Date: 18th November, 2026

The Secretary **National Stock Exchange of India Limited** **Exchange Plaza, C-1, Block 'G'** **Bandra- Kurla Complex, Bandra (E)** **Mumbai – 400 051** **Symbol - DOLLAR**	**The Secretary** **BSE Limited** **Phiroze Jeejeebhoy Towers** **Dalal Street** **Mumbai – 400 001** **Scrip Code :541403**

Dear Sir / Madam,

Reg : Intimation of availability of transcript on Analyst(s)/Institutional Investor(s) meet – 'Earnings Call'

In continuation to our letter dated 4th November, 2026 and pursuant to Regulation 30(6) and 46 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Call held on Friday, 13th November, 2026 at 4.00 pm (IST) as organized by Anand Rathi Research, on the interaction of the Company's representative(s) on the Un-Audited Financial Results of the Company for the quarter and half year ended 30th September, 2026 and/ or any other matter as discussed, is as enclosed.

Please note that the same is also available on the Company's website at https://www.dollarglobal.in/board-of-directors/earnings-call/

This is for your information and record.

Thanking you,
Yours Sincerely,

For Dollar Industries Limited

ABHISHEK MISHRA
Digitally signed by ABHISHEK MISHRA
Date: 2026.11.18 15:20:44 +05'30'

Abhishek Mishra
Company Secretary & Compliance Officer

Encl: As above

“Dollar Industries Limited

Q2 FY27 Earnings Conference Call”

November 13, 2026

MANAGEMENT: **MR. ANKIT GUPTA – PRESIDENT, MARKETING – DOLLAR INDUSTRIES LIMITED**
MR. GAURAV GUPTA – VICE PRESIDENT, STRATEGY – DOLLAR INDUSTRIES LIMITED
MR. AJAY PATODIA–CHIEF FINANCIAL OFFICER – DOLLAR INDUSTRIES LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to Dollar Industries Q2 FY27 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 for 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 Share 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 afternoon, everyone, and welcome to our quarter 2 financial year '27 earnings call. Before we begin, I would like to extend my sincere gratitude to our shareholders, analysts and partners. Your continued trust is what drives us to maintain execution discipline, 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 our results for the second quarter and first half of FY27 with healthy value and volume growth. Operating income for the quarter rose by 14.3% year-on-year to INR539 crores. For H1 FY27, operating income stood at INR944 crores, registering growth of 8.4% year-on-year. For Q2 FY27, gross profit grew 4.5% year-on-year to INR171 crores with a gross profit margin of 31.8%.

The moderation in gross margin was primarily driven by higher cotton prices, a key raw material for the company. We expect cotton prices to remain elevated in the near term, and we endeavor to pass on the cost increase through price hikes.

Operating EBITDA stood at INR61 crores with a margin of 11.2%. While gross margins came under pressure, disciplined cost management, stringent overhead controls and operating leverage helped cushion a part of the impact at the operating EBITDA level. Profit after tax attributable to owners stood at INR36 crores with a PAT margin of 6.6%.

For H1 FY27, operating EBITDA stood at INR108 crores with a margin of 11.5%, while PAT stood at INR62 crores with a margin of 6.5%. As we move into the second half of the financial year, our focus remains on driving profitable growth through improved operating efficiencies, disciplined cost management and higher volumes.

Let me now highlight some of the key business and operational trends during the quarter. Dollar Thermal, our winterwear segment, registered a growth of 17.7% in value and 10.2% in volume terms during the quarter, contributing 12.6% to overall revenue. Dollar Protect, our rainwear segment, witnessed strong traction, supported by a favorable monsoon season. These categories

continue to strengthen our product portfolio while enabling us to address evolving consumer needs across adjacent product segments.

I will now hand the call over to our Vice President, Strategy, Gaurav Guptaji.

Gaurav Gupta: Thank you, Ankitji. Good afternoon, everyone, and thank you for joining us today. Let me take you through channel-wise, region-wise performance for the second quarter ended 30th September '26. Our newer growth channels and product categories continued to gain momentum during the quarter. Quick commerce recorded growth of 58.5% in value and 52.4% in volume terms, with its contribution to overall revenue increasing from 4% in Q2 FY26 to 5.4% in Q2 FY27.

This also reflects a growing consumer preference for convenient on-demand access to everyday essentials and underscores the importance of strengthening our presence across emerging distribution channels.

Our export business also delivered a strong performance during the quarter with value growth of 57% and volume growth of 45.5%. We view international markets as an important long-term growth opportunity, and we'll continue to focus on expanding our global presence.

Moving to regional performance. The Eastern region delivered 25.6% growth in terms of value and 16.3% volume growth this quarter. North, our largest region registered 14.6% value growth and 6.2% volume growth. Our strategic alliance with GOAT, continues to progress well, amplified by our deepening footprint in modern retail and quick commerce. We remain confident that our initiatives across core markets, emerging channels and exports will keep driving growth in the coming quarters.

With our strong brand portfolio, extensive distribution network and sustained focus on execution, cost discipline and profitability, we are well positioned to capitalize on the opportunities ahead and deliver sustainable value to our stakeholders.

I will now hand the call over to our CFO, Mr. Ajay Patodia, for the financial review. Over to you, Ajayji.

Ajay Patodia: Thank you, Gauravji. Good afternoon, everyone. I will take you through our consolidated financial performance for the quarter and half year ended 30 September 2026. For quarter 2 FY27, operating income increased to 14.3% consisting of volume 8% year-on-year to INR539 crores. Gross profit grew by 4.5% to INR171 crores with a margin of 31.8%.

Operating EBITDA stood at INR61 crores with a margin of 11.2%, supported by the disciplined cost management, overhead control and operating leverage amid higher cotton cost. Profit after tax stood at INR36 crores with a margin of 6.6%. For H1 FY27, operating income increased by 8.4% to INR944 crores, consisting of increase of volume by 4%, while gross profit grew 5.6% to INR323 crores with a margin of 34.2%.

Operating EBITDA increased 5% to INR108 crores with a margin of 11.5%. Profit after tax grew 9.4% to INR62 crores with a margin of 6.5% and EPS increased to INR10.9 from INR9.96.

Advertisement expenses stood at 6.5% of revenue in H1. With annual advertising expenditure capped at INR100 crores, we remain focused on strengthening brand visibility while achieving greater efficiency in advertisement spend as revenue scales.

As on 30 September 2026, net debt stood at INR288 crores with net debt to equity at 0.29x and net debt to annualized operating EBITDA at 1.33x. Annualized return on equity and return on capital employed stood at 12.7% and 14.4%, respectively. Our cash conversion cycle improved to 157 days from 160 days reported in previous quarter. Receivable days improved to 120 from 130, while inventory days reduced to 109 from 124, reflecting progress in collection and inventory management.

Our capital allocation priorities remain focused on improving working capital efficiency, strengthening cash generation and supporting debt reduction. As we grow, we will continue to balance investment in our brands and distribution network with disciplined deployment of capital.

Dollar Always, our economic segment and Dollar Man remain the anchor of our portfolio together contributing approximately 78% of H1 garment sales. Dollar Thermal and Dollar Protect complement this base with seasonal offering, while Dollar Woman and Force NXT broaden our presence across consumer and price segment.

Brand-wise, our contribution: Dollar Always, our economic segment, around 40% in this quarter. Dollar Man, our main brand Bigboss, around 34%; Dollar Woman, that is Missy, 7.1%; Dollar Thermal, that is our Ultra and winter products contribute 12.6%; Dollar Protect around 2%; Force NXT around 4%.

With that, we conclude our opening remarks and open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Gunit Singh from Counter Cyclical PMS.

Gunit Singh: So firstly, I would like to understand what EBITDA and margin and revenue guidance do we have for the rest of the year? And in this quarter, we saw a fall in our gross margins. So I just want to understand that our main competitors, if you look at their margins, they have maintained or improved margins in this quarter. So was it that we were not able to take any price hikes? Or what is the reason for our margins declining this quarter? Can you help me understand that as well?

Ankit Gupta: So there has been some margin improvement in terms of percentage year-on-year or quarter-on-quarter. But as a gross margin percentage, yes, it has declined and not just for us, but all the other peer groups as well. So it is because of the increasing cotton prices and the yarn prices in the market, which has caused a bit of decline in the gross profit margin. But overall, if you would compare it with all the peer groups, our decline is not as much as what we see in the other players.

Gunit Singh: No. But if you look at our competitors like Rupa and Lux, they have improved their EBITDA margins this quarter year-on-year. So that's where it was coming from. But if you can help us, I

mean, if we will be taking any price hikes in second half or if you can give a flavor of what kind of EBITDA margin we should expect for H2 and for FY27 and also the revenue growth or revenue targets for this year, that will be helpful.

Ankit Gupta: Okay. So we really intend to take a price hike in coming quarters because of the rising cotton prices as well and the yarn prices. But it really depends upon the overall industry scenario also. But we totally intend to take a price hike, and we'll be passing it on to the final consumer itself because the price is not sustainable and the rise in the raw material prices is not sustainable, and we'll have to take a price hike in order to maintain that.

Apart from that, our EBITDA currently on a half yearly basis, our EBITDA stands at around 11.5%. And our guidance for this fiscal year is 11.5% to 12.5% only. If you see the past trend also last 3 years, 4 years data, our H1 is just 45% of the entire year, whereas the H2 is much more heavier and it almost constitutes around 54%, 55% of our total sales. So going by that thing, our overall revenue guidance also that we have given 10% to 12%, we are very hopeful, and we intend to achieve that as well.

Gunit Singh: Got it. That's great. So what kind of price hikes are we expected to take and by when?

Ankit Gupta: So we're still working on it and maybe by the end of the quarter, like maybe during the month of December only, we are thinking of taking a price hike.

Gunit Singh: Okay. And the magnitude?

Ankit Gupta: That's not decided yet. Maybe because we have already taken 2 price hikes unlike any other companies, and it constituted to around 4%, 4.5% overall, distributed amongst the 2 price hikes that we have taken. So another would be somewhere to the tune of 2% to 3% kind of price hike.

Gunit Singh: My last question is regarding our plans to be debt-free by FY28. So I want to understand, are we still on track for that?

Ajay Patodia: Yes. We already are, our guidance for the debt-free, we expect that within 1 to 2 years, as already told in our earlier call, we can get the debt-free by FY28 or '29.

Gunit Singh: Got it. So we are talking about both long-term and short-term borrowings.

Ajay Patodia: Yes, yes. Yes. Mainly our debt consisting of working capital demand only, that is short-term borrowings, CC only. Our long term is very minimum required as per accounting standard.

Gunit Singh: Right. And what are the FY27 ending debt target level for us?

Ajay Patodia: We hope that we can reduce in coming H2 because during this quarter, we have working capital requirement for our winter product and the realization is coming in quarter 3 and quarter 4. So we expect that we reduce our working capital by INR50 crores to INR60 crores.

Moderator: The next question is from the line of Rudraksh Raheja from ithought Financial Consulting.

Rudraksh Raheja: Sir, what would be sustainable level of gross margins in our business?

Ankit Gupta: So, at a normal level when everything is going normal and no hiccups in the market and everything, so anywhere between 34% to 36% is a sustainable level in our industry and at the segment where we operate.

Rudraksh Raheja: Understood, sir. Understood. And sir, for H1 FY27, how was volume growth in men's segment and women's segment, that is our core business?

Ankit Gupta: So if we talk about H1, Men's has grown by around 6%, whereas Women's has grown by around 3% to 4%.

Rudraksh Raheja: Just to double check, this is the volume growth for the segment.

Ankit Gupta: Yes, yes, yes. Volume growth.

Rudraksh Raheja: Got it, sir. Got it. And sir, there's a minor decline in revenue share by Lakshya distributors. Could you help us understand that?

Ankit Gupta: Yes. So during this H1, there was a minor decline in the overall contribution coming in from Lakshya revenue. That is majorly because of the late payment cycle that was happening, and we are very strict about our SOPs in this Lakshya project. So we didn't supply it to the distributors and the distributors also didn't supply it to the retailers. And that's the only reason why there was a minor decline in the overall Lakshya revenue contribution.

Rudraksh Raheja: Understood. Sir, our understanding was that this initiative would help us in improving our working capital. So is it playing out the way that we plan this initiative? Or are we facing more hiccups in this segment? Because initially, the implementation by the targets that we set for its implementation, we are lagging behind those. So could you help us understand that part?

Ankit Gupta: See, regarding Lakshya project, we are very positive about the project. At a company level, also, everyone's thought process has also changed. It's the way to go forward in future and to have a sustainable business because it talks about 2 fundamental things like increasing the reach and range in the market. And at the same time, improve your working capital cycle through efficiencies that are created.

And also when we implement distributor management system at a distributor level, you get a lot of data, which you can use it for your new product developments and the production cycle and everything and optimize your inventory levels as well. And plus, it also gives us the inventory levels at the channel partner also, so you can optimize that and increase their ROI as well. So we are very positive about the project.

It's just that because of the intense competition that is happening in the market for past 2 years, 3 years and the overall intensity that is there in the market and given the raw material prices fluctuation, which is happening from past 6- 7 months, we have slowed down the project so that we don't lose any market share in the new areas that we implement. Because whenever you implement this project in a new state, what happens is the market gets disrupted for nearly 5 to 6 months minimum.

So since all the other players have become very, very aggressive and overall, the competition intensity has also increased in the market. So we don't really want to lose that market share because of this particular project, and we want to implement this when the situations are favorable. So we are focusing on the areas where we have already implemented this project instead of adding new areas into the project. So in near future, yes, we'll be implementing to the other areas where we have not touched.

Rudraksh Raheja: Understood, sir. Understood. And sir, how is Phase 2 going for us in this project? And when should we expect some tangible results of Phase 2 reflecting in our financials?

Ankit Gupta: It will take some time. We have to wait for another 2 to 3 quarters to see like as soon as the industry situation gets favorable, you will definitely see the results.

Rudraksh Raheja: Got it, sir. Got it. And sir, if I look at our employee cost for the last 3-4 years, there has been consistent increase in the employee cost as a percentage of sales. So could you throw more light on that part? And like what are the key focus areas or roles where we are hiring more people? Or is it a function of increased salaries, etcetera?

Ajay Patodia: No. Basically, it is due to fact that our revenues also increased. And we also employ the salesmen in Project Lakshya. So we get the exclusive sales representative for the Lakshya distributor. And also in the last year, we installed, we're running our expansion in the spinning plant.

So in the beginning, there was a capacity of 22,000 spindle and another 20,000 spindles working from the December '24. So due to this reason, expansion in spinning capacity and increase in the Project Lakshya and also, we also launched some benefit to our distributor in Lakshya project. We have to employ the additional sales force. So it is due to only the additional sales force or additional capacity, not any increase in salary. The salary is increased as per the industry norms only.

Rudraksh Raheja: Understood, sir. Understood. And sir, on this manufacturing capacity or spindle capacity, what is the capacity utilization in H1 FY27?

Ajay Patodia: Around 85%.

Rudraksh Raheja: Got it. Got it. And sir, we have seen a tremendous increase in exports in H1. So what are the drivers for that? And what is the sustainable growth rate in this segment?

Ajay Patodia: Basically, this time, our management who is looking after the export is visiting the many countries after March, due to the war, there is disturbance in the area. Now after July onwards, it is clear. So we have launched new area in Asian, South Asian country also and African country also. So there, we get the extra sales from that country. And ongoing, we also have already implemented a different type of policy to increase our export turnover. So in 2, 3 years, you get the good result in export also.

Rudraksh Raheja: Sorry, sir, I missed the last part. In 2, 3 years, what kind of growth rate we should get?

Ajay Patodia: You get the good numbers in export also.

Rudraksh Raheja: Okay. Sir, any growth rate that maybe you could quantify, maybe a ballpark figure or something?

Ajay Patodia: We expect a good growth, but we cannot quantify. Actually, there is a different geopolitical reason. So we cannot tell any ballpark, but we try our best to increase the exports revenue.

Rudraksh Raheja: Understood, sir. Understood. And sir, this year, we are guiding for 11.5% to 12.5% EBITDA. 2, 3 years down the line, what would be our medium-term target? And like what are the levers that we have in our hand to get there?

Ajay Patodia: Basically, our target in 2, 3 years is around 13.5% to 14.5% EBITDA level margin. That is a sustainable margin in our segment.

Rudraksh Raheja: And sir, would that come on account of more gross margins like we are struggling at the time because of geopolitical instability? Or do we have more juice on the side of other expenses and employee costs that would help us attain that number? How would it look like when we are at 13.5%?

Ajay Patodia: Basically, due to 3, 4 criteria, like one is due to product mix. In our earlier presentation, we also there is published that we have the target to increase our high EBITDA margin product from 28% to 35% in the next 2, 3 years. And due to product mix, high EBITDA margin product, our EBITDA margin increase. Other than this, we also control our working capital. From this, we save the finance cost and also working capital requirement, then other leverage of expenses due to increase in the turnover.

Moderator: The next question is from the line of Shreya Baheti from Anand Rathi.

Shreya Baheti: So sir, if you could just repeat the volume growth, I missed that part for the quarter. And also, I just want -- sorry, sir, please continue.

Ajay Patodia: Can you repeat, Shreyaji?

Shreya Baheti: Sir, I just wanted to know volume growth for the quarter and also what was the average selling price for the quarter? And how much of the increase in the ASP was led by product mix and how much was led by price hike?

Ajay Patodia: So basically, in this quarter, our total growth is around 14.30% and consisting of 8% in the volume and 6.3% in the price hike and 6.3% in the value. In the last 6 months, we take the price hike to the tune of 4.5% in 2 tranches, in April 2% and in July 2.5%. So we can calculate that due to product mix around 2% value increase and 4% due to price hikes.

Shreya Baheti: Okay, sir. Understood. Sir, also, what will be our revenue growth guidance for FY27 and '28? While I understand margin for FY27 will be around 11.5% to 12.5%. And over the course of next 2 years, it should go somewhere around 13.5% to 14.5%, right?

Ajay Patodia: Correct. Correct. And our current year for FY27, we have the revenue target of growth target around between 11% to 13%.

Shreya Baheti: And sir, for '28?

Ajay Patodia: We have target kept for ourselves around 12% CAGR in next 2 to 3 years.

Shreya Baheti: Okay, sir. Sir, also, I just wanted to understand what kind of demand trends and consumer sentiment are we seeing in the market? And also this consumer demand, is it broad-based? Or is this growth concentrated in certain price points or regions and categories? How do rural and smaller town demand is there compared to the urban demand?

Ankit Gupta: See, overall, what we understand at Dollar also that through e-commerce channels that we have or the quick commerce that we have, if the consumers are buying and you see a growth rate coming in from the marketplaces and all the e-commerce platform sales, I think the consumer sentiments are being positive.

And during the festivities also, we saw a good positive mindset from the consumer side as well. So in e-commerce also, we saw good growth coming in around 12% to 13% growth, if you talk about on a half yearly basis. But when we talk about quick commerce, we saw huge growth over there coming in.

So overall, market scenario has been good. It's just that from the retail point of view, like the MBOs or the distributors, the overall cycle has changed in terms of the cash conversion cycle from the retailers to the distributors.

That has slowed down a bit, but we are being stringent on our terms and everything, and we are not letting that thing hamper our business cycle or anything like that. That's why we were able to maintain our working capital cycle, if not decrease unlike the other peer groups where the working capital cycle took up greatly.

Shreya Baheti: So while I understand that, so there is a slight slowdown in the MBO and the distributor in terms of cash conversion and also overall consumer sentiment is good, but you are also -- are we not seeing any kind of growth that is concentrated in any -- like in certain price points or in regions? Is that not the case? Is it broad-based?

Ankit Gupta: So nothing like that because people don't downgrade their -- they can postpone their purchase, but they don't downgrade the brands specifically. So a person wearing a Jockey product won't come down to a Bigboss level product or a person wearing a Bigboss won't come down to Lehar. They might postpone their purchase for a month or so. And since we deal into basic goods, they can't do away with it. We are second skin to the people, right?

So they can't do away with the product. It's just that they can postpone. So we don't see any such thing happening or downgrading happening in the market. Tier 2, Tier 3 is still our biggest market in terms of consumption because over there, vests are treated more as an outerwear than as an innerwear. So because of that also, we see a huge opportunity over there as well. And the overall aspiration levels that we see in Tier 2, Tier 3 cities are much more higher than what we see in the urban market.

Shreya Baheti: Okay, sir. Sir, also, did we see any impact in Q2 due to the festive shift?

Ankit Gupta: There was not much of a shift because every year, it's the Q2 which operates during the festivities. So there was not much of a shift. It's just that the market was good during the festive season.

Shreya Baheti: Okay. And sir, also, sir, like we took 4% to 4.5% kind of a total price hike in Q1 FY27, like in April and April to July period. And despite this, our gross margins for the quarter declined by almost 300 bps. So sir, what kind of cotton price and crude oil price inflation are we seeing? And has it increased from Q1 FY27 levels? How do you see this going ahead? And also, have we seen the full benefit...

Moderator: Sorry to interrupt. Ms. Baheti, I request you to join back the queue for follow-up questions. The next question is from the line of Logeshkumar Jaganathan from JLK Ventures Private Limited.

Logeshkumar Jaganathan: So I have two questions to ask now. So one is that like how is the competition currently, I mean, happening? I mean, I know that in previous couple of quarters, we saw a deep discounting. So is it easing? I mean how is the competition coming?

So that is the question number one. And second question is, how is the festival season is like doing for you? So is it like so far in the Q3, I mean, is it seems to be picking up, I mean, as we did as you expected? Or do you see it's a normal? So can you just comment on that?

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

Logeshkumar Jaganathan: Yes. So my first question was, how is the competition currently? Like I know that last couple of quarters, we saw a deep discounting and schemes. So how is the competition now currently, I mean, happening in the market for our products?

Ankit Gupta: So the competition is still intense in the market. We thought that it would get better. But yes, it has gotten a bit better, but not there yet. It would take another couple of quarters maybe to settle down.

Logeshkumar Jaganathan: Okay. Sir, can you also talk about the Lakshya retailers? Like I know that we have constantly been increasing the Lakshya retailers. But despite that, like we still had to realize the profit margin. So is it Lakshya retailers really helping us in improving the margins in the long term?

Ankit Gupta: See, for Lakshya project, it would really help us in much more deeper penetration into the market, gaining market share. Secondly, it would help us in the cash conversion cycle overall. So the cost structure and everything is almost similar to what we see in non-Lakshya areas also. There is no disparity in terms of the pricing and anything.

It's just that the two major pillars that Lakshya project stands on is the increase in the reach and range and improving the cash conversion cycle. So, these are the two main pillars that we stand on. And yes, going ahead in coming future, we'll definitely see some improvements coming in when we talk about the cash conversion cycle.

Logeshkumar Jaganathan: Okay. Last question, like are you planning for any share buyback like provided the stock price is considerably trading at lower price? Is the Board considering any share buyback?

Ajay Patodia: No. Currently, there is no any planning to buyback or anything. Currently, we have the planning to debt-free the company in a couple of years and provide the dividend to the investor.

Moderator: The next question is from the line of Rohit from ithoughtpms.

Rohit: Sir, just on this Lakshya program, which you've been trying to implement, is it fair to say that you've implemented this in largely West and South and like East and North is still pending based on what -- is that a fair statement?

Ankit Gupta: So in North, we have covered Haryana and Rajasthan. And when we talk about West and Central, in West and Central, we have covered part of Maharashtra, Mumbai and surrounding complete and Gujarat, we have completed. Apart from that, South, we have done apart from Tamil Nadu and Kerala.

So none of the zones are 100% under Lakshya project. It's like South majority of the part is under Lakshya project. West and Central, we can say 50-50. And North and East, they are like North is, I think, 30% there. And for East, it's 20%, 25% there.

Rohit: And sir, when do you anticipate this like this 28%, 30% revenue contribution where it has stuck at for the last 2, 3 years from this program? When do you see this like getting beyond 50% in your assessment?

Ankit Gupta: So until and unless we cover new areas or the new states, the major movement would be somewhere around 2% to 3%, 4% kind of a thing. But we have to add new states into it in order to increase the overall contribution also. Currently, we are not adding any new states. We are holding back a bit. It's not that we don't have confidence on this project.

It's just that the market is not favorable. The situation is not favorable to move ahead with the new state. So we are just waiting out. And going ahead, after a few quarters, yes, we'll think about going to new states itself.

Rohit: Okay. Sir, just 2 more questions on this program. So one was like can you share a bit about what is the improvement in working capital and/or margins that you see under Lakshya versus if you were not doing Lakshya in the same geography or in the same state? That was one.

And second, sir, you mentioned earlier to a participant that because of competition, you don't want to sort of do it now. So can you just maybe elaborate what -- so like this leads to cannibalization for your existing distributor and you lose shelf space? Is that what happens? Or if you can maybe delve a bit deeper on to why you are taking it slow?

Ankit Gupta: So overall, when we talk about Lakshya project, the one thing which happens is that the overall debtor days in Lakshya project is lower than our non-Lakshya debtor days. So one, it helps us in that particular part. Second, it has -- it gives us a deeper penetration into the market and also know-how of at which pin code, how many retailers are buying what and at what frequency.

This is the kind of data that we collect from the market, which was otherwise not available with us. So it's very precious, and we act basis on that as well, and we target each and every retailer on a quarter-on-quarter basis, month-on-month basis.

So it really helps us. As far as the growth or a penetration or a market share is concerned, so when we talk about Haryana, Rajasthan, Gujarat, Mumbai or surrounding, Karnataka, Orissa, we have seen a huge growth in these particular states because of the Lakshya project. So we got stuck at some level, stagnated at some level.

But to jump to a next level, this particular project was very much needed for us. Like Gujarat, we were never able to cross INR25 crores of revenue on a yearly basis. But currently, we are doing INR60-65 crores kind of a revenue. And for Rajasthan, similar kind of a story. For Haryana also similar kind of a story. So this is some of the positive signs that we have seen in Lakshya project, and it really helped us to grow well.

Moderator: The next follow-up question is from the line of Shreya Baheti from Anand Rathi.

Shreya Baheti: So sir, I'll just continue with the last question that I was asking. So basically, we have taken a 4% to 4.5% kind of a price hike over April to July. And despite this, our gross margins had declined to around 300 bps in Q2 FY27.

So, sir, what kind of cotton price and crude oil price inflation are we seeing? Has it increased from Q1 FY27 levels? So how do we see this going ahead? And also, sir, have we received the full benefit of the 4% to 4.5% price hike in Q2 FY27?

Ajay Patodia: With respect to cotton prices, the cotton prices in Q1 is around INR60,000 candy, which quality we use in our production. And currently, in quarter 3 in October month, it is around INR68,000, the cotton crop this time is slightly lower in production from the last year. And currently, there is also demand in the yarn industry also. Some companies also have the export demand also. So due to this reason, there is hike in the prices of yarn and cotton itself.

Other than this, we get the benefit of low inventory cost in Q1 because of that March procurement because there is a production cycle of around 1 month when we purchase the cotton and when we sell the finished goods. So in quarter 1, the gross margin is not affected because we have the low inventory cost product raw material. But in Q2, the Q1 purchase also and the Q2 purchase also, that are high cost inventory. So due to this, the margin is slightly lower by 298 basis points. But thereafter this, in overall segment in our industry, our margin is in double digit, and we have the growth in double digit also.

But we expected that in current quarter, quarter 3 or quarter 4 in H2, we get the full benefit of our price increase. And we also intend to increase the price in December month also. So we are working on this. And we are certainly fully confident in our guidance, which are given that we have the EBITDA of 11.5% to 12.5% in this year and the growth of around 11% to 12% in revenue growth. And the volume growth must be 8% to 9% in full year basis.

Shreya Baheti: Sir, just one thing, sir, this INR68,000 cotton candy level, do we see cotton prices going up more ahead? Or will they sustain at this level only going forward? How do you look at it?

Ajay Patodia: Currently, as per market, it is around this level only, INR68,000 to INR72,000.

Moderator: The next question is from the line of Ashwin Reddy, an Individual Investor.

Ashwin Reddy: This is Ashwin from [Samatva 0:45:13] Investments. My first question is regarding the competition. Could you clarify what gives you confidence that the competitive intensity should get better in the next 2 quarters because the management stated that. I was just curious what are the indicators why you believe this?

And also linked to this, if I may add, is the competitive intensity right now from all the competitors broad-based competition? Or is it from one specific player who's undergoing a demerger, etcetera, or somebody else that is where you're seeing more competition from?

Ajay Patodia: There is a different reason for this competition. One is you mentioned that due to demerger and that is also we think that after this, the intense competition is also reduced, but it is overall industry also in our segment, basically in our segment, the medium segment. So mid-market segment that is we are mainly our distributor and customer is in economic product and economic segment and mid-segment. So our segment, that is mainly competition due to that only.

But now it is in the process. And already, we've seen some improvement in last quarter also. And we hope that by another 1 to 2 quarters, we got a better view of this. So after this, we can implement our Project Lakshya and other, which are held back once it is completed or implemented.

Ashwin Reddy: Sir, but I can link to this only as a follow-up. So are you seeing the entry of any new players? Or is it the existing players that you've always had because there are 4 to 5 companies, right, which are competing with each other and in a similar space, similar kind of top line. Is the competition among these names only? Or are you seeing emergence of new companies or D2C players, etcetera, which is impacting you in any way? Or is it the existing companies?

Ajay Patodia: It is existing competition only. There is no any new player in our segment, only existing competition.

Ashwin Reddy: Got it. Got it. That is helpful. My second question is regarding your stated growth, top line growth for the next 2, 3 years. When you mentioned that 12% CAGR, what is the volume versus the price or the mix that you have in mind?

I'm trying to understand how different is your volume growth from the industry growth? Are you at the industry? Are you penciling in some kind of market share gains or you're not taking that into account?

Ajay Patodia: In 12% CAGR, our target is consisting of volume growth around 8% to 9% and price and value increase 4% to 5%. And we also take consideration of gaining market share. Currently, our e-commerce contribute around 11% of the total revenue of 5% to 6% is consisting of Q-commerce.

And basically, we have target e-commerce segment more where we get the working capital cycle is more attractive and there is D2C transaction. And other than this, we have the target to increase our export segment also.

So these are the 2 criteria where we can get the extra market share. Plus once the intense competition is clean or there is normal market condition, then we also implement our Project Lakshya, which is not implemented in major states like UP and West Bengal, which are contributing alone 30% of our total sales.

So we hope and we expect that we get the good market share after implementing the Lakshya project and we're very helpful that we achieve minimum target of 12% but our target is very high internally.

Ashwin Reddy: Okay. So the 12% is on the lower end is what you're saying? Because see, the thing is given the number of new initiatives and given the, say, right from NXT to given what else you're doing on exports and the rainwear and etcetera. So the target 12% number is not sitting in line with where the industry is today, given the cycle is now behind us and given where we are. Hence, I wanted to get more clarity on what could be a realistic number in terms of the top line growth?

Ajay Patodia: So basically, we hope that minimum 8% to 9% volume growth we can achieve in normal course. And once we get and try to implement our new policy and SOP, we get the good return.

Moderator: The next question is from the line of Rudraksh Raheja from ithought Financial Consulting.

Rudraksh Raheja: Sir, on the Lakshya distributor side, are the fill rates better versus the non-Lakshya distributors?

Ankit Gupta: Over here in Lakshya project, we can say that the fill rate is really good because we can actually see the data firsthand. In non-Lakshya, it is more concentrated and they like to operate with the retailers and the semi wholesalers with whom they have a good relationship.

So obviously, the kind of penetration and the increase in the reach that we see in Lakshya project, we don't have much data about non-Lakshya areas. So in Lakshya areas, yes, the fill rate is really good. And we have put in a criteria included it in our SOP also that the distributor needs to fulfill the retailers' orders on a timely manner and the overall fill rate is above 90%.

Rudraksh Raheja: Understood. Understood. And sir, on the receivable days side, could you quantify like what would be the difference under the distributors for Lakshya project and the other distributors?

Ankit Gupta: So Lakshya project is somewhere between 85 to 90 days and currently and the distributors under non-Lakshya is somewhere around 120 to 125 days.

Rudraksh Raheja: Got it. And sir, this 85 to 90, is there any scope to bring it further down? Or is it the maximum that we could do?

Ankit Gupta: No. So overall, we really want to bring it down to 75 days, the overall debtor days. So that would be the ideal space where we can stand at. And yes, definitely, around 10 days improvement we can see in the Lakshya distributors and a lot of scope in the non-Lakshya distributors where we

can actually reduce it. So we are hoping that another 2 to 3 years, we'll be able to bring it down to somewhere around 80, 85 days overall at a company level, the distributor receivable days.

Rudraksh Raheja: Got it. Got it. And sir, on the high-margin product share in the product mix, you mentioned that currently that is 28%, and we should take it to 35% going forward. So this number has not moved much in the last 2, 3 years. So are there any specific steps that we are now taking that would help us to achieve this 35% number?

Ajay Patodia: We already take the steps. We also introduced the new product like in Athleisure segment, in Women's segment and in Kids segment also. So all these products are high EBITDA margin. But other than this, our premium segment Force NXT is also growing at 25% CAGR.

So as per our projection, we can achieve this target in next 2 to 3 years. So already that the product, other than this thermal segment is also contribute in the high EBITDA margin segment. So we expect to get the good result in coming quarters.

Moderator: We take that as the last question for the day. And I now hand the conference over to the management for closing comments.

Ankit Gupta: Thank you for joining us and for your questions. Our focus for the second half is to sustain the improvement in volumes, strengthen profitability and improve cash conversion. We appreciate your continued interest in Dollar Industries. Have a good day.

Ajay Patodia: Thank you.

Ankit Gupta: Thank you, everyone.

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