



August 11, 2025

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Fax No.: 022-2272 3121/1278/1557/3354

NSE Scrip Symbol: CANTABIL and Series: EQ

Fax No.: 022-26598237/38

Sub: Transcript of Earnings Conference Call dated 6.8.2025

Dear Sir/Ma'am,

With reference to captioned subject, we hereby enclose the transcript of Earnings conference call held on August 6, 2025 at 16:00 HRS (IST).

This is for your information and further dissemination.

For Cantabil Retail India Limited

**POONAM
CHAHAL**

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(Poonam Chahal)

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“Cantabil Retail India Limited Q1 FY ‘26 Earnings Conference Call”

August 06, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the Company’s website will prevail



**MANAGEMENT: MR. VIJAY BANSAL -- CHAIRMAN AND MANAGING
DIRECTOR, CANTABIL RETAIL INDIA LIMITED
MR. SHIVENDRA NIGAM -- CHIEF FINANCIAL OFFICER,
CANTABIL RETAIL INDIA LIMITED
MR. DEEPAK BANSAL -- WHOLE TIME DIRECTOR,
CANTABIL RETAIL INDIA LIMITED
MR. BASANT GOYAL -- WHOLE TIME DIRECTOR,
CANTABIL RETAIL INDIA LIMITED
MRS. POONAM CHAHAL -- COMPANY SECRETARY,
CANTABIL RETAIL INDIA LIMITED**



*Cantabil Retail India Limited
August 06, 2025*

Moderator: Ladies and gentlemen, good day, and welcome to the Cantabil Retail India Limited Q1 FY '26 Conference Call. 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.

Before we begin, a brief disclaimer:

This presentation, which Cantabil Retail India Limited has uploaded on the stock exchange and their website, including the discussions during this call, contains or may contain certain forward-looking statements concerning Cantabil Retail India Limited business prospects and profitability, which are subject to several risks and uncertainties, and the actual results could materially differ from those in such forward-looking statements.

Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone.

I now hand the conference over to Mr. Bansal, CMD, Cantabil Retail India Limited. Thank you, and over to you, sir.

Vijay Bansal: Good evening, everyone. On behalf of Cantabil Retail India Limited, I extend a warm welcome to all participants joining us for the Q1 FY '26 Earnings Conference Call.

Joining me today are **Deepak Bansal** – Whole Time Director, Mr. Basant Goyal – Whole Time Director, Mr. Shivendra Nigam – Chief Financial Officer, Mrs. Poonam Chahal – Company Secretary, and our Investor Relations Advisor from Marathon Capital.

We trust you have had the opportunity to review our Q1 FY '26 Results. The Earnings Presentation and Financial Statements are available on the stock exchange and the Company website.

Following a landmark year in FY '25, we are pleased to report a strong and confident start to FY '26. The Company delivered same store sales growth, SSG, of 11.3%; revenue growth of 24%; and PAT growth of 29%, demonstrating operational discipline, brand strength, and customer loyalty, even amid a challenging retail landscape.

This performance underscores the continued execution of our strategic roadmap and reaffirms our focus on delivering profitable and sustainable growth. We believe companies with strong brand equity, deep customer connect, and disciplined execution models will outpace the market. Cantabil is well positioned to lead this next phase of growth.

I now hand over the call to Mr. Shivendra Nigam for giving update on the 'Financial and Operational' performance of the quarter. Thank you.

Shivendra Nigam: Thank you, sir, and a warm welcome to everyone.

Coming to the 'Financial Performance':

Revenue from operations for Q1 FY '26 grew by 24% to Rs. 159 crores as compared to Rs. 128 crores in Q1 FY '25.

EBITDA for Q1 FY '26 grew by 24% to Rs. 49 crores as compared to Rs. 39 crores in Q1 FY '25. EBITDA margin for Q1 FY '26 stood at 30.8% as compared to 30.9% in Q1 FY '25. PAT for quarter one FY '26 grew by 29% to Rs. 14.7 crores as compared to Rs. 11.4 crores in Q1 FY '25. PAT margin for quarter one stood at 9.2% as compared to 8.9% in Q1 FY '25.

On the operational front, we continue to scale efficiently with a total of 605 stores across the country covering a total retail area of 8.06 lakh square foot. These results affirm the strength of our business model and our ability to drive consistent high quality growth.

We may now begin the Q&A session. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Arnav Sakhuja from Ambit Asset Management. Please go ahead.

Arnav Sakhuja: Hi. Congratulations on a great set of results. So, this quarter, we had a very strong volume growth of 17.48% year-on-year. So, I just wanted to ask, has this growth been equally distributed among men, women, and the kids segment? Or has the growth been particularly high in any specific segment?

Shivendra Nigam: So, your question is about equal growth, so the growth in terms of percent, so yes, growth in terms of totality, it is the same, approximately 82% in men, and the balance 10%, so the ratio is same and the volume is also grown in approximately same ratio in all the categories.

Arnav Sakhuja: Okay, thanks for answering that. So, my next question was, could you give some commentary as to how the macro demand situation has been this quarter, both for rural as well as the urban areas?

Deepak Bansal: So, demand situation has been quite good, because there was a very good marriage season this time, and there is a rebound in the macroeconomic sentiments also, because there has been rate of interest cut by the RBI. And there was an income tax benefit also given during the last budget, so overall sentiments in the markets are very positive.

Arnav Sakhuja: Okay, thank you for answering the questions.

Shivendra Nigam: Thank you.

Moderator: Thank you. The next question is from the line of Vishal Dudhwala from Trinetra Asset Managers. Please go ahead.

- Vishal Dudhwala:** Thank you for the opportunity. Yes. So, your Q1 data highlights robust same store sales growth and network expansion, but can you quantify like in Tier-1 versus Tier-2 and 3 market and which top three states contributed to the growth?
- Deepak Bansal:** So, the growth is equally distributed among the geographies, and it is equally distributed among the Tier-1, Tier-2, Tier-3 towns. Our top contribution in the sales overall is Delhi, then followed by Rajasthan and then followed by Uttar Pradesh. So, these three are the biggest sales givers for the Company and it is same in the Q1.
- Vishal Dudhwala:** Okay. And going forward like if you are going to expand, so your first focus would be best three cities or you will try something new?
- Deepak Bansal:** So, we have an expansion like 20% of the stores are in Tier-1, 40% in Tier-2, and 40% stores in Tier-3. So, same proportion we will be going with in future.
- Vishal Dudhwala:** Okay, sir. And like second follow-up question is on your manufacturing facilities, like you mentioned 2 lakh square feet manufacturing facilities with 1.8 million garments per year. So, can you quantify your utilization level?
- Shivendra Nigam:** Right. So, overall 18 lakhs as we mentioned is our capacity and we are almost 85% to 90% is utilizing the capacity, so 16 lakhs plus garment has been made last year as well and continue it in the same way going forward as well.
- Vishal Dudhwala:** Okay, and any CAPEX plan in near term?
- Shivendra Nigam:** So near-term for the Financial Year '26, as we said in our earlier goals as well. So our big project of my new warehousing and corporate facility as well as this existing plant capacity increase, which will be costing additionally for this financial year FY '26, is approximately Rs. 20 crores to Rs. 25 crores and that will be finished. And then only going forward from this financial year and going forward also is only in the expansion of retail footprints.
- Vishal Dudhwala:** Okay. That is it for my end. Hoping for the best. Thank you.
- Shivendra Nigam:** Thank you, sir. Thank you.
- Moderator:** Thank you. The next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.
- Bhargav:** Yes, good afternoon team, and congratulations for a strong set of numbers. Sir, my first question is that, is it possible to know what is the full price sales ratio in our overall mix and has this been improving over the last three years?

- Deepak Bansal:** So, the discount we have generally offers during the fresh period also. So we give an offer of Buy Two Get One Free and Buy Three Get Two Free. So same offers were there which were last year and the same discounts are the same, which were there last year and which are this time. So there is no increase any discounts.
- Bhargav:** Second, is it possible to know what is the free cash flow generation during the quarter and by free cash flow, I mean, post the rent, post working capital and post CAPEX?
- Shivendra Nigam:** Okay, Bhargav ji. So it is basically, it will be better to explain pre IndAS numbers in terms of cash flow, that would be giving the better idea, right?
- Bhargav:** Yes.
- Shivendra Nigam:** So, in this, if I will say, so my free cash flow as per the post IndAS number is approximately Rs. 50 crores that is a cash flow from operation. But I said reduce rentals and taxes, I will be able to generate Rs. 22 crores approximately as a cash flow from operations. Out of which, I invested in my inventory that is approximately Rs. 20 crores, because this quarter is a piled up inventory as on 30th June, which will go into realize in the Q2.
- I will reexplain the cash flow, pre-IndAS, right? So, my cash flow from operation, net of my rentals as well as taxes is approximately Rs. 22 crores, out of which I invested in inventory, because Q1 inventory on 30th June is always piled up to relish in Q2, that is approximately Rs. 20 crores. And additional payment to creditors has been made in the range of Rs. 15 crores.
- So for working capital, I paid Rs. 35 crores, which will be giving by net cash flow, which is Rs. 13 crores, which has been utilized from the opening balances. Apart from this, CAPEX investment which is going and CAPEX is approximately Rs. 18 crores. So, this is what the cash flow is. So, from opening balances I will be able to utilize Rs. 32 crores.
- Bhargav:** Okay. And sir, lastly, in terms of the cotton prices, so, if you can just share your views in terms of how do you see the cotton prices and will you be able to pass on any inflation in raw material prices?
- Shivendra Nigam:** So, Bhargav ji, we did not notice any change in the raw material prices as such. So, there is no change in raw material prices. And whenever it comes, most probably it has to be absorbed by us. So, we did not see any change in the price as much in the quarter for last many months.
- Bhargav:** Okay. Good. Great, sir. Thank you very much and all the best.
- Shivendra Nigam:** Thank you, Bhargav ji.
- Moderator:** Thank you. The next question is from the line of Urvi Shah from Dolat Capital. Please go ahead.

Urvi Shah: Hello. Can you hear me?

Shivendra Nigam: Yes, Urvi, we can. Thank you.

Urvi Shah: Hi, sir. I went through your presentation, very detailed presentation. I just had a couple of questions. So, we saw an SSG growth of 11% this quarter. So, how sustainable is this SSG? And second question would be in terms of our FY '27 guidance, how confident are we in achieving this and what would be the growth strategy for this? Thank you.

Shivendra Nigam: Yes. Yes, Urvi. So, yes, we have registered a good SSG this quarter. And if we recall our earlier conversation as well, so we have always guided a SSG growth of 5% to 6% annual basis. So, yes, my 11% this quarter has been done, and definitely, we are going to achieve 5% to 6% in the remaining quarter-on-quarter basis. So this year we should be better off or at least our earlier guidance should meet up.

As far as FY '27 is concerned, everything is on plan, we have a fair chances to cross Rs. 1,000 crores revenue mark with 20% - 22% of CAGR growth, what we are doing, so this year also and FY '27 also, this mark is going to be achieved.

Urvi Shah: Okay, great. Thank you so much, sir.

Shivendra Nigam: Thank you.

Moderator: Thank you. The next question is from the line of Chidananda Mohanty from Green Portfolio. Please go ahead.

Chidananda Mohanty: Hello. Good afternoon, sir. Yes. So, our marketing expenses that the percentage of sales is significantly lower than our peers. So, are we planning to increase it or we are expecting it to remain in that level of percentage?

Shivendra Nigam: So, your question is, our marketing percentage is lower than that part I missed. 1.72% of the marketing is correct?

Chidananda Mohanty: Yes, lower than our peers.

Shivendra Nigam: Yes, that is fine. So, we have always been in the range of--

Chidananda Mohanty: Sir, I have asked a question that our marketing expenses, are the percentage of sales significantly lower than our peers. So, are we trying to contribute on the same level or we are trying to increase or decrease or any grounded?

Shivendra Nigam: So, our marketing expenses is broadly in the range of 1.5%, right? So, going forward also, at least for next couple of financial year, it will be in the same range. The existing marketing

activities, what we are doing, that could be continued. We are getting good response and our return ratio is good from those marketing activities. So, we will continue for these activities also.

Chidananda Mohanty: Thank you, sir. The next question is, related to PAT margin differentiated from offline and online? What is PAT margin in offline segment and online segment.

Shivendra Nigam: Right. So, PAT in offline as well as online. So, as of now, our online segment is giving us the lesser gross margins. So, overall, we are in above breakeven in our E-commerce business as well. However, the contribution for E-commerce is only 6%, which has been increasing. It is not impacting much my balance sheet numbers or the P&L numbers. Overall, also above breakeven.

Chidananda Mohanty: No. I missed one last part. Can you repeat?

Shivendra Nigam: So, we are operating at a breakeven level. We are operating at a breakeven level, our E-commerce business.

Chidananda Mohanty: Perfect, super. So, the next question is, I have some questions regarding the supply chain. So, let us imagine there is a design that the designers create. Now, let us get used to all of your stores. After two months to three months, you notice that those designs are performing well or selling like a hot cake in --

Shivendra Nigam: Sir, your question is not clear. Actually, your voice is not clear and we are not able to understand the question. Can you please explain again?

Chidananda Mohanty: Yes. So, I am trying to say that, let us imagine there is a design that your designers created. Now, that same cloth gets pushed to all of your stores. And after two months to three months, you notice that those new designs are selling like a hot cake in central region, central India. But that is not happening in the western region. Now, responding to this situation, are the clothes from the western region getting called back to central region? Or what is happening to those clothes which are sitting in western region idle?

Deepak Bansal: So, we basically have three kinds of stores. So, if we have three categories, A, B and C. A are the very fast moving, B are the moderate moving, and C is the slow moving. If any article becomes a slow, fast moving, then we move it from the slow moving store to the fast moving store. So, that basically happens with the every store. It is not limited to any geography. So, wherever there is a fast moving store, we move the inventory from the slow moving store to that store.

Chidananda Mohanty: Okay. Now, the last question from my side. First, let me recite with the question. Then, you can tell me if I am going on the right direction or not. So, in last financial year, that is FY '25, the total retail area is around 7.8 lakh square feet and the total rent paid is Rs. 80 crores. So, the rent per square feet is Rs. 1,019. Then on that basis, you disclose the number PSF, price per square

feet, last year is Rs. 784. So, why there is some discrepancies in those numbers? First, you tell me if I am going in the right direction or not, if I am considering this number as it is or not.

Shivendra Nigam: Sir, let me understand the question first. The question is, last year my total rent is Rs. 80 crore, what you said?

Chidananda Mohanty: Yes.

Shivendra Nigam: Rs. 80 crore, right?

Chidananda Mohanty: That converts into rent per square feet of Rs. 1,000.

Shivendra Nigam: 7,86,000 square feet, the area is inclusive of my franchisee stores. So, we need to remove to get the correct figure, franchisee square feet. So, the conclusion is that Rs. 786 includes the franchisee area as well. So, what I will do, I got your question, you can separately mail me your question. I will give you a detailed clarification on this. However, my rental per square feet is reducing year-by-year. In last three years, we curtailed it down from Rs. 130 per square feet, last year Rs. 122 per square feet, and this year we end up with FY '25 at Rs. 119 square feet per month.

Chidananda Mohanty: Great, sir. Thank you for this explanation.

Shivendra Nigam: So, what I am saying, immediately after post IndAS other things are not getting clear. So, you mail me separately your question, I will give you in complete detail.

Chidananda Mohanty: Okay. Thank you, sir.

Shivendra Nigam: Thank you, sir.

Moderator: Thank you. The next question is from the line of Pavan Kumar from RatnaTraya Capital. Please go ahead.

Pavan Kumar: Sir, I just wanted to understand why a slowdown in the number of stores that we have added in this particular quarter, and what is the net target for this full year?

Deepak Bansal: So, we have opened 24 stores at the gross level. But there are some closures, 18 stores have got closed. But these were majorly insignificant stores which got closed. So, if I do the break-up of 18 stores, seven were the relocations, four agreements were expired where we do not want to renew, because market was in bad shape for some reason, and seven were the net closures, performance closures which we can say.

So, in the net addition is six stores, but the area we added is 21,000 square feet and we plan to add like 1,20,000 square feet in a year. And so we will surely cover up the gap in the next quarter

we are very confident we cover up, we will cover up this gap and we are confident that we will open 1,20,000 square feet in a year.

Pavan Kumar: Okay, is there any learnings that we can we bought out from those store closures what was going actually wrong, any kind of feedback on that please?

Deepak Bansal: No, there is no any strategic mistake this is the part because it is very used to happen we are 600 stores, so some stores used to get expired, some markets get outdated. So these things are like normal for us. We do not have any strategic miscalculation due to which store number is high. There was a few stores which were used to get closed on 31st March, but slipped by a few days so it came into the April month and this quarter. So there is no problem in the strategy and the execution.

Deepak Bansal: Performance rate issues are not very insignificant.

Pavan Kumar: But what is the breakup between franchise and non-stores?

Deepak Bansal: So, our 20% are the franchisee stores and 80% are the Company stores.

Pavan Kumar: Okay.

Moderator: Thank you. The next question is from the line of Tanmay Roy, an Individual Investor. Please go ahead.

Tanmay Roy: Hello. First of all congratulations for the great set of numbers. I have most of the questions been answered, I just have one thing. So the average revenue per square, I could see some improvement in this Q1, though in last few years it was definitely gone down a little bit. So, is this trend you see going to continue?

Deepak bansal: So, our revenue per square feet has gone down last year was because we have opened bigger stores. In bigger stores one used to have a less per square feet sale, but our rentals have gone down, our costs have gone down so EBITDA has increased. Our EBITDA is highest in the bigger stores. So, profitability wise Company is going to go further not go down. And we are trying to improve our SSG, so with the improvement in the area per square feet sales will also go up.

Tanmay Roy: Okay. The second one is like there was some news some days before like that government is trying to reduce the GST for more than 1,000 selling price point clothing. So, any idea on that or is that going to any help in terms of sales or anything for the business?

Deepak Bansal: So, earlier also it has been there in the discussion, but not being materialized. We do not expect any for this financial year, any changes there. However, any then we will be able to observe. We do not see any challenge in that.

- Tanmay Roy:** This can be beneficiary for us, right, instead of challenging us.
- Shivendra Nigam:** So, overall, we calculated last year also. So, we are almost on the same path, few percentage increasing, some are getting down, because they are planning to increase Rs. 1,000, 12% rate as well, 5% rate as well. So, in this financial year, at least we do not expect any changes.
- Tanmay Roy:** Okay. Thank you so much. That is it from my side.
- Shivendra Nigam:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Shaurya Punyani from Arjav Partners. Please go ahead.
- Shaurya Punyani:** Sir, one question regarding you mentioned that you are going to increase your capacity, plant capacity. So, by how much it is going to be increased from existing 1.8 million?
- Shivendra Nigam:** Existing capacity, 1.5 million has been increased to 1.8 million. The capacity what we are increasing, it may not be increased in terms of finished goods. Like last year, we completely installed the washing plant. So, capacity, total capacity we want to increase. So, total production numbers would be this only. FG numbers would be this only.
- Shaurya Punyani:** Yes, sir. Okay, FG goods numbers will be this only. And sir, to achieve around Rs. 1,000 crores of revenue in FY '27, so around 17% - 18% you will have to grow this year as well. And assuming like 6% comes from the same sales growth. So, are we confident that we will get a good growth from the new stores, like 10% - 11%?
- Shivendra Nigam:** Yes, the guidance is clear. If you see the first quarter is 24% good sales growth, but the long-term guidance is same. So, not only for the retail expansion, my E-commerce section which is 6% as of now, definitely going in next two years, so 8% to 10%. So, the balance 6% to 7% same store sales growth and balance 12% - 13% would be a mix of retail footprint expansion as well as growth in E-commerce segment as well. But we are also like shoes is a newly started that is giving the good traction, so that will be increased. So, it will be a mix of all.
- Shaurya Punyani:** Okay, I see. Thank you, sir.
- Shivendra Nigam:** Thank you.
- Moderator:** Thank you. The next question is from the line of Anil Jain from Equipassion Capital. Please go ahead.
- Anil Jain:** Yes, good evening. My question is regarding per square feet sales, it is around Rs. 600 odd. So if you open a new store, generally what level of per square feet sales it takes to breakeven store level?

- Shivendra Nigam:** We get approximately the same kind of per square feet sales, so this quarter we have closed at Rs. 624 per square feet sales per month, so when we open for the new stores we target that below 10% -- minus 10% may be come, because store used to grow fast in the second year. But there is not much difference and we are able to breakeven from the very first year for the new stores also.
- Anil Jain:** You mean to say that in the very first year, in the later half of the year you breakeven at the store level?
- Shivendra Nigam:** Yes, in the first year only we used to do the breakeven and basically the breakeven of the store is dependent upon the rental also, not just on the per square feet sales. So even the --
- Anil Jain:** -- I am asking generally, what is the difference between like your Company level same store sales is Rs. 600 odd and we break up the stores between the two, like two year older and new, so what is the per square feet sales difference between the two?
- Shivendra Nigam:** So our overall per square feet sales last year, Rs. 624 is the Q1 number, which you were mentioning. Overall sales per square feet is approximately Rs. 800 per square feet, now this financial year we are expecting to increase. However, it is an average, like instead of per square feet we need to understand in totality, my average sales per store is Rs. 1.2 crores.
- The moment we do not open any store which has been expected to give even from the first year or max from the second year is Rs. 1 crores. Earlier also we mentioned our maturity period for the store is two years. So Rs. 1 crores is definitely, or Rs. 1.05 crores of the sale is caught in the second year as well. So this is hardly 10% difference in the first year sales, second year apart from few exceptional stores, like bigger stores, they are having Rs. 1.5 crore plus - Rs. 2 crore plus sale as well, so 10% is the variation hardly in a one year, two year versus three year stores.
- Anil Jain:** Okay, great. And in the first quarter you have grown by 24%, and volume growth of 11%, 12%, so are you conservative in giving guidance of 5% - 6% because now after good monsoon and all these like retail expansion and everything. So, what is your sense on that?
- Shivendra Nigam:** So overall annual target, we are expecting to be better off of our earlier target. 20% is the target year-on-year basis. It should be better off. Q1 is good, 11%. July was slightly challenging, but we will be able to cover up this month quarter as well. So going forward in next three quarters, 5% to 6% is going to come. So overall, 5% to 6% target, because first quarter is better off. It should be better off finishing by this financial year. So this financial year, 5%, 6%, 7% same store sales growth, and expecting 20% of our overall growth is there.
- Anil Jain:** Okay, thank you. That is it from me.
- Shivendra Nigam:** Thank you, sir.

Moderator: Thank you. The next question is from the line of Dharmesh Vyas, an Individual Investors. Please go ahead.

Dharmesh Vyas: Yes, so congratulations on a very good set of numbers. I am invested in the Company since last three years. I am very much satisfied with the figures and numbers you are sharing transparently. My question is that, sir, we are doing very good up to the EBITDA level. We are doing 30% constantly. The problem is, I think, below the EBITDA level.

Our interest expense is around 4.8% of the sales. That is also we are maintaining, but our depreciation charges, which is mainly these charges, is increasing year-on-year, like in 2020 to 2023, it was 9.4%. Then it went up to the 9.9%, and currently it is 11%. So, what are we doing to reduce this? So that we can increase our net profit levels.

Shivendra Nigam: Sir, that is the magic of IndAS, right, it is a really magical thing. So let me explain once again what is IndAS. So my 28% to 30% of EBITDA is post IndAS. That means my rental cost, which is Rs. 80 crore, the first participant which has been asked, you will not be able to see in my P&L. That has been converted into my depreciation as well as finance cost. However, the Company is completely debt free for last three, four financial years, and we do not have any interest cost. So this is the post IndAS number of 28% to 30%.

However, my real EBITDA number from the business, if I will talk about pre IndAS number, that is approximately in the range of 18% to 20%. So this depreciation and finance cost, if you club together, apart from my real depreciation, actual depreciation of Rs. 21 crores, this is all rental cost due to IndAS 116 adjustment coming to this one.

So my rental cost is not increasing, obviously only increasing in the ratio of what the new stores we are opening. So IndAS is actually converting my rental to finance cost as well as depreciation. My real depreciation is Rs. 21 crores and actual finance cost is almost nil.

Dharmesh Vyas: I understood, so that is what I am saying that our rental cost is increasing on a higher base than our sales. And that is why it is not reflecting increase of net profit. Like our net profit was around 12% two years back, now it is down to around 9%. So if we can reduce this or if we can reduce the rental, then we can increase the net profit.

So, what are we doing to reduce the rental cost? What I think is that we are not leveraging our Cantabil brands for kids and women wear, because we are mainly dependent on the men's wear. And there is a very large market available in the kids wear also. So I think if we focus on the kids wear, we can increase the per sale square feet sales and which will reduce the percentage wise rental. That is my suggestion.

Shivendra Nigam: So for rentals, as I just explained, my rental cost is actually decreasing. In last three years from Rs. 130 per square feet. In fact, exact Rs. 129 square feet was rented and Rs. 118 per square feet this year. So it is because we are opening the bigger format exports now. So per square feet cost

gets significantly reduced. So actual, apart from IndAS, if I will reduce my IndAS, if we talk about pre-IndAS number in that our rental percentage in terms of revenue ratio would be balance, would be in the same range. It is Rs. 118 we are paying now.

- Dharmesh Vyas:** Okay. And my second question is that how we are doing about the shoe business? Are we publishing the separate figures for that or can you throw some light on that?
- Shivendra Nigam:** Which business, sir?
- Dharmesh Vyas:** Shoe business, shoe, because we started selling shoes also.
- Deepak Bansal:** Shoe business, we are majorly doing only online platforms and we are selling shoes only in our own stores. It means the family stores we have and the bigger stores we have, we are selling shoes there. We are not opening exclusive shoe stores, the footwear stores. So last year, we did around 10th year of the sales for the footwear and this year, we will go further.
- Dharmesh Vyas:** Okay. And we are showing the quantity increase of around 17% volume wise. So what was the quantity actually? This 17% is translating into how much quantity?
- Deepak Bansal:** So we sold around 14,31,000 pieces in Q1 offline, and around 1,40,000 pieces in offline stores.
- Dharmesh Vyas:** Online?
- Vijay Bansal:** Online.
- Shivendra Nigam:** Total approximately 16 lakhs for Q1.
- Dharmesh Vyas:** 15.7 lakhs. Okay. Thank you very much, sir.
- Vijay Bansal:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Vikas Mehta, an Individual Investor. Please go ahead.
- Vikas Mehta:** Okay. Hi. Good afternoon. Congratulations to the management and all the team of Cantabil for posting good results continuously for last quite a few quarters. But my question is, is the management satisfied with the share price which is reflecting vis-à-vis the hard work that the management is doing?
- Shivendra Nigam:** Sir, share price?
- Vikas Mehta:** Correct.



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- Shivendra Nigam:** Are you discussing share price?
- Vikas Mehta:** Yes. What I am trying to say is, is the management satisfied with the share price of Cantabil regarding, I mean, comparing to all the hard work that we are doing as well? Is it the correct reflection?
- Shivendra Nigam:** Sir, we deserve better. We deserve better. Honestly, we are an underestimated Company, and we deserve better, what we feel.
- Vikas Mehta:** Okay. Right. So, the question is, what would the management plan to do in that regard?
- Deepak Bansal:** So, basically share price is dependent on the market forces of demand and supply and management has no role to play in it. So, it will be only determined by the market. Our work is to do hard work and do better strategy and execution part. So, we are doing that.
- Vikas Mehta:** Okay. Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Deepak for closing comments.
- Deepak Bansal:** To conclude, Q1 FY '26 has laid a strong foundation for the year ahead. Our performance reflects the strength of the Cantabil brand, the disciplined execution by our teams and the increasing resonance of our offerings with consumers across India.
- Importantly, we are progressing well on our Vision 2027 strategic blueprint aimed at expanding our retail presence and reach, improving efficiencies and cementing Cantabil's position as a dominant force in Indian fashion apparel landscape. Every initiative we undertake is aligned with this long-term vision and we remain fully committed to achieving it with speed, scale and precision.
- We thank you all for your time today and for your continued trust and support in Cantabil Retail India Limited. We look forward to engaging with you in the coming quarters as we continue our journey of growth and innovation.
- We hope we have been able to answer your queries. Please feel free to reach out to our CFO or IR teams for any clarifications or feedback. Thank you all.
- Moderator:** Thank you. On behalf of Cantabil Retail India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.