



Forcas Studio
LIMITED

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Sub: Transcript of Conference Call for H1 FY '27 Earnings

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the transcript of the conference call held on Monday, October 26, 2026, to discuss the H1 FY '27 Results

Further, the said transcript will also be made available on the Company's website.

Thanking you,

Yours Faithfully
For Forcas Studio Limited

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Digitally signed by SAILESH AGARWAL
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“Forcas Studios Limited H1 FY '27 Earnings Conference Call”

October 26, 2026



**MANAGEMENT: MR. SAILESH AGARWAL – MANAGING DIRECTOR,
FORCAS STUDIO LIMITED
MR. SOURAV AGARWAL – CHIEF FINANCIAL OFFICER
AND WHOLE-TIME DIRECTOR, FORCAS STUDIO
LIMITED**

**MODERATOR: MR. KARAN THAKUR – KIRIN ADVISORS PRIVATE
LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Forcas Studio Limited H1 FY '27 Results Conference Call, hosted by Kirin Advisors Private Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the 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 the conference over to Mr. Karan Thakur from Kirin Advisors Private Limited. Thank you and over to you, sir.

Karan Thakur: Good afternoon, everyone. On behalf of Kirin Advisors, I welcome you all to the H1 FY '27 Earnings Conference Call of Forcas Studio Limited.

We have with us senior management of company led by Mr. Sailesh Agarwal, Managing Director, and Mr. Sourav Agarwal, CFO and Whole-Time Director.

We will begin with the opening remarks from the management, followed by a Q&A session.

I would now like to hand over the call to Mr. Sailesh Agarwal – Managing Director of Forcas Studio Limited. Over to you, sir.

Sailesh Agarwal: Hello. Good afternoon, everyone. And a warm welcome to all investors, analysts, and stakeholders joining us today for the H1 '27 Earnings Conference Call of Forcas Studio Limited.

On behalf of the management team, I thank you for your continued trust and support. I hope you have had an opportunity to review our results and investor presentation.

When we last spoke in May, I said that FY '26 was about building the foundation and FY '27 would be about expansion. H1 FY '27 was the first test of that plan. Our total income grew 56.4%, to be precise, year-on-year, and net profit grew 72%.

More importantly, we continue to widen the availability of our products across distribution, online marketplaces, and most importantly, Quick Commerce, while scaling FTX and TRIBE and preparing for the launch of our new brand, Fitness Exchange.

So, India's apparel retail market stood at approximately Rs. 10 lakh crores in FY '26 and is projected to reach Rs. 6 lakh crores by FY '30. Mass price appeal represents around 72% of the market, but it is way higher than these percentages, highlighting a substantial opportunity for organized and branded players. The festive and winter period is an important season for the industry and execution through the second half will be significant for the year.

A few structural trends continue to support our strategy:

Digitalization is changing how consumers discover fashion, while Quick Commerce is emerging as a new route not just for the general industry but also for the fashion industry and rapid fulfillment.

At the same time, value-conscious consumers continue to look for fashion, quality, and affordability at accessible price points. Our asset-light model, direct fabric sourcing, and focused price positioning helps us respond to these needs while keeping capital allocation disciplined.

Our key focus during H1 FY '27 was to expand our product availability and strengthen our distribution network. We have built a network of distributors and semi-wholesalers and we have 18,000 plus retail touchpoints and a presence across 10-12 states. We remain focused on further expanding our reach. With FY '27 milestones of 700-800 distributors and more than 25,000 retail touchpoints by March 2027, we are firmly aligned with those targets.

Our digital presence continues to play an important role in our growth strategy. We are present on more than 12 to 15 online marketplaces with our products available across over 21,000 plus PIN codes, reaching more than 8 million customers.

In FY '26, online marketplaces generated revenue of Rs. 80.1 crore representing year-on-year growth of 37%. Going forward, our priority is to strengthen product availability and discoverability across platforms while delivering a consistent customer experience.

Quick commerce was an important step forward. So, we went live on Zepto last year, then we went live on Myntra now, that is M-Now, and FTX went live on Flipkart Minutes on July 29, 2026. And our products are now available across four platforms. Those are four Quick Comm platforms, Zepto, Myntra M-Now, Flipkart Minutes, and the fashion startup, fashion quick comm startup Boon.

On Zepto, the business scaled from initial launch of one SKU across 10 stores to 138 stores and more than 100 SKUs by the end of FY '26. Myntra M-Now launched with more than 100 SKUs with over 100 stores. Aligned in approximately 1,000 additional stores are planned.

Quick commerce contributed around 4% of FY '26 revenue and our near-term objective is to increase this contribution to around 15% of revenue as the channel matures.

FTX remains our scale brand in the 199 to 599 price range, focused on affordable trended fashion. TRIBE, our semi-premium bottom wear brand, is being scaled across distribution marketplaces and quick comm. It grew approximately 2.1x in FY '26, and our FY '27 revenue target is anywhere between 30 crores to 35 crores. As TRIBE increases its contribution, it can support blended realization while complementing FTX's reach and price proposition.

For fitness exchange, our athleisure and sport accessories brand, product development and sourcing is half done, and it is almost at the closing stage, with a planned launch in Q4 FY '27, comprising around 100 opening SKUs, split approximately equal between apparel and

accessories. So the number of SKUs probably will be higher in the accessories, but the number of styles will be lesser, but with the colors and other stuff, the apparel will be almost equal to accessories.

We continue to follow a test and scale approach to product development. Around 100 new options are introduced each month, typically in batches of 80 to 100 units and production is scaled after customer response becomes clear. Approximately 80% of inventory is allocated to proven products and around 1 in 5 to 7 tested options becomes a hero product.

Our blended product return rate is below 12%. The average marketplace rating is 4.3 out of 5, and inventory write-offs are below 2%. The white label business contributed approximately 21% of FY '26 revenue and a closing order book of Rs. 17.8 crores at the end of March 2026. We continue to target white label revenue contribution to move around between 20% to 22% while maintaining focus on our branded portfolio.

Coming to the financial performance for H1 FY '27:

Total income stood at 1,310 million compared with 837 million in H1 FY '26, representing year-on-year growth of 56.4%. EBITDA excluding other income was 153.06 million compared with 88.67 million, registering growth of 72.6%. EBITDA margin also improved to 11.74% from 10.6%, a year-on-year increase of 115 basis points.

Net profit stood at 99.91 million compared to 58.08 million, registering year-on-year growth of 72%, while diluted earnings per share were Rs. 5.68 compared with Rs. 3.3 per share, representing year-on-year growth of 72.1%. PAT margin improved to 7.63% from 6.93%, an increase of 69 basis points.

Our focus remains on disciplined pricing, product mix and scaling FTX and TRIBE, TRIBE especially as a margin-led brand while FTX continues to drive volumes.

Looking ahead, the second half includes a lot of festivity and winter season, which is important for apparel demand. Our distribution reach has broadened, our products are available through multiple quick commerce platforms now and our seasonal assortment is also in place. We expect quick commerce and TRIBE to continue a larger share of growth in H2, while we prepare to launch Fitness Exchange in Q4.

Our FY '27 guidance indicates revenue growth of 25% to 30% with further improvement in EBITDA margins. We will continue to widen distribution, improve online execution and monitor inventory and cash conversion as the new channels mature.

Over the medium term, our priorities remain to scale FTX and TRIBE, expand distribution in quick commerce and launch Fitness Exchange with the right assortment. We continue to believe that consumers at our price points are moving from unbranded to branded apparel and that this

transition remains at an early stage. Our focus will be on disciplined execution, product availability and sustainable growth while maintaining the asset-light nature of our business.

Before I conclude, I would like to thank our shareholders, customers, employees, channel partners and manufacturing partners for their continued support. We remain committed to executing our plans and create long-term value for our stakeholders.

Thank you. I would now request the moderator to open the floor for the question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Priya Jain from Green Capital. Please go ahead.

Priya Jain: So, I have a few questions with me. Firstly, on the income side, we grew by around 55%-56% Y-on-Y in H1. How much of this growth came from volume, pricing and product mix? If you can give us a little bifurcation.

Sailesh Agarwal: So, the product input cost, in fact, has increased by good 25%-30% because of the current global situation. But we were able to consolidate and increase our pricing by approximately 7% to 8%. So, I think the product overall range of the growth is 56%. The total volume growth should be around 40%.

Priya Jain: And sir, also about the quick commerce part. So, what was our revenue from quick commerce in first half?

Sailesh Agarwal: So, from quick commerce, our revenue stands around 10% this time.

Priya Jain: So, are we targeting to increase it like around 15%-20%? And when we can expect that?

Sailesh Agarwal: Absolutely. See, I will tell you what is happening is with quick commerce, quick commerce is the fastest growing sales channel in our country today. They are growing rapidly, and even the general trade FMCG products and also fashion is seeing a trend where buyers who are getting used to quick commerce are not going back to buying from general trade or online.

So, quick commerce is here to stay and here to grow. So, I believe fashion is one subject where it will become a huge channel to grow. So, in the near future, medium term, I see more than 20% of the total revenue growing through quick commerce.

Priya Jain: Yes, good to hear that. One more question on the inventory side. We had around Rs. 80 crore inventory at the end of FY '26. And what is our current inventory position?

Sailesh Agarwal: So, currently, we are at around Rs. 104 CR. So, we have grown around 56%-57%, whereas the inventory has grown around 20%-25%.

Priya Jain: Good to hear that. That's it from my side. Looking forward to updates also.

- Moderator:** The next question is from the line of Dinesh Parekh, an individual investor. Please go ahead.
- Dinesh Parekh:** So, my question is, sir, how much did you spend on advertising and marketing during H1 FY '27? And what is the plan for expenditure for H2?
- Sailesh Agarwal:** So, we hardly spend any money on advertisement outside our channels. So, we do not spend on social media because our FTX is more discoverable on the marketplaces. So, our advertisements are only on the marketplaces which gives us direct revenue. So, our budget is almost around 4%. And we end up spending anywhere between 3% to 4%.
- Yes, but when you launch a new brand, then the case is a little different. And in the terms of quick commerce, the case is a little different. So, as the overall mix of quick commerce right now is around 10%, so we do not see a much significant ad spend in the overall mix.
- But as quick commerce grow, we might be seeing that this 4% is optimumly utilized or it even crosses that. But that will not impact the margins as the quick commerce margins currently are way higher than online and distribution.
- So, the target is 4% of the total revenue. But if the quick commerce grows faster, 1% plus minus can happen.
- Dinesh Parekh:** So, it is 4% for entire year, I can say.
- Sailesh Agarwal:** Absolutely.
- Dinesh Parekh:** And what was the operating cash flow during H1 FY '27? And when do you expect the business to become consistently cash generative?
- Sailesh Agarwal:** See, I will tell you, I will not go in the exact numbers for that. But we have grown by 55%-56%. What I am saying is that this is a complete different category of selling, which is being introduced to in our country for fashion. Nobody ever thought that you will be buying a shirt or a jacket within 10 minutes of thinking about it.
- So, quick commerce is operating very differently. What they are doing is they are having multiple stores. So, what happens is, in terms of e-commerce, our inventory is at one place or say one place in a state. But in quick commerce within a city, it is distributed, say, to 100 different dark stores.
- So, quick commerce has a limited space for each brand. And they also have limited brands. We have been lucky to find our way and crack the quick commerce code and get early into it.
- So, this is the time when all, I hear Reliance is also coming up with their quick comm. Blinkit, Zepto, Instamart are growing rapidly. Also, Myntra, Flipkart, and Amazon have also started their quick comm in a big way.

So, what is happening that currently, overall, there are around 1,800 to 2,000 quick com stores, dark stores in the country. The market projection from the quick comm people are that by next year, this will be around 5,000 stores. And within the next two years, they will be around 8,000 to 9000 stores.

So, with that kind of expansion, it is very important for us to be there available. If we are available there and we are discoverable, it will be very easier for us to brandify ourselves. So, customers see us regularly. Without spending on advertisement, we become a brand.

And also in the quick comm, there is no last mile return cost as e-com. So, the inventory goes a little higher, but it is data-based inventory. You are only refilling the product where you already have the data from e-com that this pin code, this is the product which was selling this much. So, you divide it by days and you fill up the inventory in the quick com dark store for the same product.

So, I think with fashion, it is going to take a medium-term approach to get into the cash positive cycle. But once it is done, it is going to be far easier than the regular fashion trade because this will become more of the repeat business.

So, your brand is established and you know what products sell. So, you are selling 80% of those products only and you are experimenting with only 20%. And you are experimenting those 20% in the e-com and not the quick comm first.

So, once you experiment it on e-com, you get the data what is selling at which pin code and then you push that through quick comm in that pin code. So, it becomes far easier.

Dinesh Parekh: But that was the question. When do we expect any timeline we have, deadline we have given ourselves to see that picture?

Sailesh Agarwal: We have given us a medium-term sight of maybe 1.5 to 2 years.

Dinesh Parekh: And what was the TRIBE's revenue growth in H1 FY '27 from H1 FY '26?

Sailesh Agarwal: The Tribe has also grown by around 50%.

Dinesh Parekh: And is the brand on track to achieve its FY '27 revenue target, you said, Rs. 30 CR to Rs. 35 CR?

Sailesh Agarwal: Yes, with TRIBE, yes, certainly. And with TRIBE, we are not experimenting much. We are going slow with it. Our agenda with TRIBE is not to grow rapidly, but to ensure that we maximize our margins. And that we are able to achieve means our PAT has grown, our EBITDA has grown. And TRIBE has to be the brand which has contributed the most of it.

Dinesh Parekh: And how will the expansion of our quick commerce network and the new platform partnership supports Forcas' sales growth?

Sailesh Agarwal: I'm sorry, come again, please.

Dinesh Parekh: I mean, how will the expansion of quick commerce network and the new platform partnership will support Forcas sales?

Sailesh Agarwal: So, I will tell you what is there. This is something very interesting. All these quick comm. companies are compromised with or they are built on the teams which are coming from e-com marketplaces. And all these e-com marketplaces know us, the players from the e-com marketplaces, they know us pretty well as a brand.

So, the first thing they want to do at these price points, the 299 to 599 price point, when they want a brand, they look for the top 4-5 brands in the country, and they approach us directly. Okay. So, any quick comm, which is trying to sell fashion at this price point, will have to approach us.

Also, they want to compete with each other. So, when a Blinkit sees that we are selling good on Zepto, they approach us, giving us a better deal and trying to have the similar product at their pin codes, and promote our products to their customers to probably compete with their competitors.

So, this is an ecosystem which develops once you are there and you have proven yourself that you will be able to manage the supply chain and keep up the pace with the quick comm. Companies. When they keep up opening their stores, you have the inventory to support them.

Dinesh Parekh: So, fine. I am done with my questions. If I have any, I will get back on the queue.

Moderator: The next question comes from the line of Vinod Shah from VS Ventures. Please go ahead.

Vinod Shah: So, I have like a couple of questions. So, on the finance cost side, so it has increased almost 160%. So, where do you see this trend in the next two to three years? How much debt do we have? And do we have any plans to onboard more debt on the book?

Sailesh Agarwal: You know, sometimes this finance cost is right, but the debt doesn't show the clear picture. Out of the total debt you see, around 19%-20% we have as a FD already. Also, in the total debt, there is a good 15%-20%, which is the LC limits, where we are importing goods from Bangladesh and China, where we need to secure an LC to our supplier against our orders.

So, the finance cost has gone up because the business has also grown. And also, we are trying to keep up the pace with the quick comm and the e-com cycle. We have expanded from FTX to TRIBE and we are growing around 50% plus every year.

Also, we would like to reduce this cost in a stabilized manner, because it is helping our brand prominence and the inventory prominence to be throughout the country. The market is there

because the country size is pretty big and with quick comm and e-com playing the major growth levers now, you will need inventory to build up the brand and also to remain algorithm friendly.

Once your stock is out, the algorithm doesn't support you, and this is the main challenge we have understood in the industry is people get this wrong and they build a brand for 4-5 years, and one quarter they don't have their inventory right, they are replaced by some other brand.

So, what happens is the right way to tackle this is to improve your margins, which we are doing through TRIBE. Also, we are introducing Fitness Exchange, which is apparel cum accessory brand. It will be accessory heavy. So, accessories also helps you in quite a different manners as it has an entry barrier. Unlike apparel, it is not easy to get into an accessory business. It needs a lot of capital and a lot of insight. It needs a head start, which we have because our brand building is already done in our segments.

Thirdly, it is a non-fashion product. So, the returns are far lesser. The cost of doing business is far lesser. It takes a lot of lesser space, a lot lesser space than apparel. So, I think, the margins are also better there. So, along with FTX, we are trying to build TRIBE and Fitness Exchange, which both will be the margin drivers and FTX will be the volume driver.

So, if we go right with Fitness Exchange as well, I think, the margins are going to improve significantly in the coming years.

Vinod Shah: And sir, what is the current status of TRIBE's planned expansion into the women's premium bottom? When do you expect this category to launch?

Sailesh Agarwal: So, what we have seen is the women's digital business, especially the e-com business, is a very typical business. So, we are expanding TRIBE more on the distribution side and on the Quick Comm side, where the last mile return costs are not much higher.

So, there is this customer behavior where women are returning far more products in comparison to men. So, the average return rate of men is around 17% to 18%, whereas with women it is around 30% to 32%, in apparel especially. So, we are trying to hit more of offline and Quick Comm business with women and only gradually take TRIBE to e-com to ensure that our margins are intact.

Vinod Shah: What is the return rate in Quick Commerce versus your other business?

Sailesh Agarwal: So, currently, we are at under 12%.

Vinod Shah: That's in overall.

Sailesh Agarwal: This is e-com.

Vinod Shah: E-com and your other businesses, how much is written there?

- Sailesh Agarwal:** Offline, hardly anything. Offline means it will be below half a percent and Quick Comm is nothing, is probably, it is too early to predict that but hardly anything. So, the returns mostly are on e-com only. Other businesses doesn't have an impact on that.
- Vinod Shah:** And sir, how is the festive demand in October? What trends you are seeing in consumer preferences?
- Sailesh Agarwal:** So, this year, we were a little well-prepared. We started our festive distribution business in September itself. That is also one reason that our September H1 numbers are pretty good and October, November, December, we are very well equipped with our inventories. We have come up with new winter wear lines for men. We have gone in depth and sourced a lot from Chinese fabrics which gives a little wider variety to the price conscious customer of FTX.
- These type of products were earlier only available in the branded segment which we have introduced for our unbranded Tier-3, Tier-4 customer at their soft price point of 399, 499, and 599. So, already, in the past 15-20 days of, say, almost 25 days now of October sales data which we have, our winter sales goods have really picked up and we see a good festive and winter season ahead.
- Also, there is a certain crisis in the market in terms of sourcing because of the crude going up, not just the pricing, but also the availability has become an issue where we think we are well-placed because we have well-planned our inventory and growth. So, I hope this is going to be a good season for us.
- Vinod Shah:** So, do you expect revenue growth guidance of 25% to 30% on the full year? And what margins do you expect on the full year?
- Sailesh Agarwal:** You know, we have given a guidance of 25% to 30% of revenue growth and a 5% to 10% increment in the margins. And I think the H1 growth is really rewarding, and we see the revenue to be executed comfortably, our target to be achieved comfortably and margins, I don't believe is an issue with us as FTX is now settled as a brand.
- Quick Comm though the cycles are longer at the moment because we are going into the new stores and it is taking their own pace to bring the customer in, but the margins there are healthier than e-com and margins targets, whatever we have set should be achieved comfortably.
- Vinod Shah:** On the Quick Commerce side, at how many websites we are available on the Quick Commerce?
- Sailesh Agarwal:** How many?
- Vinod Shah:** Websites we are available?
- Sailesh Agarwal:** So, we are available at four right now. We are on Zepto, we are on M-Now, we are on Flipkart Minutes, and we are on Booon. And within March, we will be available on Blinkit, we will be

available on Instamart, and we should close Amazon. Now also, it is we are under negotiation stage.

Vinod Shah: And what is the typical receivable cycle with Quick Commerce?

Sailesh Agarwal: With Quick Comm, it is generally 45 days.

Vinod Shah: I will join back in the queue.

Moderator: The next question comes from the line of Aditi Jain from Wealth Management. Please go ahead.

Aditi Jain: First, I want to know what is the current platform-wide presence across Zepto, M-Now and Flipkart Minutes in terms of store coverage and experience?

Sailesh Agarwal: You want the revenue breakup?

Aditi Jain: No, sir. I am asking like platform-wide presence across Zepto and Flipkart Minutes in terms of like overall storage and how much you keep as an experience.

Sailesh Agarwal: So, Zepto, we started early. So, Zepto is our main quick comm platform as of now. But Myntra being the largest online fashion marketplace in the country is growing rapidly. We have already crossed being in more than 100 stores on Myntra, and they have a plan to go to 1,000 stores in next 6 to 8 months. And we are trying to keep up with the pace and be available in the maximum possible.

So, both Myntra and Flipkart are racing ahead in terms of the fashion supply in Quick Comm. And I believe gradually, Myntra and Flipkart Minutes will become our main platform to sell fashion, whereas the fitness exchange products will be available on all the Quick Comm marketplaces and there the Blinkits and the Zeptos and Instamarts of the world will take over.

Aditi Jain: As there is increase in cost and logistic cost, are you considering the price increases or will you absorb this cost through sources, efficiencies and product mix?

Sailesh Agarwal: So, this is a difficult question to answer. India is a very price sensitive market. So, the sort of hike we have seen in the past 6 months was never seen earlier. Only at the times of COVID this type of hike was seen, but that also didn't sustain for more than 6-8 months.

What we did right probably is that we planned our inventory in advance and because we had good stocking everywhere, so it helped us average out our input cost. So, obviously, what we have done is we have increased the prices in the new products where the comparison was not available. On the already well-settled products, what we did is that in the festive season when people go deep discounting, this time we didn't go with the deep discounting and also not increase the price and average it out there.

So, after this festive season, we want to increase the prices a little to ensure that whatever new input cost is increased should be camouflaged and should be taken care.

Aditi Jain: As per the fundamental wise, I can see there is an EBITDA margin improvement. So, almost 12% from 10 to 10.6. What were the key drivers? And is this improvement sustainable?

Sailesh Agarwal: Yes, I will tell you, honestly, the prime reason was the increase in the prices in the market, and we were having our stock intact. Because we were very well planned and we could understand that this issue might crop up and we did stock very well. So, this helped our, you know, because our buying was better and at the right time. So, we could get better margin and also improve our sales by 56%. So, this is one.

And sustainability of margins, yes, as you must have heard with my earlier answers, we are working on TRIBE and Fitness Exchange. And we do believe that through quick comm and through higher margin products, we can increase our margins. But we want the growth also to be intact. We want to grow at least 30% year-on-year and keep improving our margins.

We are on it. Our plans are around that only. And we believe that the margins and the overall revenue will keep increasing.

Moderator: The next question comes from the line of Shankalp Pandey, an individual investor. Please go ahead.

Shankalp Pandey: So, what is the share of Flipkart in our total sales?

Sailesh Agarwal: In our total online sales, Flipkart would be around 20%, I would say. 20%-25% anyway, in between, exact numbers are very difficult to find. Yes.

Shankalp Pandey: And as the share of Q Commerce increases, we must be expecting it to go down further?

Sailesh Agarwal: No, what will happen is, the general trade sales would go down. But the e-com, the products will change. So, the Quick Comm behavior is a little different. In Quick Comm, not your complete 2,000 SKUs sell. It is the top 10% you sell. Because Quick Comm currently are more in the metro cities and just going to the Tier-2 cities. The Tier-3, Tier-4 behavior is a little different. So, they are on e-com only right now.

So, what happens is, you increase your Tier-3, Tier-4 portfolio, and try to manage the e-com sales. And with Quick Comm, you try to cater the Tier-1 customer.

Shankalp Pandey: And what are the margins in the women's wear segment? Are they at par with the men or better?

Sailesh Agarwal: Women wear is always better if you are in the right product category and you are not in the product category where the returns are higher. So, this is the reason that we started with bottom wear and not top wear. Because top wear, the fashion changes rapidly in comparison to bottom

wear. And also we are going very slow with the e-com thing of women wear, just to make sure that our margins are intact.

Shankalp Pandey: Thank you for answering my questions.

Moderator: The next questions come from the line of Priyanka Singh from Finova Capital. Please go ahead.

Priyanka Singh: So, my question is how do margins on Quick Commerce compared with traditional e-Commerce marketplaces after accounting for commissions, logistics, and returns?

Sailesh Agarwal: So, what happens, I will give you a short idea, is that in terms of Quick Comm, we need to dispatch everything in bulk to the dark store. Actually, it goes to the mother store first. And from there, it is distributed to the dark store. Whereas, in e-com, you dispatch a unit by unit, which goes through courier. So, obviously, the operating cost, the logistic cost is far higher in e-com.

Secondly, the returns are also coming back to you via courier versus in Quick Comm, it goes back to the dark store when you are purchasing next. So, again, the return logistic cost is also way lower. And that is also not on us. That is on the Quick Comm company. And it is included in the CODP.

So, the cost of doing business in Quick Comm is far cheaper than e-com. The difference is, you need to hold the stocks in their dark stores. Also, because it is a new category, the advertisement cost currently is higher. Otherwise, Quick Comm is at least 25% cheaper and has more margins than e-com.

Priyanka Singh: And my question is, what is the status of preferential warrants? How much capital remains to be received? And how will be the funds be deployed?

Sailesh Agarwal: So, the initial 25% has already been converted. The balance 75%, we have a timeline of next, I think, till May or June, we have the timeline. So, next six to seven months we should be able to convert all of that.

And about the funds, the way we are growing, we are still to raise any further capital. So, it will be consumed in our day-to-day business of FTX and TRIBE. And also, it depends on how the Fitness Exchange 1st Quarter goes once it is launched. And we will see, means, which brand we are putting in more capital to.

Priyanka Singh: Thank you for the answer.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question for today. I now hand over to Mr. Karan Thakur for closing comments. Over to you, sir.

Karan Thakur: Thank you for attending the call of Forcas Studio Limited. So, if you have any queries, you can email us at research@kirinadvisors.com. Thank you all for joining the con call. Thank you.

Moderator: Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.