



BRAND CONCEPTS LIMITED

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Date:- 18th August,2025

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

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

Symbol: BCONCEPTS

Scrip Code: 543442

Subject: Transcript of Investor Call held on 14th August,2025

Dear Sir/Madam,

Pursuant to Regulation 30 of the Listing Regulations, copy of transcript of the Investor call held on **Thursday, 14th August,2025 at 02:00 P.M.** (Indian Standard Time) to discuss Company's performance for the Q1 and 3 Months on ended 30th June,2025 for the FY26 is enclosed.

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

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

Thanking You,
Yours faithfully
For Brand Concepts Limited,

Swati Gupta
Company Secretary & Compliance Officer
Mem No. A33016



BRAND CONCEPTS LIMITED

Q1 FY26

POST EARNINGS CONFERENCE CALL

August 14, 2025

Management Team

Mr. Abhinav Kumar - CEO

Mr. Nabendu Chakraborty - COO

Mr. Manish Peshwani - VP, Commercial

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY '26 Post Earnings Conference Call of Brand Concepts Limited. Today on the call from the management team, we have with us Mr. Abhinav Kumar, Whole-Time Director and CEO; Mr. Nabendu Chakraborty, COO and Mr. Manish Peshwani, VP, Commercial.

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

Abhinav Kumar:

Hi. Very good afternoon, everyone, and thanks for joining our post-earnings call. See, there were a lot of positive developments in the quarter. We signed a good brand, a marquee brand in our portfolio, which had promised that we would be signing a few brands in this year. So first quarter, we've signed Off-White, a very, very proud moment for us because it is a very marquee brand recognised for its streetwear fashion into the luxury space, and that marks our foray into the luxury space.

It's a franchisee agreement. So it's not a license agreement where we will be designing, developing the products. It's going to be more on the import model. And hence, we'll be opening stores here and obviously also distributing the brand across various channels. So that's Off-White for us. It opens up a whole lot of possibilities for us from a future perspective.

Then in terms of, again, new brands, we launched Juicy Couture, primarily the launch campaign and everything happened in this quarter. So we've launched Juicy Couture, which we had signed last year. And Touchwood, I'm happy to say that the response that we are getting in Juicy Couture as a brand is very, very encouraging. We're getting a very good response in the Juicy Couture line, both online as well as offline.

Then we've also expanded our footprint. So we opened more stores. We are taking marquee locations. We also launched our first airport store. So we launched our first airport store in Bangalore and the Bangalore Airport T1. And as recent as last weekend, as in this week,

rather, we've opened Bombay T2 as well. So we've opened a store in Bombay T2. We've expanded our footprint in Bombay. So we've also opened the Oberoi Goregaon store in Bombay, that also operational. So we're securing these marquee locations. We're getting good locations and we've expanded our footprint over there.

Then Q1 also marked the successful trial of the hard luggage manufacturing facility. So all trials were successful, even the lab for our quality control, that also is completely functional, fully operational, and we have a state-of-the-art facility even for our internal quality control. So all that became operational. And we've commenced on full-fledged production in the month of July.

So full-fledged production has commenced. Though we've not yet reached our maximum capacity, we might take another couple of months to reach our optimum capacity, but we've begun well. So, and then, of course, reflecting on the results I think after COVID, this is the first quarter where we've showed losses. And part of it was already budgeted. We had expected the quarter to be a little slow, looking at the overall market sentiments.

So just answering on the result, I think it has been on two or three counts. One, obviously, sales taking a dip and there were margin pressures as well. So, and cost of operations on the account of new stores, new hirings, strengthening the talent pool further, marketing. All of this, obviously, the costs have gone up and the revenue has come down, and that's the primary reason for the losses that you see.

We also experienced that in April and May, we were still sort of holding on to our pricing and the pricing strategy of the competitors in the market continuing to operate at a very low price point. The price points did not sort of come back. And generally, what happens is we took this call, had informed everybody that we're taking this call of not participating in this. So we waited.

But what happens is this entire thing had started in September 2023, right? So this September, October will be almost two years when such kind of pricing has prevailed in the market. And 1.5, two years of time is a good enough time for the consumers to start sort of relating to a certain price point of the product. And hence, in the month of June, we said we will also have to rationalise our pricing. And from June onwards, we've rationalised our pricing. We've corrected certain prices in the market, and we've started seeing an uptick. We've started seeing -- in fact, just to share a figure that June alone contributed to more than 40% of the entire quarter sales, right?

So, and we saw a jump from last year June to this year, June. So it was a positive. So while we were degrowing in April and May, overall at a company level also, we grew in June, and I'm very happy to share that we are continuing to grow even in July. And hopefully, we should be able to continue to grow now at a healthy pace, and we should be able to sort of bounce back and overcome whatever the dip in performance that has happened in Q1.

So the team remains very optimistic that we should be able to sort of annualise, we should be able to come back on a growth trajectory. Having said that, if I remove trolleys luggage per se from the picture, we also see that we have grown in all other categories, including One Hero which has come out is probably Backpack with manufacturing coming as a backward integration, our supply chain improved. Our margin intake also has improved. And because of which we've seen a very, very good jump in our Backpack business in terms of the overall sales volume, both volume-wise as well as value-wise.

Apart from that, from a channel perspective, I think it's the traditional trade which is still sort of...

Nabendu Chakraborty: Reeling under pressure.

Abhinav Kumar: Is reeling under pressure. However, all the other channels have shown a positive trend. So we've grown in all the other channels, right from e-commerce to modern trade to our own stores. We've grown over there. So overall, from June onwards, I think the trajectories have changed. And I hope that we are able to sort of post good numbers from Q2 onwards. Yeah, that's it. I think we'll have a lot of questions. So we'll open the session for Q&A.

Question-and-Answer Session

Moderator: Thank you. Whoever wishes to ask the question please raise your hand or put your request in the chat box. We'll take the first question from Naysar Parikh.

Naysar Parikh: Hi, Abhinav. My first question is that like you mentioned, I think till last quarter, we were very adamant on pricing. And we were hopeful that pricing will correct to where we are. So do you think looking back, was it a mistake that we made? Was it an error on part of judgment to say that maybe prices will correct and we didn't bother to change our assortment to kind of match the pricing that was prevalent.

And now that we have to reduce the prices, then we have to take a hit on the margins as well. So how do you look at this whole situation?

Abhinav Kumar:

I would say partly, yes and no. Partly, I would say, yes, probably, what I had expected was that such kind of pricing will not last for too long. So we were expecting that probably once players who had unsold inventory and we wanted to sort of clear out all those inventories. And once that scenario sort of eases out, things will start looking better. How long can you continue on such kind of pricing.

So partly because of that, yes, it was, I had expected that it will bounce back earlier. It didn't matter, right? The consumer sentiment also remained tepid and hence, it did not really help the overall cause. So partly, yes, I admit that it was probably a judgment error as well. But at the same time, we also feel that like right now, once we've reduced our pricing, it has created a margin pressure.

But now I'm very, very hopeful with my manufacturing kicking in that we'll be able to negate these margin pressures in the very near future, right? Once your plant is fully operational and things start happening and you start localising your production, we should be able to offset this margin pressure. So taking this call one year back or six months back would have not been very easy for us considering the fact that we did not have our own manufacturing.

So now with the back of that and where we are looking at further expanding also in terms of manufacturing, PC is the one that I told you about that we've done the successful trial everything. We've already ordered a PP machine also. So we sort of very soon, another few months, and I'm very hopeful that we should be able to start PP manufacturing as well. So as we are strengthening the back end, taking such calls become a lot more easier.

Naysar Parikh:

Right. So I mean, just are we doing anything bottoms-up level from design and sourcing and ensuring that we are able to fit into this pricing and still get back to our 11%, 12% margins. Manufacturing is one thing, but the hope with manufacturing was we'll push our margins even up.

Abhinav Kumar:

Yeah.

Naysar Parikh:

My point is that, that added benefit of manufacturing still should come through. But other than that, also, shouldn't we be doing something so that our blended margins actually get to a 14%, 15% level where that we were thinking after in-house manufacturing?

Abhinav Kumar: You're absolutely right. And we are working towards that. However, it will take a little time. When we set up a manufacturing in-house, it's not only that you've got the machine and you have the workers and now you have the mould and you start manufacturing. There are at least 40 different components which go into a bag, right? So setting up the entire component base, the supply chain, getting those components directly, what happened was earlier when you were going to a manufacturer, a lot of these components were sourced by those manufacturers, right? So you never knew what kind of pricing they have, what kind of margins would they have.

So now when we are setting up the entire supply chain ourselves, for example, we'd be probably the first factory in the country to get into a direct sort of an arrangement with one wheel supplier, which is Hinomoto wheels. We were the first ones to use Hinomoto wheels. It's a Japanese patented technology. Today, new age brands, for example, Mokobara advertises Hinomoto wheels a lot. So we are the first ones who now have a direct tie-up with Hinomoto, right, to us. So they opened a canopy, they opened a mould for us. And now those shipments are starting to come in.

So to sum it up, yes, bottom level grounds of work is happening. And you will see these things bearing fruit in the next six to nine months.

Naysar Parikh: But Abhinav we've been hopeful for this since like two years. And every time we are hoping that next six months will be different. Now versus that, you look at Safari, they grew at 17% this quarter with 15% margin at a INR 500 crore base. So I mean, the success that we had initially, I'm just hoping that that is not colouring us or making us over confident where we are not making fundamental changes, which should be necessary in this environment and just being more hopeful than I don't know.

But given our base is so small and given we are adding so many brands, we are adding so many stores. And after that also, when we are not able to show growth, when leader is growing at 17% at a INR 500 crore base, I think that there is -- maybe something is wrong, which we should kind of try and accept and find some real solution to it rather than hoping that markets will get better.

Abhinav Kumar: No. See, if you talk about Safari, Naysar, one thing is very clear that if you look at any sort of segment, you will realise that segment at the bottom end of the pyramid is the biggest pie, right? So comparing ourselves to them probably might not be the right sort of balance,

right? You have to look at it from a price perspective. Like, for example, if I talk about certain other premium brands, one of the largest brands in the country, and they have degrown by a mile, right? And I'm not saying something which is not common knowledge. It's been published. It's been in the papers, interviews happened and all of that, right?

So considering them, if you look at our performance, I think we've still fared well. This is the first quarter where we've sort of degrown, right? And as we speak, from June onwards itself, we are back on a growth path. And we are very, very -- I have to say a word hopeful because I can't say that, okay, we will do this much. We are all trying for that. But at the end of the year, I think we should be on a good growth path.

Naysar Parikh: Okay. Thanks, Abhinav. I'll come back in the queue.

Moderator: Thank you. We'll take the next question from Resha Mehta. Resha, you can unmute and ask. Resha?

Resha Mehta: Yeah. Thanks. Good afternoon. The first question is that most categories, if we see essentially the premium segment of different categories have been growing much faster than the mass side, right, for most categories. While luggage is something that has bucked this trend over the last two years, especially post-COVID, right? And that's why we see the likes of Safari, they've probably done better versus more premium players in this space.

So why is it that luggage in luggage, the premium segment has not grown unlike a lot of other categories. Is it that we've not done a lot of product innovation or given reasons to consumers to upgrade? Or what is the problem? Because premiumisation otherwise is a trend across.

Abhinav Kumar: Correct. So this is a very, very relevant question, Resha. Because being in this premium segment, we keep asking ourselves these questions. See, if you look at whether it is apparel, whether it is watches, whether it is footwear, whether it is whatever, there we're seeing a trend that it's not that the mass is not growing over there. Zudio is a great example over there of what they've done.

But at the same time, premium end of the market, it's sort of growing, right? So you have to understand why is the premium end of the fashion market growing. The acceptance of branded and the aspiration level of that branded merchandise and owning a premium brand or

wearing a premium brand, that aspiration level is pretty high, right? When it comes to luggage specifically, while we say that, okay, yes, people are becoming brand conscious, but luggage, you're not carrying every day with you to your office, right? You're only carrying it while traveling. More often than not, you check in the luggage, right?

So the acceptance of brands over there or the aspiration level of carrying a premium branded luggage the acceptance level is a little lower than the other categories. One day, it will be, probably eventually, it has to. And on top of it, so one, as it is the acceptance level was lower. On top of it, suddenly with this price war, the gap between the premium and the entry was almost three-folds, right? So three years back, the gap difference between various different players was to the tune of somebody being higher by 10%, 15% and the next player being higher by another 15%, another 15%. And we were probably at a 40% jump to the next player.

Today, we suppose we had -- during the period of time, we moved to, say, INR 9,000 average ASP. So last year, my luggage ASP was INR 9,000, okay? INR 8,700 to be precise. The consumer perception now is that you get a cable luggage or you get a luggage for INR 1,500, INR 2,000, which two years back, the average pricing was INR 4,000, INR 5,000, right? So from 4000-5000 taking a jump to 7500-8500 is still understandable means you are buying something at 5000-6000 and then the same thing you are getting at 7000-8000 for which 2000-3000 extra you paid and you purchased.

Now if you're getting a luggage for INR 1,500, INR 2,000 and then you're getting something for INR 9,000, the price gap is so much that the consumer today. That's the only answer that we can come across with, okay? It's not that, I'm not saying I'm right, wrong, whatever. But my perception is that for the consumer to trade off, this price gap is too huge, right? And hence, considering all of this, we've also sort of lowered our pricing, taking rates and all of that.

So yes, that's where it is. At the same time, I would also say that we launched a new product, which is priced at almost INR 33,000 for a set of three, right, INR 32,000, INR 33,000 for a set of three, which is almost a INR 11,000 product. We've not reduced also the pricing over there. It was launched. And surprisingly, it features in one of our best sellers for last month. So really hard to pinpoint on one thing, Resha, but that would be the reason that I would believe why this is at.

Resha Mehta:

Yeah. What has happened at the same time to, let's say, product innovation or added new funky, attractive appealing features. Is that

something that's a focus area for us, especially with Tommy? And how do we go about it? Like do we have a team? Or how does it work here? Because see ultimately, consumers would want to premiumise if they see some added value in the product as well.

Abhinav Kumar:

Yeah, for sure. And so for example, very recently, we've launched the lightest luggage yet, right? It's a very, very lightweight luggage. So we've launched the lightest luggage yet. We keep innovating in terms of design, in terms of consumer experiences, in terms of the inner constructions, trollies, wheels, all of that. So while we have all that approach, there was another factor that once we saw that the overall market conditions were not so favourable.

We had also last year, for example, we had slowed down on new product launches. Looking at the predatory pricing, which was being operated, we had slowed down on our product launches which this year, and we had to, again, work on a ground set of approach, tweak a things here and there so that we get a better pricing. So we've done that. And this year, almost every month, we would be having new launches. So we're coming up with a good, we have a pipeline of good eight new launches only in Tommy in luggage, yes.

Resha Mehta:

Right. And our channel salience is getting more and more skewed towards modern trade and e-commerce. So where do we see this settling? And what does that do to our margins?

Abhinav Kumar:

See distribution, which is the traditional trade, as I said, it still continues to, because these are small mom-and-pop stores, we were sort of making a very, very good headway. But with this kind of a pricing, it is very difficult for us to sort of sustain that. So I would say that that's a channel which would continue to be a little struggling under pressure for the next couple of quarters. But we are seeing a very, very good uptick when it comes to modern trade, when it comes to e-commerce, our own stores. So net-net, we'll be able to negate that entire that pressure from the other channels.

Resha Mehta:

And any impact on margins? Overall, the margin structure gets impacted?

Abhinav Kumar:

Because of the traditional trade you say or?

Resha Mehta:

Yeah, because traditional trade reducing and modern trade e-commerce increasing at an EBITDA level, does that materially change our margin structure?

- Abhinav Kumar:** Yeah. It actually, when it comes to e-commerce, it actually betters it. So any sales increasing in modern trade also would better our margins because somewhere your cost of operation in modern trade is also sort of fixed, right? So a secondary sales growth over there is going to better your margins. Similar is with e-commerce. It's going to better your margins.
- Distribution would from a margin perspective, I think the only factor over there would be that your sales to your fixed overheads, if your sales are not growing as much, it will create some pressure. But from an overall perspective, I don't think it will impact so much.
- Resha Mehta:** Right. And on the manufacturing side, so what is our sourcing for the small leather goods or ladies handbags and the other products basically for all the brands like including Tommy, UCB, and Juicy and all these brands?
- Abhinav Kumar:** So small leather goods is 100% India. And we have contract manufacturing facilities with various factories in India, which manufacture for us. And so that is completely India. Women handbag is, I would say, 90%, 95% it is China. Juicy Couture, for example, is 100% China. But a few brands, we will be doing some programmes. We've started doing some programmes in India. But women handbag continues to be a product category segment where we sort of still rely on China.
- Resha Mehta:** Right. And are we expecting more talent addition, headcount addition? Basically, just trying to understand the employee costs that was INR 12 crores for this quarter. Can this be assumed to be the quarterly run rate? Of course, inflation will keep adding over a period of time. But broadly, talent addition is behind us.
- Abhinav Kumar:** Yes. So a few people here and there, but majorly, our team is in place now. And I think, yeah, INR 12 crores a quarter, I think you can safely assume that it's going to remain in this sort of vicinity.
- Resha Mehta:** Just the last one. So on the marketing spend, so we were at 3%, 4%. We were planning to ramp it up to 5%, 6%. But on already subdued margins or what would that do to our margins? So do we have actually enough room to kind of expand the marketing spends?
- Abhinav Kumar:** See, we have, in Q1 also, we have expanded our marketing. And we are seeing green shoots of marketing also, Resha. So see, as a company, I think marketing is something that I would say that you don't have a choice of not spending over there, right? So there are new

age brands which are coming in every day. People are setting a lot of funding, money to be burned. And all of this ultimately creates a pressure for that share of voice.

So marketing is something that I think we are taking it very, very seriously. We would continue to invest. But as I said, from a margin pressure, we will have to negate all of this with sales, with the top line growth. And hence, we're gearing up, as I said, be June or be it July, we've done a good growth.

Resha Mehta: Just on the margins front again, so at least by the end of Q4, do we expect to touch a 10% or double-digit kind of a margin or that looks difficult for this financial year?

Abhinav Kumar: You're talking standalone quarter or for the year?

Resha Mehta: For the year. So the Q4 exit margin. So at least Q4 exit margin, can that touch 10%? Or do you think for the full year, also can we do 10% considering Q1 was 4%.

Abhinav Kumar: I think for the full year, I wouldn't be able to comment right now. I'll be definitely working towards it. But exit, yes, 10% for sure. Probably we should be able to hit that in Q3 itself.

Resha Mehta: Right, sure. Thank you so much. I'll join back the queue.

Abhinav Kumar: Thanks.

Moderator: Thank you. We'll take the next few requests from the chat window. Jatinder Agarwal? I request you to unmute and ask your question.

Jatinder Agarwal: Hi, Abhinav.

Abhinav Kumar: Hi, Jatinder.

Jatinder Agarwal: Okay. I have a couple of questions. I may take some time. The first is of this revenue, is it possible to share how much is just luggage and how much is all other categories?

Abhinav Kumar: Yes. Trolleys of '25-'26 is ₹22.29 Cr.

Jatinder Agarwal: Sorry?

Abhinav Kumar: ₹22.29 crores.

Jatinder Agarwal: Okay. Perfect.

Abhinav Kumar: And which is a 30% degrowth from last year.

Jatinder Agarwal: Okay. This is luggage, you said?

Abhinav Kumar: Yes.

Jatinder Agarwal: Okay. And this is only Tommy or this is all brands included?

Abhinav Kumar: All brands included.

Jatinder Agarwal: Okay. And one thing I want to understand on unit economics, right? So now at least for the time being, it seems like the dust has settled, right? I last week checked Safari, whatever, pack of three was available anywhere between the range of ₹6,000 to ₹8,000, right? And when I checked our prices, we were in the range of ₹14,000, ₹15,000 plus all the way to about ₹18,000 is what I could see, right?

So I'm just trying to understand unit economics from the retail price point. So if I assume that retail margins or dealership margins at a blended basis, not category-wise, is, let's say, about a third, right? So, your realisation would be, let's say, about ₹10,000 then for a set of three?

Abhinav Kumar: So you'll have to sort of -- add a general to this thing, you will have to assume 50% realisation. So the margin, as you rightly said, is anywhere between 32%, 34%, 35%. And then you have to take into account the 18% GST on top of it.

Jatinder Agarwal: Okay. Okay. Got it. Perfect. So you're saying, so the ₹15,000, ₹16,000 that sells, then at a company level, we should have a realisation of about ₹8,000, right?

Abhinav Kumar: Yes.

Jatinder Agarwal: And now because this moves in-house, right, in terms of production, if not today, but over a period of time, let's say, 18, 24 months?

Abhinav Kumar: Yes.

Jatinder Agarwal: What should be your normalised cost of production for this that you realise ₹8,000?

- Abhinav Kumar:** So it really depends from style to style. But I can tell you that on an average, we would be able to produce a three piece set from, say, ₹5,000, around ₹5,000 going up to -- no, ₹5,000. Let's not go below ₹5,000. I think it will be around ₹5,000 with all overheads and everything taken into account. And then it can go up to ₹7,500, ₹8,000 also depending on what kind of material, what kind of add-ons you are putting on to that particular luggage.
- Jatinder Agarwal:** So in this business, right, the way I understand is the brand commands a huge premium, right?
- Abhinav Kumar:** Right.
- Jatinder Agarwal:** And the commodity then sells at a 10%, 12%, 15% margin, right? So the gross margins in your business should ideally be much higher than someone who sells the same product as a commodity business.
- Abhinav Kumar:** Right.
- Jatinder Agarwal:** Right. If that is true, then where will the leakage happen? One is the leakage that you will actually pay out as royalty, which is about 10-odd percent, right?
- Abhinav Kumar:** Right. Slightly higher in case of time.
- Jatinder Agarwal:** Perfect. Yeah, 10%, 12%. Would that still not compensate for your higher gross margins that you shift the production inside?
- Abhinav Kumar:** Yeah, yeah, it would. That's the reason I said, Jatinder, that right now, probably for, say, the last quarter or at best till this quarter, even with lowering the pricing, we might have a margin pressure. But the day as and when we move more and more products into our own manufacturing, we'll negate this. Hence, I'm pretty confident that we will negate this entire margin pressure.
- Jatinder Agarwal:** No. What I'm trying to understand is now it is more like an apples-to-apples because we will and I'm not saying today, but I'm saying on a normalised basis, it is more like an apples-to-apples because we will have production in-house. And then we are just selling it again at the store level. My retail selling price is almost 2x of someone who's already earning a 15% margin, right? And I pay a 10% royalty, right? So what I'm trying to understand, theoretically, your operating margin should be way beyond 10%, which was the previous high that we used to have, right, on a normalised basis...

- Abhinav Kumar:** 13%, 14% of EBITDA asset.
- Manish Peshwani:** Example which he is taking is Tommy is ₹15,000 a set which is an entry price point. ₹15,000 is being compared with 6000-7000 of in-house manufacturing and ₹15,000 retail price to ₹8,000 realisations. [indiscernible].
- Abhinav Kumar:** So what is the question? Can you explain me so that I'll be able to answer it better.
- Jatinder Agarwal:** No. So basically, earlier, right, there was, so what you call as someone else sharing your margin, right? Because you were sourcing the product from someone else, right? So the manufacturer is having his own margin that is sitting outside your company margins. We still posted at that time in very good year quarters, whatever, something like 13%, 14% margin.
- Now production has moved inside, right? So for my cost of production, let's assume if I was having a gross exactly like you said on ₹100, if ₹50 is my realisation, then on ₹50, there was some margin that I've left for the manufacturer. So let's hypothetically assume that was ₹5. That ₹5 has to move in-house, right? Because now it is internal.
- So what I'm trying to understand is why can this margin now not move in a very blue sky scenario to 18% to 20% because production has moved inside? Or is it because that we don't have the scale benefits because of which we will never get to those margins?
- Abhinav Kumar:** Yes. So see, what we are actually comparing over here are two different things. One is we're talking about EBITDA margins, right?
- Jatinder Agarwal:** Yes.
- Abhinav Kumar:** It's a function of GP less your operating expenses. So the product pricing, you need to understand at the GP level. So at the GP level, suppose if I was making, for example, 50% gross margin, right? Now I have reduced my pricing by, say, 10%, 15%, whatever. So now instead of making a 50% GP, I'm probably making, say, a 45% GP. However, my cost of production earlier because I was procuring from some other factory, right? So and bringing it to my own factory, I will get a 15% sort of a benefit, right? Now earlier, what we were calculating is this 15% benefit ideally in a blue sky kind of a scenario should be additional to my current margin, right?

Jatinder Agarwal: Correct.

Abhinav Kumar: Whereas in the current market scenario, what has happened is because of that pricing pressure, if we have also corrected our pricing, for probably one quarter, you might see a 1% dip or a 10% dip in your gross margin when it comes to the luggage business. You see a 10% dip in your gross margin. But as and when you move most of your production in-house, you gain back that 10% or 15%. So net-net, it remains same.

Now over the period of time, your economies of scale also comes into picture. inflation also comes into the picture. Again, pricing going a little up, premiumisation also comes into the picture. So over the period of time, we will be able to gain this back as well. This, we are talking only at a gross margin level, right?

Now the moment we come to an EBITDA level, your operating expenses today are at a certain level where it is more like a hygiene level, right? We're not overinflated, correct? Any cost scenario, we are not overinflated, right, where we have an overinflated employee remuneration or we have an overinflated marketing. No. Everything is within the standard parameters, okay, a percentage or two here and there, correct?

So this should pan out the moment you are, again, we are back into that whole sales and growth and everything, you will automatically start seeing goodness over here, right? So if we are able to for example, this year, from a 270, if we are able to grow at annualised, if I say that if we cross a 20% kind of a growth, you will start seeing those kind of numbers happening in the bottom line.

Jatinder Agarwal: Perfect. I will come back in the queue. Thank you.

Moderator: Thank you. We'll take the next request from Amit K. Amit, you can unmute.

Amit K: Yeah. So is it possible if you can provide some colour on the demand from the owned stores and franchisee stores, how it has been in the past quarter and in the first 10 days in the last July month?

Abhinav Kumar: So I think, as I said, see, April and May were not very good months for us. But from June onwards, we've started seeing an uptick. We are, in fact, like-to-like also there was a healthy growth. We grew upwards of 10% in terms of like-to-like. If I come to retail sales, for example, our large format stores, Q1 as in the first quarter, our secondary sales

is much higher than our primary sales. So that goes on to prove that there is a strong secondary momentum now you have not paid in Q1 and whatever correction you have done, but Q2 you will fill that space up. So we're seeing a good positive uptick from June onwards and hope that it continues.

Amit K: And I mean, is the same for matured stores as well as the new stores? How has been the demand panning out?

Abhinav Kumar: Actually, see, the new stores which are your marquee locations, like, for example, an airport, right? It will not be right to compare airport store with any other store. The numbers over there touch wood are amazing. But it's our first airport store. Now it will be worthwhile to see whether how is the Bangalore store doing and how is now the Bombay airport store doing. But if you compare an airport store to any small city store, the numbers will not be sort of justified.

Amit K: No. I mean new store, I mean to say the stores which opened in the past six months to 18 months, that's what I mean to say.

Abhinav Kumar: Yeah. So the way we track sales, Amit, is one is like-to-like. So any store which was operational in the same month of previous year, we will track a like-to-like number on that. So we seeing a strong momentum in the past two months. And it continues in August as well till now.

Amit K: Great. And secondly, on the production, I mean, you commenced the production. So how much is the utilisation levels as of now? And what would be the incremental margin increase we may see in this year and next year?

Abhinav Kumar: See, till now, we've come to almost 50% to 60% sort of utilisation, but we commenced only in July. So basically, we can support three lines over there with depending on the style-to-style on an average basis, this particular line can give us about 25,000 units a month. We've come to a run rate of about 14,000 to 15,000. But by next month, we should start crossing 20,000 upward.

Amit K: It has 40,000 capacity, right?

Abhinav Kumar: No, 25,000 on an average basis.

Amit K: And about the margin, I mean, how the margin would increase in this year or next year from this?

Abhinav Kumar: So from a gross margin perspective, for example, one of the programmes that we shifted to our factory we saw almost 27%, 28% betterment in terms of margin from another factory that we were buying. And once we shifted it over here, it was almost a 27% kind of a difference. But I wouldn't benchmark that. My expectation is that if we are able to get anything better than 15%, it's good. I hope I've answered your question.

Amit K: Yeah. And any store expansion plan down the line next one to two year. Any guidance on that, including the first store of JC you opened it. So any...

Abhinav Kumar: Yes, we're going very strong on our retail footprint. So as I said, we're opening more stores, and we are very keen on opening marquee locations and touch wood now, we are getting such kind of locations as well. We are also increasing our store size. So we've revamped our identity as an identity Bagline identity has been revamped. So we're opening our first new identity store pretty soon by the end of this month, we should open our first new identity store, and that's going to be almost a 1,200 square feet carpet kind of a store.

Whereas typically, our store sizes till date has been around INR 500, INR 600 in that kind of price point, that kind of store size. So this is going to be a 1,200 square feet. We are also looking at opening one flagship store this year, which will be near around 2,000 square feet kind of a store.

So we really want to double down on that because the overall experiential kind of sale, which happens over there, it's giving us that positive signals to go ahead and sort of invest into it.

Amit K: So in this financial year, I mean, we are currently at 56 stores, right?

Abhinav Kumar: Right.

Amit K: So what's the target? I mean, any number if you can put?

Abhinav Kumar: I think we started the year with some 40, 41 stores. Now 43.

Amit K: It's 44?

Abhinav Kumar: 44. We started -- sorry. So we started -- so yes, I was calculating Bagline. So 44 in totality, yes, is what we started off with. And I think we should be able to cross 60-plus store mark, between 60, 65. So attempting to open about 15 to 20 stores within this year.

Amit K: Okay. Tommy would remain at four.

Abhinav Kumar: Yes, Tommy probably would remain at four. Probably they might add one more of it.

Amit K: Only Bagline and JC, you would add?

Abhinav Kumar: Yes.

Amit K: Okay. Thank you so much.

Moderator: Thank you. We'll take the next question from Yashowardhan Agarwal.

Yashowardhan Agarwal: Yeah, hi, Abhinavji.

Abhinav Kumar: Hi, Yashowardhan.

Yashowardhan Agarwal: Yeah, hi. Just wanted your thoughts on the industry competitiveness. If you look at six months number for the industry, there has been no growth, right? And it is also difficult for us to grow. So what are your thoughts on it? And what are the steps that we are taking to drive our sales? So if you can explain that in detail.

Abhinav Kumar: Right. You're right. See, when we talk about industry, we are generally in our industry, we are always focused more on the luggage as a segment, right? Whereas we are also there in other categories like small leather goods. We are now there in women handbags. If you ask me from a category perspective, I think we've grown overall in terms of the category.

So if I look at, we'll have a good growth happening across all the other categories, right? And our focus also is that even if one category is probably not at its prime right now, that doesn't sort of stop us from growing in the other categories, correct?

So if I look at, for example on belts wallets, our small leather goods business has grown by almost 24% in Q1 alone, right? The women handbag, it's wrong to say it's grown by 155% because the base itself was small. But we're seeing a very, very strong growth over there, right? Even in Travel Gear, if I talk about, except for luggage, which there is a degrowth. Backpack, there is a very, very healthy growth. We've grown by almost more than 50% over there.

So there are particular categories, which have probably sort of pulled us down. There is also a fact that overall period if you see. So when it comes to regular business, retail business, Q1 also we've grown. But it's the institutional business where we've sort of degrown. And if I can quote figures, the degrowth is almost of INR 10 crores. So if I take that off, in our retail channels, we've grown, right? So it's not that we are not growing. Predator pricing doesn't hit you in every space now in corporate channels if everybody is seeing that online you are getting luggage at some amount so for gifting they would also want a particular pricing so all those are factors, yes.

But having said that, when it comes to our retail channels, we're growing in all those channels. In the future also, I think we need to, while we need to uplift luggage for sure, on which I noted down all the points on which we are working, building up grounds up, getting our pricing better, being a little more competitive, increasing our spend on marketing so that we are relevant to the even new age consumer.

So while we are doing all of this, we are focusing also on the other categories for small leather goods, how can we sort of take it to the next level. Women handbag, it is a brilliant category all across all brands, everybody that I speak to and everybody is saying that women handbag is like surprising them. It's going really well. Touch wood, our margins are also good over there. So we are very, very hopeful of exploding in that category as well.

If I talk about, for example, I had spoken about this that we are also making a shift in our e-commerce where we are growing more marketplace driven. So while our B2B business also continues to grow strong, but marketplace business has really sort of started taking this thing. Last month, July is the month that I'm quoting, we've done the highest ever in our marketplace business. So it's really been a good, good month for us.

Yashowardhan Agarwal: Okay, sir. And the pricing that we are currently seeing in the industry, which we thought that won't sustain. So has our assumption changed that this is the new normal, since we have taken a price cut currently? Or what are your thoughts on it?

Abhinav Kumar: I think it's the new normal now. I think this is the new normal. I wouldn't make the mistake of again saying that it will get corrected. I think we need to correct ourselves. This is the new normal, because if there is a certain pricing which prevails for two years, then it becomes

very difficult for the end consumer to sort of -- the price perception is made.

So as our friend Jatinder was also saying that Safari has come to INR 6,000, INR 8,000. Now their 6,000-8,000 set is looking like, okay, they've come back to their pricing, right? If we compare it two three year back their average sell price was around INR 10,000 to INR 12,000. So it's not that suddenly from here, we can again sort of jump back to that kind of a pricing. So yes, in my mind now, this is the new normal.

Yashowardhan Agarwal: Okay. So since we have taken price cut and we think that this is the new normal, is it fair to assume that the worst is behind us? And since we are also looking at the sales growing in the month of June and July is also going well. So can we assume that from here on, things are going to get better?

Abhinav Kumar: Yes, 100%.

Yashowardhan Agarwal: Got it. And in terms of price cut, can you please quantify that how much price cut we have taken on an average? And how is that going to impact our margins?

Abhinav Kumar: So I think we have taken a price cut of, so for example, it's not only the price cut of existing styles, Yashowardhan. So for example, in offline, generally, starting price point for a set of three was about ₹22,500, ₹23,500, actually. That was our starting price point in off-line. So from ₹23,500, we now have models starting at ₹18,000 even in the off-line, right? In terms of online, we are now available at ₹14,500, ₹15,000, ₹15,500. We are also populating models at ₹19,000, ₹22,000. We're going to take a little bit of a time to get populated, but I'm sure those kind of price points will also get populated. So this is about, you can say, roughly 10% to 15%, 20% in certain cases where we've gone down.

From a margin perspective, yes, on certain existing models, definitely, it will impact our margins. But as I said, as we speak, we are moving a lot of these to our own factory. And the moment we have that, at least that the dip will get negated. It might not give us additional benefit for the time being, but at least the dip will get negated.

Yashowardhan Agarwal: Got it, sir. And sir, in the initial remarks, you talked about we are strengthening our team, and that is the reason why employee costs have also increased. So is it on the manufacturing side, marketing

side, designing? And what are the benefits that you are expecting from it?

Abhinav Kumar:

See, we signed up new brands and new brands would also require some set of new teams, not again to the same extent of us there, but some new members being acquired. Manufacturing is, as you see, the new plant and everything, it's all fresh. So hence, costs are going towards that as well. Plus existing plant also, the Backpack division, there also, we've sort of put in a few good resources. So it's a combined effect of all of this. Every new store that you build, you then have staff over there. So it's an ongoing process.

But as I had answered in one of my previous questions, whatever the level that you see right now in this quarter, it's going to remain sort of flattish or remain in the same vicinity for this entire year.

Yashowardhan Agarwal: Okay. And in terms of brands, we had high expectation from UCB. And currently also, we have signed another brand, right? So in terms of building brands, what is the thought process that we are still open to new opportunities or now we feel that we have certain brands, we want to scale them first and later on when the opportunity will come, then we can think on it because that will also require more capital, right? So what are your thoughts on it?

Abhinav Kumar:

So, Benetton, I would say that is now contributing almost more than 10% of our overall sales. So I think we're sort of happy with the way Benetton business is going. And in fact, the parent company also is giving us a lot of confidence. So Benetton, I don't have a huge listing. I have a good expectation from the brand in the future, and we are going in the right direction.

Aeropostale, to be honest, we've not been able to crack. It's not a brand that has done well for us. The contribution and everything is also really minuscule. So, Aeropostale is something that we're going to take one more attempt. We're trying to build it online. We've failed in Aeropostale, to be honest. We've not done well. But we're still trying to, not that I've never said that it's not a heavyweight brand. It was always a lightweight brand for us.

But having said that, still, I think there is a lot of this thing that we need to do in Aeropostale. We're trying for one more time. If the brand doesn't work, then as I said, that being in licensing, the advantage is that you're not married to one brand. You don't get to that, right? So if we have to consolidate, get out of a few brands, we'll do that.

Yashowardhan Agarwal: Got it. But are we still looking to sign more brands or like we are happy with the current portfolio that we are having?

Abhinav Kumar: There are a couple of ones in which I had mentioned earlier also, we are in advanced stages, but we stop with them. So there could be one or two more which might get converted and then we stop.

Yashowardhan Agarwal: Okay, sir. Got it. And...

Moderator: Yashowardhan, I request you to join the queue again.

Yashowardhan Agarwal: Got it. I will get back in queue. Thank you.

Abhinav Kumar: Thank you.

Moderator: We'll take the next question from Aman Jain.

Aman Jain: Good afternoon. So the question is that given the acquisition of VIP Industries, what changes do you foresee in the competitive landscape? And how this might affect Brand Concepts Limited growth strategy, brand partnerships and the channel expansion over the next 12 to 18 months?

Abhinav Kumar: I think with VIP's acquisition and I think it's a good news for the industry overall because now they'll be on a path to reset the brand, they'll be on a path to course correct, right? And the management going in hands of new age people, I think it's going to be good for the overall industry. And likewise for us. I sincerely hope that VIP at one point of time was a brand to reckon with and not an entry-level sort of a player.

So if they start course correcting, they start correcting their sort of pricing, their imagery and everything, if they course correct that, I think it's going to benefit all of us. And we, for sure, are going to be benefited the most.

Aman Jain: Thank you.

Abhinav Kumar: Thanks.

Moderator: Thank you. We'll take the follow-up question from Naysar Parikh.

Naysar Parikh: Yeah, thank you. I just want to understand Off-White, what is going to be our strategy, especially given that the categories are also

expanding. So if you can just talk, in your press release, you mentioned even apparel. So if you can just talk a bit about that?

Abhinav Kumar: Yes. So Off-White, we signed as a full brand, right from apparel to footwear to everything, all the categories. And we're going to be opening. So it's obviously, because it is a luxury brand, so it'll have a limited sort of this thing, but we're expecting that the stores that we're looking at opening of Off-White, they're going to be very, very high throughput stores, very high throughput stores.

So the idea was to explore other categories as well, explore other markets as well. And I believe whenever you have to explore or experiment or whatever expand, it's always good to sort of explore the niche category so that you're not suddenly saddled up with a lot of things to be done. So Off-White, the way we see it two to three to years, three years down the line, five stores in the country, that's it. That's all about it. So it's going to have a limited.

Naysar Parikh: Will it be COCO or FOFO?

Abhinav Kumar: COCOs. These all would be COCO.

Naysar Parikh: And is the economics like significantly different here versus other because it's a distribution. So just financially, how does it work? Do we book revenue, not book revenue? Like do we just book commission revenue?

Abhinav Kumar: Sorry, we would be booking revenue and it's an import model. So we'll be buying from the international line and selling over here. So it's going to be a booking of revenue.

In terms of gross margins, in terms of margins, I think it's a fairly lucrative sort of a business. So it should give us a decent sort of a margin. But our contract starts from 1st of January 2026. So beginning of '26 is when we'll be opening our first store. As of now, the mathematics look good. We wouldn't sign anything where the commercial is not good.

Naysar Parikh: Understood. Got it. Retail channel, you just mentioned the LFL growth in retail. And you also said the traditional, you lost some ₹10 crores institutional business. So I know there would be bulk orders, but just on the institutional side, how is this year looking? And if you can talk about that?

Abhinav Kumar: So, I think, Nabendu, would be able to answer this question better. Yes, Nabendu.

Nabendu Chakraborty: Okay. So this year, so the institutional business is predominantly starting from month of April, May, and then it goes to the festive period of Diwali, the Puja and Diwali period. So we have been able to garner some good business this year again in the second quarter of the year.

Abhinav Kumar: Which you will see the reflection of it in this quarter.

Nabendu Chakraborty: So we have already started delivering them. So there is a positive uptake from the month of July itself.

Naysar Parikh: Okay. Got it. And retail LFL growth?

Abhinav Kumar: So I think till July, if you see or if I have to answer, for example, even for Q1, EBOs, there is a growth of almost...

Manish Peshwani: This is the primary number, correctly.

Abhinav Kumar: At a primary level, probably it might not be exactly comparable. But yes, at a primary level, if you see we would have grown in EBO at almost a 12% kind of a growth like-to-like.

In terms of LFR, in terms of your secondaries, again, if I talk about, it would again be in a double-digit sort of a growth that we've been able to achieve. And of course, as I said, we've gone down. Even in our government business, we see a good growth. We've grown by almost 12% over there as well. So all these sectors have improved. It's basically the two channels, the distribution and institutional where we've sort of seen a dip.

Naysar Parikh: Got it. And...

Moderator: Naysar, we are running over time. We got to quickly give others a chance and close the call.

Naysar Parikh: Okay, sure.

Moderator: We'll take the next question quickly from Yashowardhan. Yashowardhan, please go ahead.

Yashowardhan Agarwal: Thanks for the opportunity. The number of stores that we are opening currently, is that under COCO model and COCO model? And how are the mature stores performing?

Abhinav Kumar: So most of the marquee stores or stores which are in your high visibility area of good malls, they're all going to be COCO stores mostly. And COCOs are going to be, so hence and the strategy also is to open more marquee stores rather than opening the list.

So to answer your question, I think going forward, it will be more of COCOs and less of FOFOs. How are the stores doing? I think I've already answered that we're doing well in terms of our...

Yashowardhan Agarwal: Okay, sir. And just the last question on the bookkeeping front. Can you please give me the revenue breakup from brand as well as category-wise?

Abhinav Kumar: Sorry. Your voice is not very, very clear.

Yashowardhan Agarwal: Is it better?

Moderator: He wants revenue breakup brand-wise and category-wise.

Yashowardhan Agarwal: Yes, sir.

Abhinav Kumar: Okay. I'm not sure I can give it so openly. But yeah, you can roughly say that from a category perspective, I think almost 60% is Travel Gear, 35% is small leather goods and the balance 6% is handbags.

Yashowardhan Agarwal: Got it. And possible to share on the brand side?

Abhinav Kumar: Brand side, I would say Tommy is now almost at 80%, 10% is UCB and rest 10% all the other brands.

Yashowardhan Agarwal: Got it. Thank you so much and good luck.

Moderator: Thank you. We'll take the next question quickly from Abhi Jain. Abhi, please go ahead.

Abhi Jain: Yeah, hi, good afternoon, Mr. Kumar. Hope you're doing well?

Abhinav Kumar: Hi, Abhi. All good.

Abhi Jain: Just two questions. I know that we are running out of time. One is that given whatever I'm hearing on the call and given that the market has

now shifted to a lower base of price, has your focus as a company also shifted towards introducing or focusing more on the mass brands that you already have in your portfolio as well as in the future looking to tie up with more mass or the right price range kind of brands? Because obviously, we have collaborated with a lot of premium and luxury brands. But given the market, the price scenario of the market, are you thinking on those lines?

Abhinav Kumar:

Very valid question, Abhi. Actually, we were in very advanced stages with a brand, which was more a mass premium kind of a brand. But somehow things did not go through completely. And it is right now, it looks more like that we'll not be going ahead with the license. And to be honest, when we were discussing it internally also, earlier, we all were very, very positive that this is the brand which will take us to the next level and stuff like that. Whereas I'm sort of now feeling relieved, because the scenario is such, and I answered this earlier also that the pricing is now -- this is the new modelling, right? So you really need a very, very strong brand pull to command that kind of pricing.

Tommy Hilfiger, for example, for us, we built it over so many years. Again, just I don't know if I can say it over here, but I'll still mention I've never hidden anything. We are, again, for example, our license was coming to our listing in 2026. And we've initiated the entire dialogue with them for renewal of the license as per their international listing. And now we're talking about obviously a long-term sort of license. So, and by long-term, I mean at least a 10-year kind of a period.

So the moment you have that, then the focus is that you already have a very, very strong base with this. You already have a Benetton in your portfolio, which can cater to that mass premium pricing. And specifically now with your own manufacturing kicking in, it gives us more bite, right? We've already ordered for the PP machine, which can further take the cost of goods down and help us fight a little better in that kind of a price segment.

So now do we really need any more brand in this price bracket or even if we need one brand, we should take something which is higher than come. It might not become another INR 500 crore retail brand, but you'll be ready once the market is shifting, you'll be ready with those kind of brands and give you a good margin uptake and play in that area. So that's when the off-late contemplation internally. So I think we will not be focusing or I don't think we'll be going in for more mass premium brands for at least the Travel Gear time.

Abhi Jain: Okay. That makes sense. Just wanted to understand, in terms of strategy, I mean, there is this marketing strategy, right, where you have a brand which is highly placed in terms of price so that when the customer walk-ins, he rationalises his purchase and buy that mid-price level brand. Now in terms of your own branding, so I see currently, obviously, you have Juicy Couture and others that will be coming in. So currently, I see Tommy as the highest priced brand. When you were alluding to having a slightly premium brand than Tommy, was it to just to capture this price that this consumer psychology of when he walks in, he finds a higher priced brand, but then he settles for a Tommy because he wants to rationalise his decision also. Are you thinking on those lines? Or, I mean, because I just want to understand how does Tommy get snatched some eyeballs? Or how do people in this price spike kind of a scenario become comfortable with the pricing of Tommy and accepted that they're getting the best deal out of it?

Abhinav Kumar: Yeah. So again, I think, yes, this effect definitely works, Abhi, where you go into a store and you see a much higher price and then you look at this and you feel that let me shift to Tommy and you feel it's a more value for money. So currently, yes, when it comes to Travel Gear specifically, Tommy is the most expensive brand that we have.

Taking a brand higher with a different design sensibility would probably make sense from two counts. One, somebody again looking at upgrading from a Tommy should not go out of our portfolio, right? That's number one. And number two is I think when we are here saying that we want to take Tommy as a market leader. And even if we had to rationalise the pricing, we've spoken to the brand also and given them the same this thing that, earlier, we used to occupy the positioning of being premium, right?

With the rest of the market shifting downwards, premium started becoming super premium or bridge to luxury. So we have to course correct. And bring Tommy back to premium, right? Then things which you want to do back to improve your gross margins this is something that you'll have to do, right? Which we'll do over the period of time. But the pricing strategy has to be that this is premium and not premium or bridge to luxury. So from that perspective, once you rationalise this pricing, then you need somebody or something which is a little higher, right? So we would fill those gaps.

Abhi Jain: Right. Thank you. That makes sense and all the best.

Abhinav Kumar: Thanks.

Moderator: Thanks, Abhi. We'll take the last question for the day from Ishpreet. Ishpreet, you can go ahead.

Ishpreet Kaur: Hi, Abhinav.

Abhinav Kumar: Hi, Ishpreet.

Ishpreet Kaur: Just from the Benetton UCB point of view, so now it will be close to two years for you of launching Benetton. Do you think...

Abhinav Kumar: Launching is about one, one and a half years. We signed it two years back.

Ishpreet Kaur: Okay. But do you think or what are kind of your internal assessments for Benetton in terms of the revenue potential that it can have? Do you think it can scale up to the level of Tommy? Or would it remain somewhere way much lower?

Abhinav Kumar: No, I think it can for sure scale up, Ishpreet. I think let's break down Benetton into three categories again.

Ishpreet Kaur: Yeah. And also till now, where is it that the maximum sales are coming from the trolley segment for Benetton or the backpack segment?

Abhinav Kumar: So again, as I said, let's break down Benetton in three aspects, all the three categories, Travel Gear, small leather goods and women handbags. Now if I look at small leather goods, across all Shoppers Stop, across all large format stores and all of that, our Benetton belt and wallet, small leather goods is the #2 brand and #1 brand is Tommy, right? So we've already taken that positioning over there. So small leather goods in UCB is really doing really well, right?

Now when it comes to handbags, I would say that, yes, we've not been -- so both in handbags and Travel Gear for various different reasons, we've not been able to crack it so well, right? Handbag, I think it's our own doing. We need to be get better at it, right, get a better strategy in terms of pricing and the styles and designs and all of that, even channel. So for a long time, we were hoping that modern trade would be this thing. So we downplayed the e-commerce side of it. But now we are really focusing it digitally, and we're seeing the results of it. So I would say that in the next couple of quarters, you will really see handbags slowly and steadily climbing up, when it comes to Benetton answer.

Luggage, we started off really well. We really started off well. But I think suddenly, this entire pricing bit and all that sort of gave us a mid-air stop. So we sort of stopped or we sort of pulled us down. But as I said, we've not only corrected the pricing in Tommy, we've also corrected certain pricings in Benetton. And hence, now this is again sort of coming back.

Backpacks, if I see, we are, in fact, at a good growth. So overall, if I tell you from a good 45% is coming from Travel Gear. And Benetton wallet is another almost 40-odd percent, 40% to 45%. And then 10% is all the rest. So I foresee that there has to be an uptick on all the three categories. So we're bullish. I'm not saying that in the next two years, it will become as big as Tommy, but I think we'll be on a very, very good path.

Ishpreet Kaur: Right. And just lastly, you had last time mentioned that there were buckets that you see of CSD having a potential of INR 100 crores handbag, INR 100 crores of institutional INR 100 crores. So do you still hold on to those buckets with similar potentials?

Abhinav Kumar: 100%. I would still say that handbags is a INR 100 crore bucket for us. Institutional is a INR 100 crore bucket for us. Government business is a INR 100 crore bucket for us. So very, very clearly, these are the buckets that and we are working towards all these buckets.

Ishpreet Kaur: And institutional this year also, you see there could be growth or with the Q1 that we've seen, the overall year could be a degrowth for institutional.

Abhinav Kumar: Q1 was a bit of a dam number. I think Q2 will start coming back. There is a lot of other things also in institution that we're doing. We now, in fact, and that's the reason you also see some manpower costs and all that happening. We have a person who is heading institution now. Earlier, it -- used to be no head. So now we have a separate institutional business head, corporate sales head in our organisation. He's building a team under him.

We have specific distributors now which, one, we've recently appointed the other we are about to appoint. So catering to the entire institutional community. If you see these IT companies, there are huge target for this, but we've never sort of approached them correctly. So now with this entire channel being said, we're getting on to that path. So it's just a matter of time, probably a few things might take a couple

of months here and there, but we're very, very true to those buckets that I said.

Ishpreet Kaur: Okay. Sure. Thank you so much. That's it from my side. All the best.

Abhinav Kumar: Thanks so much.

Vinay Pandit: Thank you. That brings us to the end of today's conference call. Thank you to the management team for giving us their valuable time, and thank you to all the participants. You may all disconnect now.

Abhinav Kumar: Thank you.