



“Dollar Industries Limited  
Q4 FY26 Earnings Conference Call”

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**MODERATOR: MS. SHREYA BAHETI – ANAND RATHI SHARES AND  
STOCK BROKERS LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Dollar Industries Q4 FY26 Earnings 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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Shreya Baheti from Anand Rathi Shares and Stock Brokers Limited. Thank you, and over to you, ma'am.

**Shreya Baheti:** Thank you. Hi. Good evening, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Ankit Gupta, President, Marketing; Mr. Gaurav Gupta, Vice President, Strategy; and Mr. Ajay Patodia, Chief Financial Officer.

I would now hand over this call to the management for their opening remarks. Over to you, sir.

**Ankit Gupta:** Thank you, Shreya. Good evening, everyone, and welcome to our Q4 and full year FY26 earnings call. Before we begin, I want to extend my sincere gratitude to our shareholders, analysts and partners. It is what drives us to maintain execution discipline and uphold the highest standards of governance and remain focused on compounding long-term value.

I would also request everyone to take note of the safe harbor statement in our presentation.

We are pleased to report that Q4FY26 Operating Revenue stood at INR622 crores marking a 13.2% year-on-year growth. This brought our full-year operating income to INR1,881 crores up 10.0% year-on-year. Our volume growth accelerated to 12.0% year-on-year in Q4, closing the full year at a strong 9.8% year-on-year.

For the quarter, gross profit stood at ₹174 crores growing 6.7% year-on-year with margin of 28.1%. For the full year, gross profit was at INR622 crores with a 9.6% year-on-year increase. Gross profit margins stood at 33.0% for the full year.

The economy segment's revenue contribution rose from 45% in Q4 FY25 to 47% in Q4 FY26. This shift in product mix, coupled with elevated cotton prices, weighed on overall realisations and compressed gross profit margins by 169 basis points year-on-year even as the business delivered robust revenue growth of 13.2% year-on-year.

**Moderator:** Sorry to interrupt you, sir. Sir, the audio is fluctuating. Ladies and gentlemen, we have the management line reconnected. Sir, you can go ahead.

**Ankit Gupta:** So, like I was saying, in the early part of Q1 FY27, we implemented a calibrated price hike, a proactive measure to offset the increase in cotton prices and maintain margins, while keeping our focus firmly on operational stability and sustainable profitability.

Our balance sheet remains resilient during the year. The company generated robust operating cash flows of INR139 crores as of March 2026. Our net cash from operating activities as a proportion of Operating EBITDA stood at 70% as of 31st March 2026, affirming that our

reported profits are backed by real cash generation, a hallmark of disciplined and high-quality business.

Given that we have no major capital expenditure commitments in the near term, our capital allocation strategy is explicitly clear. We remain focused on improving free cash flow from operations, which will support debt reduction while also enabling us to accelerating our growth. Our cash conversion cycle has come down to 154 days in FY26 from 160 days in FY25. We will continue to focus on improving the cash conversion cycle days going forward.

The Board has recommended a dividend of INR3 per share, subject to shareholders' approval, representing a dividend payout ratio of 15.8%.

We are pleased to announce that we have officially commenced the pilot run for Phase 2 of Project Lakshya. Phase 1 was about laying the groundwork for a more efficient and demand-driven distribution ecosystem. During this phase, we focused on identifying high potential territories with strong retail potential, mapping the complete retail network under each distributor and enrolling retailers into Project Lakshya to build deeper market research, market reach and engagement.

Phase 2, which is in pilot stage now, is focused on deepening our presence in strong gold states by increasing the number of active retailers further strengthening market share. In non-dominant territories, we are analyzing local competitive dynamics and developing tailored market entry strategies.

Building on the momentum of Phase 1, we will continue retailer mapping while remapping databases in mature states to remove inactive accounts and onboard new retailers into our ecosystem, with a continued focus on converting them into active accounts.

At the same time, our supply chain teams are focused on reducing delivery lead times to ensure consistent product availability across distributor and retailer levels. We are also driving higher multi-brand penetration by encouraging strong-performing distributors of one brand to expand into our other brands, thereby strengthening market reach and accelerating portfolio-led growth.

As we enter the new fiscal year, we remain focused on enhancing operational efficiencies while deepening our presence across key markets.

**Moderator:**

The audio is breaking again sir, let me reconnect you, one moment sir. Ladies and gentlemen stay connected. Ladies and gentlemen we have the management line reconnected, sir you can go ahead.

**Ankit Gupta:**

Apologies for the technical glitch that happened. Like I was saying, we are confident that this disciplined and execution-driven approach will continue to create sustainable long-term value for our consumers, partners and shareholders.

I will now hand over the floor to Gaurav to take you through the operational highlights for the quarter. Thank you.

**Gaurav Gupta:**

Thank you, Ankit. Let me now highlight some of the key business and operational trends during the quarter. I hope my voice is audible and very clear.

Our sustained focus on quick commerce delivered exceptional results with the channel growing 437% year-on-year and increasing its contribution to revenue from 0.5% to 2.5%. Driven by this strong momentum, non-traditional channels, which includes modern trade, e-commerce and quick commerce overall recorded a healthy growth of 24.2% year-on-year in FY26, reflecting our successful adaptation to evolving consumer shopping preferences and emerging retail formats.

Moving to our brand portfolio, Dollar Protect, our rain guard segment, saw a 49.9% volume surge in Q4, bringing full year volume growth to 18%. Driven by an accelerating consumer shift towards premium and differentiated products, Force NXT delivered 16.0% value growth and 24.3% volume growth in Q4 FY26. For the full year, it maintained this trajectory, locking in a 16.5% value increase and a 26.2% volume expansion.

Moving to our brand architecture, our Regular and Bigboss segments continue to anchor the portfolio contributing 41.5% and 36.5%, respectively. Our premium and focus categories continue to map positive trajectories with Missy bringing 7.5%, followed by Thermals at 6.1% and Force NXT scaling up to 4.5%. The remaining share was balanced across our specialized categories, Dollar Protect at 2.1%, Dollar Socks at 1.6%, Champion at 0.1% alongside a minimal footprint in FORCE Gowear and Pepe.

Our strategic alliance with G.O.A.T continues to yield strong results, heavily amplified by our deepening footprint in modern retail and quick commerce. In full year FY26, this partnership generated a revenue of INR49 crores, that is up 45% compared to last year. In the same period, PAT stood at INR4.9 crores with a PAT margin of about 10%.

I'll now hand over the call to our CFO, Mr. Ajay Patodia, to walk through the details of our financial performance.

**Ajay Patodia:**

Thank you, Gaurav Ji. Good afternoon, everyone, and thank you for joining us today. Let me take you through our financial performance for the fourth quarter and the full year ended March 31, 2026. For the quarter FY26 Q4 Operating Income grew by 13.2% year-on-year to INR622 crores. Gross Profit rose to INR174 crores with a margin of 28.1%.

Operating EBITDA stood at INR58 crores, growing 2.0% year-on-year yielding an Operating EBITDA margin of 9.3%. Profit after tax for the quarter increased by 11.4% year-on-year to INR33 crores with a PAT margin of 5.2%.

Looking at the full year performance, Operating Income rose by 10.0% year-on-year to INR1,881 crores. Gross profit increased by 9.6% to INR622 crores, delivering a margin of 33.0%. Operating EBITDA rose 9.3% to INR200 crores with margin of 10.6%. Profit after tax reached INR107 crores, registering 18.0% year-year growth with PAT margin of 5.7%.

We successfully rationalized our advertisement spend to 5.5% of Operating Income in FY26. As structural operating leverage kicks in at this scale, we confidently expect this ratio to moderate further in the coming quarters.

Brand wise contribution for the full year in our Dollar Man category is 36.5%, vis-a-vis contribution last year in FY25 is 38.8%. Our economic segment Dollar Always contributed 41.5% in this year, vis-a-vis last year 39.1%.

Our woman segment Dollar Woman (Missy) contributed around 7.5%, vis-a-vis last year, 8.0%. Our winter segment Dollar Thermal contributed 6.1% vis-a-vis last year, 5.9%. Our super premium segment, Force NXT contributed 4.5% vis-a-vis last year 4.2%. Rainwear segment 2.1%, Dollar socks 1.6%, and Pepe around 0.01%.

With that we conclude our opening remarks and open the floor for the question-and-answer session. Thank you.

- Moderator:** Our first question comes from the line of Bhargav Buddhadev from Ambit.
- Bhargav Buddhadev:** Congrats on a good performance. Sir, my first question is on this price hike. So is it possible to know after what period of time has the industry taken this price hike? And is this price hike a one-off event? Or will we continue doing this given that raw material inflation continues to sort of remain fairly high. And as a result, you may have to take another round of price hikes?
- Ankit Gupta:** So this price hike, the entire industry has taken almost after 2 years of time. So after 2 years, we have taken this price hike in the Q1 of this current fiscal year. And we don't think that it will continue further because we are seeing the cotton prices and the yarn prices are getting stabilized now. So the price hike that we have taken in the Q1, I think we don't have to take any further price hike now.
- Bhargav Buddhadev:** So what is the quantum of price hike taken?
- Ankit Gupta:** So price hike that we have taken during the month of April would be somewhere around 3% to 4% and another 2% to 3% we'll be taking from the month of June.
- Bhargav Buddhadev:** So you will take another price hike in June?
- Ankit Gupta:** So we have distributed the price hike into 2 parts basically.
- Bhargav Buddhadev:** So overall about 4% to 5%.
- Ankit Gupta:** Overall, yes, around 4% to 6%.
- Bhargav Buddhadev:** Okay. And given this price hike, this is meaning you would have also rolled back some schemes and discounts or overall realization should go up by 4% to 6% plus scheme and discount going away will further improve or this is all inclusive?

- Ankit Gupta:** This is all inclusive, I would say. So our schemes and discounts are moderately fair, and we have maintained that percentage over the years. So it's a pure price hike that we are taking in this quarter.
- Bhargav Buddhadev:** And this has not led to any volume growth going away, right? I mean volume growth still -- meaning there is no risk of market share loss?
- Ankit Gupta:** No, no. We don't think that there will be a loss in the market share because every player in the industry will be taking this price hike in this particular quarter.
- Bhargav Buddhadev:** Unorganized also are taking price hikes or only the organized players have taken.
- Ankit Gupta:** I'm unable to speak about them at the moment. But overall, at an association level, all the organized players are taking this price hike. And given the scenario of the yarn supply and demand gap and the yarn prices rising and the cotton prices rising, everyone will have to take a price hike sooner or later.
- Bhargav Buddhadev:** Okay. Secondly, sir, your operating cash flow generation has seen a good improvement. It's close to now INR139 crores. Now that you mentioned there is hardly any capex. So this debt of INR264 crores, which is currently sitting on the balance sheet, is it fair to say that 1 year down the line, we can have a substantial reduction in this debt, which is of INR264 crores.
- Ajay Patodia:** Yes, we can certainly reduce the debt by FY28, we reduce to 0. Already in the last year, we reduced the short-term borrowings and long-term borrowing around INR50 crores.
- Bhargav Buddhadev:** So in 2 years, it becomes 0, can we say that INR130-odd crores will get repaid this year and maybe another INR130 crores next year?
- Ankit Gupta:** So you'll see the progress this year as well because this year also, we are trying to reduce our overall cash conversion cycle by another 5 to 7 days. We are planning to do that as well. So it will also generate a bit of cash -- extra cash. Plus it will also help us -- this extra cash flow will help us to fuel or accelerate our growth also, growth trajectory.
- Bhargav Buddhadev:** And lastly, any guidance which you generally give guidance for the full year. So any guidance you would want to share for next year?
- Ankit Gupta:** So we will take some time and maybe during the Q1 earnings call, we'll be able to give you with a firm guidance for the entire fiscal year. But we are very optimistic and hopeful about FY27 to go well and a strong volume -- with a strong volume growth.
- Bhargav Buddhadev:** But in terms of, sir, EBITDA margin coming back to double digit, do you think it is very far off?
- Ankit Gupta:** Sorry?
- Bhargav Buddhadev:** No, no. So EBITDA margin hasn't been in double digits since a while. So you think it is very far off? Or how should we read? Given the price hike, can we expect that double-digit margin should be nearer rather than further?

**Ankit Gupta:** EBITDA margin this year, we have done around 10.82%. Our EBITDA margin was at almost 11%. And this year also, our margin should be good. So overall, if the situation remains okay and favorable, the margin should be better than what we closed last fiscal.

**Moderator:** The next question is from the line of Deepali Kumari from Arihant Capital Markets Limited.

**Deepali Kumari:** I have a few. So what is the expected impact on EBITDA margin following the merger of the 9 promoter companies, specifically from the elimination of intercompany leasing and job growth transactions?

**Ajay Patodia:** With respect to our merger, we already filed the application with the NCLT. And the first motion is also announced by the NCLT. Basically, the merger of RPT with our main Dollar companies, mainly lead to corporate governance and we reduce our related party transactions. The revenue effect on the total revenue is not much like in earlier calls, we also expect that around INR4 crores to INR5 crores of expenses reduced royalty and other service charges and rent payment.

But overall revenue is not much affected by the merger. But for this year, we already have the positive outlook we started our pilot run project for the Phase 2 project Lakshya. And we also introduced high EBITDA margin product. Secondly, we can see that this year, we have the good EBITDA margin from the last fiscal year. We can also, yes.

**Deepali Kumari:** I'm asking like how will the JV leverage like the channel differently from Dollar Industries?

**Ankit Gupta:** Sorry, I didn't get your question. Can you repeat that once more?

**Deepali Kumari:** I'm asking how will the JV leverage differently than Dollar Industries' e-commerce, quick commerce infrastructure?

**Ankit Gupta:** So, our Pepe inner fashion, the JV company that we have, we have a license for Pepe jeans and it deals only with athleisure innerwear segment under the brand name Pepe Jeans. So over there, what we are doing is we are only operating in D2C segment or the channel, which is e-commerce sales through large format stores, organized retail instead of trade channel that we usually do in Dollar industries.

So in Dollar Industries, what happens is our 87% of the sales comes from trade channel, which is distribution-led model. 10% comes from e-commerce and quick commerce, large format stores and 3% comes from exports.

**Deepali Kumari:** Okay. So like after launching of premium, so 87% of the domestic that will go to international, like is there any view on that?

**Ankit Gupta:** So it does not include Pepe Jeans sales because only the bottom line gets consolidated as 51% share is with our JV partner, out of which 2% is the non-voting shares that they have. And so only bottom line gets consolidated. In our top line, the revenue coming in from the JV company does not get added up.

**Deepali Kumari:** Okay. And sir, on the garments manufacturing capacity. so what is the capacity utilization in FY26 and do you see any major capex in upcoming years in that capacity?

- Gaurav Gupta:** You want to ask with regard to Dollar Industries capacity.
- Deepali Kumari:** Garment manufacturing capacity.
- Ajay Patodia:** Yes, yes. So on the industry, basically, it is mainly depend on the job workers. It is -- in this we have 3 to 4, process, knitting, bleaching, cutting and stitching. Out of knitting and bleaching process in-house, cutting is also in-house and stitching process, mainly in our economic segment and mix segment are continued to job worker.
- In our industry, we can increase or reduce the capacity by 20% to 30% by introducing new job worker. So already last year, we have the volume of around 28 crore pieces and in case of demand, if we require, we can use the same by addition of new job worker and increase the capacity. There is no requirement of any capex for increase the capacity.
- Deepali Kumari:** Thanks for inventory days which dropped from 130 to 100. Was this a result of systematic improvement or like any seasonal liquidation of stock?
- Ajay Patodia:** No, we try to reduce our inventory and we also want to improve our working capital days. So we already work on the inventory side. So we continue to improve in this field in this fiscal year also.
- Deepali Kumari:** And so are you planning your retail footprint around the Middle East?
- Ankit Gupta:** So most of our exports that happens. It happens in the Middle East, Gulf countries. There are some African countries. And in the Southeast Asia, Myanmar and Burma is a market that we supply.
- Deepali Kumari:** Okay. And sir, on the Lakshya side, like any guidance on that, like how will it cost in FY27 or '28?
- Ankit Gupta:** In Lakshya area, the growth has been good. We are seeing a good result in that part, in that segment as well. And now very recently, we have started the pilot run of Phase 2 also, which will help us activating more retailers in the already enrolled states.
- Deepali Kumari:** Okay. And on the women segment side, do you see any internal target over a few years?
- Ankit Gupta:** Given the overall test and preference that has changed in the market for the past 2 years. A couple of years, we are seeing a degrowth in the market with respect to the leggings and churidar sales. But overall pant sales are increasing simultaneously, but not up to the 100% mark.
- So, we are very hopeful that this particular fiscal, we'll be able to garner some growth on the outer garment part as well. And at the same time, when we talk about the lingerie segment and the intimate wear, it is growing as per the industry standards.
- Deepali Kumari:** Okay. And so, like if you can talk about like your margin and your guidance in sort of coming future?

**Ankit Gupta:** So like I said before also that we'll be giving the guidance during the Q1 earnings call. We are still working on that front. So yes, we'll have to wait for a bit.

**Moderator:** The next question is from the line of Shrinjana Mittal from MS Capital.

**Shrinjana Mittal:** Hey, Thanks for taking my questions. I have 2 questions. One is that on gross margin, gross margin for this quarter is down 170 bps approximately year-on-year. So how much of that is attributable to the cotton price headwinds that we are seeing versus how much is also because of the increased competitive intensity and some incremental discounting which might have happened because of that? So that is my first question.

**Ajay Patodia:** With respect to gross margin, we can say that the main factor is our product mix in this quarter, our product mix, our economic segment Dollar Always continued around 47%. And overall, in full year, it is around 41%. So mainly ASP due to economic segment increase, our ASP is reduced to this extent. And some of part also not more, some of part also due to increase in the yarn prices because the -- due to increase in the yarn prices, our prices are same and the realization is reduced to the extent. So mainly 2 factors: one, contribution of economic segment increase to 47% and increase in the yarn prices.

**Shrinjana Mittal:** Understood. And just a follow-up to that. So the economic segment share has increased. Is that -- how -- what is our read of that? Is it also related to product mix? Or is it because as a whole - - like a little bit of down trading probably which has happened? Yes.

**Ankit Gupta:** So down trading happening in our industry is very rare. People generally don't down trade. It's just that demand for economy range of products in Q4 was pretty high as compared to our Dollar Man, which is our mid-premium brand, the flagship brand of Dollar, which is Dollar Big Boss. So it's about the demand at that particular point.

**Shrinjana Mittal:** Understood, so on that, are we seeing that this is just a quarter thing and we don't think that just like as a structurally that has changed for us that maybe Dollar Always will do better than the premium ranges that we have? Or is there a structural change also that we are seeing?

**Ankit Gupta:** It's not that because if you look at Force NXT also, it has been growing by 25%, 26% year-on-year basis. So it's a super premium brand that we have, right? And so it's not a structural thing which is happening. It's a very temporary thing. And moreover, we think that Dollar Always or the economy range of products sale is increasing because of high consumption that is happening in Tier 2, Tier 3 cities, majorly in semi-rural or rural areas. And might be, there's a shift from unorganized to organized at that particular segment because people are always aspiring to go for a branded product rather than a local product.

So some factor contribution should have come from that place as well because that's the only reason why economy range of product sales will increase this much. Plus from past 3 years, we have also started advertising the economy range of products, which was earlier not done. Saif Ali Khan being our brand ambassador for the economy range of products, Dollar Lehar. So there are number of factors which might have contributed in the increment of the contribution coming in from the economy range of products.

**Shrinjana Mittal:** Understood. No, that's very clear. And my second question is that our inventory days have improved quite a bit this year. So what has driven that? And do we think that this kind of inventory cycle is sustainable?

**Ankit Gupta:** See, inventory cycle is very season based. And like if you look at the half yearly balance sheet also, the inventory is a bit on the higher side because of the Thermal ranges. And so the major thing that we need to work upon is the receivable days we need to reduce that as well. So overall, we are very hopeful that this particular fiscal also, we'll be able to reduce our overall working capital cycle days by 5 to 7 days. And it will come majorly from the receivable days that we have.

**Shrinjana Mittal:** Understood. So is it fair to understand that the inventory days which have reduced in this year, there is some seasonality element to it, but that is not something that we see maybe like the current FY26, the inventory days that we close, that may not be probably sustainable, but receivable days are where we are expecting the maximum reduction to happen?

**Ankit Gupta:** Yes. But overall, we'll see another 5 to 7 days coming down. It may be a combination of inventory days and debtor days both or only debtor days coming in because with respect to inventory, it is always seasonal and cyclical. So I'm unable to comment on that. But then at an optimized level, inventory days will be 95 to 100 days minimum because in our industry, the production cycle is about 90 days from the time we order yarn, from the time we invert the yarn till the final goods and the goods getting sold.

So mostly 95 to 100 days is at an optimized level, given the number of SKUs also that we have, the different kind of categories that we have. So overall, what we see is the improvement in receivable days will definitely help us in lowering down our overall working capital cycle.

**Shrinjana Mittal:** Understood -- that's very helpful. And if I can squeeze in one more question. If I look at the revenue contribution from Lakshya, that has come down in this quarter. I'm just like taking out the quarterly number. That tends to come down a little bit in Q4. Even last year, it was 29%. But in this year, that contribution is down from 29% to 27-odd percent. So, can you help me understand why would that be the case? What is causing that?

**Ankit Gupta:** So overall contribution on a full year basis, if you see, this Lakshya project is secondary-based projects. So whatever gets sold to the retailer gets replenished to the distributor. There's no push which is happening over there. So seeing that on quarter-on-quarter basis will not do justice to the project. Instead, the overall contribution that came out during the full year remains to be at a similar level what it was in the last fiscal.

**Moderator:** The next question is from the line Resham Mehta from Green Edge Wealth.

**Resham Mehta:** Sir, wanted to understand that why is Q4 seasonally a strong quarter for us every year? Any specific reasons there?

**Ankit Gupta:** So, what happens is during Q4, what happens is there's winter going in and the incoming of the summer season. So, the distributors stock up the goods so that they can actually service the retail market, but the actual consumer offtake happens, starts happening from the -- for the Eid period

also. So, during Eid and Holi, most of the innerwear gets sold in the market. So that is one reason, the festivity plus the onset of the summer season because of which the distributor starts stocking up so that they can actually service the retail outlets on a timely manner.

**Resham Mehta:**

Okay. And can you talk a little bit more of the demand scenario, how is it shaping up for innerwear? Maybe if you want to slice it and dice it across, let's say, men, women, genders or say, across channels or across regions also for that matter, north, west, South.

**Ankit Gupta:**

So, the demand for the product is there. See, we deal into basic products. So sooner or later, people will have to buy. We are actually the second skin to a consumer, right? But the demand seems stagnant. And generally, in Q1, the consumers actually buy more and more innerwear because there's a lot of wear and tear, which happens during the summer season. And frankly speaking, in the rural India, a vest is an outerwear for a farmer or people living in rural India. So the wear and tear happens at a faster rate.

But what we are seeing in this particular quarter is because of the exceptional heat conditions across the Indian markets, so the retail footfall for this quarter has reduced a bit, but it's a timing issue. It's not a structural one. So the underlying demand has not changed. It has -- it remains intact. So that is what we are seeing right now. But overall, we are very optimistic and hopeful for a great fiscal year, FY26 -- FY27, sorry.

**Resham Mehta:**

Sure. So any specific regions that you would like to highlight where demand has, let's say, kind of improved or it has worsened off? I understand from your comments that overall, the demand is stable, but any region-specific or channel-specific for that matter, if you would like to call out?

**Ankit Gupta:**

So when we talk about channel-specific, our e-commerce division and the onboarding some of the quick commerce players also into that. That has given us a very good growth in FY26. And for this particular fiscal also, we are very hopeful that the growth rate coming in from the e-commerce segment or the e-commerce division or the large format stores, the chain stores that we have, it will give us, again, give us a very good growth.

We are eyeing 20% to 25% kind of a growth in our modern trade channel as well, this particular fiscal. With respect to the trade channel, the Lakshya areas have been doing really good, whether it be Rajasthan, Gujarat, Mumbai and its surroundings. And overall, I'm unable to say that any of our region which is doing -- not doing good because all our -- the sales team that we have on a state basis or the agents that we have, they have been working really hard. And with this Phase 2 coming in, we are very hopeful that the Lakshya areas will give us a better performance this particular fiscal.

**Resham Mehta:**

Right. And now modern trade e-com quick-com is almost 10% of our revenue. So how different would the margins in these channels be versus our general trade channel?

**Ankit Gupta:**

It is almost similar because in e-commerce, what happens is the holding cost is a bit high as compared to the trade channel that we have. And the payments are much more faster in e-commerce and large format stores as compared to the trade channels. So vis-a-vis if we see overall margin model, it's almost similar. It's almost similar.

- Resham Mehta:** And in terms of going back to the demand, so after we have taken the price hikes, have we seen some impact of that on, let's say, demand getting adversely impacted after we have taken the first round of price hikes in April. So if, let's say, May was more subdued versus the May of 2025?
- Ankit Gupta:** No, not really. I wouldn't say that the demand anyways got affected because of the price hike because for any industry, a bit of a price hike is always important and always looked at as a good future outlook, right? So even in the market also, the distributors or the retailers, they are also very optimistic whenever the price hike happens. I wouldn't say that it has affected the demand in any sort.
- Resham Mehta:** Right. And competition and can you just comment on how has been the competitive landscape, the competitive pressures, have they been increasing? I think in one of the earlier participants, you also did mention that you can only comment about the organized players that they have taken the price hikes as an industry, but maybe unorganized based on your channel feedback, et cetera, on ground, have they taken price hikes? And how have the competitive pressures in general shaped up overall?
- Ankit Gupta:** So the overall competitive intensity is getting stabilized now. So we are seeing a positive approach in that space as well.
- Resham Mehta:** Okay. And lastly, I know you are not giving a guidance yet for the current financial year. But the way if you see that demand continues to remain stable, the way you have been talking about, would it be fair to then expect a double-digit kind of a growth on the revenue front and maybe margins at par or better versus FY26?
- Ankit Gupta:** So it will be better, definitely. And in fact, the margins will also be better. And in fact, we are very optimistic about the growth part as well for the full fiscal year as a whole. So obviously, we are eyeing a double-digit growth this fiscal as well.
- Resham Mehta:** Would it be low teens, high teens, assuming the situation -- the status quo in terms of demand remains?
- Ankit Gupta:** Sorry?
- Resham Mehta:** Would the growth revenue growth be in low teens, let's say, 12%, 13% or would it be more like 15% plus if the...
- Ankit Gupta:** Right now, I'm unable to give you a number and we will surely come back with a number on or before the Q1 earnings call.
- Ajay Patodia:** Currently, this year, we also taken the price hike around 6% to 7% in this quarter. So we are very hopeful that this year, we have double-digit growth in volume and value. So ultimately, the EBITDA margin also increased because we also rationalized our advertisement expenses to the tune 5.5% this year. And current year, we also rational to some extent.
- Moderator:** The next question is from the line of Shreya Baheti from Anand Rathi Shares and Stock Brokers.

- Shreya Baheti:** So the gross margin in Q4 was impacted due to both change in product mix and also due to the rising cotton prices. So sir, I just wanted to understand that we have taken price hikes in Q1. So do we still expect that there will be a certain element of this rising input cost that will put pressure on the gross margin? Or will it be offset by the price hikes that we have taken? And on net basis, there will be expansion only?
- Ajay Patodia:** No, no, we are ready took the price or we expect it -- we expect that gross margin also improves.
- Shreya Baheti:** Okay. And sir, my second question is on the competition intensity. So one of the competitors in the industry have said that there has been consolidation in the market with some of the D2C players closing their offline channel expansion and moving back to the D2C segment and they have gained market share due to this. So, sir, have we also seen any kind of market share due to this -- market share gain due to this, sorry?
- Ankit Gupta:** Gaurav, do you want to comment on that?
- Ajay Patodia:** Already, our market competition is already a step market is now getting stabilized. And with respect to e-commerce, our JV partner G.O.A.T already 100% shifted to D2C business. And in -- so 100% shifted to D2C and in our Dollar Industry Limited, we have also the growth from 8% to 10% in this year. And mainly the increased -- there is echo sound actually.
- Ankit Gupta:** Am I clear? Yes. So what happens is the D2C brands who have closed down their offline channel and moved back to the online sales, their impact in the offline sales was very miniscule. So it wouldn't make a very big impact on the sales growth or the market share -- getting the market share from them. So it wouldn't actually make much of a difference over there.
- Shreya Baheti:** Understood, sir. And sir, just one last question on the Project Lakshya front. So sir, with this Phase 2, we -- what I understand is that we will be expanding our active retailer in the existing areas where we have already expanded Project Lakshya. So sir, by when do we expect this to be completed? And sir, post this will be accelerating our expansion of Project Lakshya into the newer states where we are yet to fully enroll this program?
- Ankit Gupta:** See Shreya, currently, we are still working about the states where we have not entered with Project Lakshya because of the competitive dynamics that is happening. So we are developing some tailored strategies so that we can enter the market without harming the overall sales and the competition is very aggressive seeing our results in Lakshya states.
- So, in non-Lakshya states to enter new states, we are getting some pushback also in the market. So -- but we are very hopeful that after this Phase 2, we'll again resume entering into new states developing under Lakshya. So that's what we are strategizing now.
- Moderator:** Ladies and gentlemen, we take this as the last question. I now hand the conference over to the management for the closing comments.
- Ankit Gupta:** I would like to thank you all for taking the time out to join the earnings call. Have a nice day. Thank you.



**Moderator:**

Thank you. On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines