

TRANSCRIPT FOR 14TH AGM

Good afternoon everyone, on behalf of Board of Directors, I extend a warm welcome to each one of you present for the 14th Annual General Meeting of Thomas Scott (India) Limited, which is being held through video conferencing in accordance with the applicable provisions of the Companies Act, 2013 and circular and guidelines issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The registered office of the company situated at Mumbai shall be deemed as the venue for this AGM. So, before we start the proceeding of the AGM, I would like to mention certain points to keep in mind by you all while participating in this meeting through video conferencing.

The proceedings of this meeting are being recorded for compliance purpose. The facility of participation at the AGM through video conferencing will be served on first-come-first-served basis. The members have been provided with the facility to exercise their right to vote by electronic means both through remote e-voting and e-voting at the AGM.

So, members who have not voted through remote e-voting can cast their votes through e-voting facility during the AGM. All the members who have joined this meeting are by default placed on mute to avoid any disturbance from background noise and ensure smooth and seamless conduct for the meeting. The registered speaker shareholder will be unmuted one by one as the query session starts.

Attendees are recommended to use stable Wi-Fi or lane connection or internet with a good speed to avoid any kind of glitches. Members are requested to refer to instructions provided in the notice of AGM for seamless participation. In case of any connectivity issue, participants are advised to contact helpline number as mentioned in the notice of AGM.

Further, Mr. Vedant Bang, Managing Director of the e-commerce sector of your company is requested to preside over as the chairman of and requested to carry further proceedings of the AGM.

Thank you. Dear shareholders and colleagues, good afternoon everyone.

I am Vedant Bang, the Managing Director (E-Commerce sector) of the company. I am attending this meeting virtually from the registered office of the company in Mumbai. I am very delighted to welcome you at the 14th annual general meeting of your company.

I wish a good health and safety of you and your family. I would like to thank each one of you for the immense faith and dedication you have shown in the company. This meeting is being held through video conferencing in accordance with the applicable provisions of the Companies Act 2013 and related circulars.

The company has taken all feasible efforts to ensure larger participation in the e-voting process and also provided equal opportunity to all members in the voting process for the AGM. I thank the shareholders who have overwhelmingly participated in the remote e-voting process and voted for the resolution as set out in the notice. It is both a pleasure and privilege to host you today.

Further, I would like to introduce other board members. Mr. Brijgopal Bang, Managing Director and Chairman of the Corporate Social Responsibility Committee of the company. Mr. Subrata Kumar Dey, Independent Director of the company. He is also the Chairman of the Audit Committee and Nomination and Remuneration Committee of the company. Mrs. Swati Saukara, Independent Director of the company. Mrs. Vandana Bang, Director of the company. Mrs. Kavita Chajjer, Independent Director of the Company. Mr. Samir Samaddar, Chief Financial Officer of the company. Mr. Bharat Gupta, Representatives of M/s. Bharat Gupta and Company, Statutory Auditors of the company. M/s. Kothari and Associates, Secretarial Auditors and Scrutinizers for the meeting. And other attendees who are joining from different places to this Annual General Meeting.

I would also like to convey the inability of the rest of the Directors to attend the meeting due to their preoccupations. As the requisite quorum of members for the meeting being present, I announce that the meeting is properly constituted and I call the meeting in order. As the notice of the meeting along with the report of the Board of Directors is circulated to all the members as per the relevant circulars of the Ministry of Corporate Affairs, this notice convening the meeting along with the report of the Board of Directors is taken as read.

Further, I would like to inform you that the Statutory Auditors have not made any qualifications, reservations, adverse remarks and disclaimer in the audit reports for the year ended 31st March 2024. Therefore, with your permission, the Statutory Auditors report is taken as read. However, Secretarial Auditors in the report have raised one qualification remark which is as follows. Non-compliance of Regulations 31 (2) & (3) of SEBI (LODR) Regulations 2015 i.e. the listed entity shall ensure that 100% of shareholding of promoter and promoter group is in dematerialized form. In this regard, I would like to inform you that management is continuously making necessary efforts to ensure 100% shareholding of promoter and promoter group is in dematerialized form. With your permission, the Secretarial Auditors report is also taken as read.

Now let me talk about a few highlights of the financial performance of the company in the year 2023-2024. During the year under review on standalone basis, the company's total revenue was Rs. 9,131.67 lakh in 2023-2024 as compared to Rs. 6,281.58 lakh in the previous year, an increase of about 45.37%. Earnings before interest depreciation, tax amortizations and exceptional items was at Rs. 1,296.8 lakh as compared to Rs. 470.17 lakh, an increase of about 175.82%. Profit before tax was Rs. 999.73 lakh as compared to Rs. 297.91 lakh in the previous year, a jump of over Rs. 235.58%. The net profit for the year was Rs. 1,004.68 lakh as compared to Rs. 288.97 lakh in the previous year, a jump of over Rs. 247.68%.

The company's philosophy is to achieve long-term value to serve the best interest of all stakeholders, shareholders, customers, employees, government and the society.

I would like to convey my appreciation to the employees of the company for continuously contributing to the company with courage, conviction, diligence and determination and for placing the company's interest above their own.

Can we kindly proceed further with the proceedings as per the agenda?

Further, I would like to inform you that as per the requirement of Company Sec 2013 and listing regulations, we have already completed the remote e-voting period which was commenced on Tuesday, 24th September 2024 at 9:00 am and ended on Thursday, 26th September 2024 at 5:00 pm. As the remote e-voting has been completed, there is no need to propose a seconding of resolution and therefore, we now move on to the first item of AGM notice for voting proceedings.

Ordinary Business

To receive, consider and adopt standalone financial statements of the company for the financial year ended on March 31, 2024 together with the reports of auditors and the board of directors thereon. This resolution is to be passed as an ordinary resolution.

Second, **To appoint a director in place of Mr. Brij Kuppalgam, DIN 0011-203, who retires by rotation being eligible, seeks for reappointment.** This resolution is also set to be passed as an ordinary resolution.

Special Business **Regularization of Additional Director Mrs. Vandana Bang, DIN 0848-8909 by appointing her as a non-executive, non-independent director of the company.** This resolution is to be passed as an ordinary resolution.

Fourth, **to appoint Mrs. Kavita Akshay-Chachar, DIN 0714-6097, as a non-executive, independent director of the company.** This resolution is to be passed as a special resolution.

So, with this, we are done with all the agenda items of the notice.

The meeting is now open for shareholders to share their queries and comments. I would like to invite speaker shareholders and request the moderator to unmute speaker shareholders one by one. The first speaker shareholder is Praful Chawla.

Is he available? Speaker shareholder is not connected in this meeting.

Second one is Bimal Kumar Agrawal. The speaker shareholder is not connected in this meeting.

Third one is Yusuf Yunus Rangwala. Madam, can you hear me? Yes, sir. Good afternoon, madam.

How are you, madam? I am very happy to see that both the companies have a well-managed, well-secretarial team. And we have an experienced person like you in this company.

What can I ask you, madam? You have a good statement from the chairman as well. That is my question. Who are the exporters? Who are the importers? And what are the clothes we are manufacturing? In which country are our products exported? Same question as the previous.

Nothing more to add. Sir, the fragrance of flowers is outside the buds. And if possible, please give us some of your product as a sample.

This is my humble request. Nothing more to add. Fragrance of flowers is outside the buds.

Very good rate in the market, sir. What is the reason? Who are the buyers? I would like to know. For example, the voltage of our company is 2 times higher than the current rate.

This is how our company has grown. Well, good. Thank you very much.

An excellent company, Secretarial Department. Thank you very much, madam, for giving us very excellent services.

Jai Hind, madam. Thank you. Thank you, sir.

Thank you so much, sir. The fourth one is Gautam Nandy. The speaker shareholder is not connected in this meeting.

First one is Satish Shah. The speaker shareholder is not connected in this meeting. Sixth one, Anil Mehta.

The speaker shareholder is not connected in this meeting.

Seventh, Rohan Patel. Hello.

Hello. Yes, sir. Am I audible? Yes, sir.

Yeah. Thank you for the opportunity. Oh, I have a few questions.

Now I will proceed with asking that. Okay. So I just wanted to know what has led to the revenue.

What factors contributed to the revenue growth that we have experienced in last couple of years? This is higher than our historical average. What led to the margin expansion? You have seen a big margin delta than previous years. I want reasons for what has led to this both of the margin front and sales front.

Second, what advantages we will be getting from being an alpha seller and how we are planning to take this to, you know, making it even beneficial on financial fronts as well as on the operational fronts. What will be the added benefits we will be getting from being an alpha seller? Second, as we are developing our own brand also under the name of Thomas Scott. So what are the branding developments we are doing? And if you can share your strategies regarding the same.

And in annual report, you have mentioned that we have some five stores in now under the Thomas Scott brand. And I wanted to know how are you planning to expand the stores in next three to five years? And if you can share the unit economics of each stores like revenue per store, the bill cuts per store, revenue size and mean KPIs per store and how that will be transcending into next three to five years. Second, if added to all these things cumulatively, what kind of sales growth and margins we can expect over next five years or three years? If you can share the same.

Sure. So there were a lot of questions. I'll take a few of them because the number of shareholders that have to be, you know, in the queue.

So in terms of revenue growth and margin expansion, the company earlier was pure manufacturing and pure B2B in its setup. Now we have gone further in terms of our integration and now we are going B2C as well. As we go B2C, obviously we aim for higher revenue and this B2C is driven by e-commerce.

Margins have also expanded because we have moved from B2B to B2C. So that explains both of these. Alpha seller basically means that we are a direct seller now on multiple portals such as Myntra, Jio.

So that gives us direct access. On Thomas Scott brand, we have just piloted five stores at the moment and it is too early. They have just been launched and it is a bit early stage, you know, to talk about the unit economics.

But yes, the stores are performing well and the season has just started. So the season is, you know, the main Dussehra Diwali season is yet to come. So as that proceeds, we will have a clearer view on our offline strategy.

And as this proceeds, we will basically take a call on further stores. Also, in terms of forward guidance, I cannot provide specific revenue or margin figures as forward guidance. However, the company is increasingly focused on online e-commerce along with premiumization with some of the premium brands that are now working with us in the online e-commerce space.

So this would be my response to the questions. We can move to the next. Thank you, sir.

Thank you, Rohan sir. So the next shareholder is Suresh Pal. Am I audible? Yes, sir.

You are audible. Okay. I would like to ask some questions one by one.

My first question is what is the revenue growth and margin guidance for this year and two three years going ahead? My second question is what margins will be normal going ahead due to selling of low margin items and what's the steady pat margin going ahead? My third question is what underlying technology you are using and why can't other players implement that? My fourth question is are there any plans to brand yourselves at Zudio or Trends marketplace? My next question and last question is, is there any plan for any brand ambassador? That's all. That's all the questions from my side. Thank you for the question.

As I said, we would not be providing any forward guidance as such on revenue or margin as you can see the historical trends. We are absolutely aiming at growth and growth that would be driven through positive margins and good ROCE overall. So that is what we are working towards in terms of the further questions that are not related to forward guidance.

In terms of technology, over the last two years as we have moved into e-commerce, we have developed in-house certain proprietary tools, proprietary know-how would be the right way to

put it, technology. And this is something that we are formalizing at the moment. This basically helps us make decision-making in a very data-driven manner in terms of what to restock, what to produce, what the demand supply gaps are and then we accordingly decide our inventory and make sure that the inventory management happens very well at its core.

It also helps us overall to ensure that our operations are highly optimized so that there is no leakage or no extra cost and hence obviously better margins. In terms of Thomas Scott, we do not currently look at it as something of a studio or trends. It is a standalone brand in its own right and we aim to basically expand it as a brand as any other, you know, D2C brand would be there.

So studio and trends, as you know, are not online focus, they are pure offline focus. But for us, we would be an online focus with offline being one of the channels that we are currently piloting. On brand ambassador, currently there are no plans to have a brand ambassador but yes, we do influencer marketing on the ground and we will be driving awareness through ground level influencer marketing.

Thank you. Thank you, sir. Thank you, Suresh.

The ninth speaker shareholder and the last one is Mudit Choraria, representative for Augmenta Value Trust, Scheme 1. Madam, the speaker shareholder is not connected in the meeting. Okay. As all the speaker shareholders have shared their queries, I hereby conclude the query session.

Further, I would like to inform that votes of only those members who have not casted their vote through remote e-voting will be considered. Also, it is to be noted that your chairperson possesses the casting vote in case needed. I now hand over the e-voting process to the scrutinizer.

The e-voting facility will be open at the NSDL e-voting website for the next 15 minutes to enable shareholders to cast their vote. I would also like to inform to all the members of the company that the results of the remote e-voting together with the e-voting at the meeting will be announced within two working days of the conclusion of this meeting and shall also be placed at the website of the company Stock Exchanges and NSDL. I once again express my gratitude to all the members for their cooperation in the smooth conduct of this meeting through audio-visual means.

I thank all the directors, members of the committee team who have joined the meeting and with that due permission of the chair, let me announce that this meeting would stand concluded at the end of 15 minutes from now. Thank you. Stay safe, stay healthy.

So, here we can conclude the meeting. Ma'am, as the meeting is concluded, can we end this call? Yes, sir. E-voting time is 15 minutes, ma'am? Yes, sir.

Oh, thank you for your confirmation, ma'am. Thank you everyone for joining the AGM.