brand company.

**Moderator:** Thank you. Thank you to the management team for your valuable time, and thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.