

Date: 8th October, 2025

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

Dear Sir / Madam,

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

In continuation to our letter dated 27th September, 2025 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 Wednesday, 1st October, 2025 at 11.30 A.M. (IST) as organized by Arihant Capital Markets Ltd , on the interaction of the Company's representative(s) to discuss on the Scheme of Arrangement involving Dollar Industries Limited ('Company'/'DIL'), the identified demerged/transferor Companies and their respective shareholders.

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 Digitally signed by
ABHISHEK MISHRA
MISHRA Date: 2025.10.08
18:25:41 +05'30'

Abhishek Mishra
Company Secretary & Compliance Officer

Encl: As above

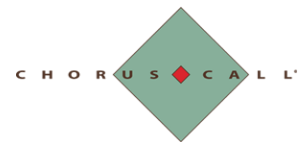
DOLLAR INDUSTRIES LTD.

(AN ISO 9001:2015 CERTIFIED ORGANISATION)

Regd. Office 📍Om Tower 15th Floor 32 J. L. Nehru Road Kolkata 700071 India
☎ + 91 33 2288 4064-66 📠 +91 33 2288 4063 ✉ care@dollarglobal.in 🌐 dollarglobal.in
CIN NO. : L17299WB1993PLC058969



“Dollar Industries Limited
Update Conference Call”
October 01, 2025



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

**MODERATOR: MS. DEEPA KUMARI – ARIHANT CAPITAL
MARKETS**

Moderator:

Ladies and gentlemen, good day, and welcome to the Conference Call for Company Update of Dollar Industries Limited hosted by Arihant Capital Markets. 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 this 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 Deepali Kumari from Arihant Capital Markets. Thank you, and over to you.

Deepali Kumari:

Thank you. Hello, and good morning to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining into the Company Update Conference Call of Dollar Industries Limited. Today from the management we have Mr. Ankit Gupta, President, Marketing; and Mr. Ajay Patodia sir, CFO. So without any further delay, I would like to hand over the call to the management for their opening remarks. Over to you, sir.

Ankit Gupta:

Good morning, ladies and gentlemen. It gives me immense pleasure to address you today at a truly transformational movement in the journey of Dollar Industries Limited. Over the last 5 decades, Dollar has grown from strength to strength and building a household brand trusted by millions of consumers across India and beyond.

Today, I stand before you to share with pride and confidence the details of our proposed merger of the promoter group companies into Dollar Industries Limited, a move that we believe will be a game changer for the company and all its stakeholders. This merger has been carefully structured to create sustainable long-term value, enhance transparency and strengthen governance while also safeguarding the interest of every shareholder.

Allow me to walk you through the transformational benefits this merger will bring. First, the Dollar brand will now be fully consolidated into Dollar Industries Limited with the brand coming entirely under the listed entities, the value of the brand will be more deeply reflected in the company's financials, thereby enhancing both shareholder wealth and the intrinsic value of the organization.

This consolidation will help us leverage the power of a single unified brand to strengthen our market leadership and expand our growth trajectory. Second, the merger will significantly reduce the compliance burden by integrating multiple promoter group companies into a listed entity. We simplify our structure, save on cost and improve efficiency. A leaner and more transparent corporate structure will enable us to channel our focus and resources into growth and innovation.

Third, we'll see a marked reduction in related party transaction with fewer intercompany dealing, governance will become stronger, accountability clearer and reporting more transparent. This will reinforce the confidence of regulators, investors and all stakeholders in the integrity of our operations.

Fourth, business properties currently held by other promoter entities and utilized by Dollar Industries Limited will now come directly under the ownership of the company. This integration

will add significant strength to our balance sheet, ensuring that the assets of the business are fully aligned with the company's growth strategy.

Fifth, it is important to highlight that promoter holding will increase by only 1.39%. That is from 72.21% to 73.60%. This minimal increase in that is a testament to the fairness and equitable nature of the proposed merger structure and designed to protect and enhance shareholder interest without causing any undue imbalance.

Sixth and most importantly, we are creating a promoter trust that will hold 51% of the promoter stake in Dollar Industries Limited. This trust has been envisioned to ensure continuity, stability and alignment of promoter interest with the long-term growth of the company. It underlines our commitment to building a future-ready governance framework that secures Dollar's legacy while empowering its growth in the decades to come.

Ladies and gentlemen, this merger is not merely a corporate restructuring, it is a strategic consolidation that paves the way for stronger governance, sharper focus, enhanced value creation and a clear growth road map for Dollar Industries Limited.

As we move forward, we remain committed to our guiding principles of transparency, trust and excellence. We firmly believe that this merger will mark the beginning of an exciting new chapter in our story. One that will deliver significant and sustainable value to all our stakeholders.

I would like to take this opportunity to thank our investors, partners, employees and customers for their unwavering trust and support. Together, we are building not just a stronger company, but a stronger brand and a stronger future. We now look forward to answering your questions. Thank you.

Moderator: Thank you very much. We'll take our first question from the line of Yashovardhan Banka from Tiger Assets. Please go ahead.

Yashovardhan Banka: Can you speak a bit more on the industry and how is the demand currently?

Ankit Gupta: So industry-wide, the demand has been okay, I would say, but it's a seasonal thing since the monsoon season is a bit stretched this particular year. So as it is, second quarter is not very good for the innerwear sales. So overall, from the demand point of view, it's a cyclical thing. So it's good as compared to the last.

Yashovardhan Banka: Also, sir, are we planning to do fundings moving ahead? Will we need funds for that?

Ankit Gupta: Sorry, I didn't understand your question.

Yashovardhan Banka: Are we planning to do any further fundings moving ahead from here?

Ankit Gupta: No, no, no further funding is required.

Moderator: We'll take our next question from the line of Madhur Rathi from Counter Cyclical Investments.

- Madhur Rathi:** Sir, I wanted to understand regarding our ad spends and how we think before investing because if I see over the last 5 years, we have cumulatively invested close to INR450 crores, and that has yielded us INR650-odd crores of revenue. So that is just 1.5x for every rupee that we spend. So what has been the issue for the past few years? And what gives us the confidence of maintaining and increasing this ad spends and that should flow to our revenue or margins?
- Ankit Gupta:** So earlier, we used to pack our advertisement expenditures as a percentage of sales. But from past 3 to 4 years, we have been working on an absolute amount that is we have fixed our advertisement spend at INR85 crores to INR100 crores range. So this year also, we are planning to spend around INR85 crores to INR90 crores only in the advertisement spend.
- Madhur Rathi:** And sir, how do we think before like how much should the yield on the ROI kind of basis before doing these investments on any kind of ad spend, either digital or hiring any brand ambassador?
- Ankit Gupta:** So see, the -- only spending on advertisement does not guarantee you the sales where you can actually calculate the ROI basis the traditional methods of advertisement. Like whenever you advertise on television or you put up a hoarding in the market, you can't really tell that it is because of that advertisement, the sales are coming or the exact ROI, you can't calculate that, right?
- But when you spend on digitally, you have -- you exactly know that what is the return that we are getting on every money that we are spending on digital media. So we have been monitoring that. And since social media advertisement, we spend around 20% to 25% of our total budget on digital media. So it's -- initially, it was only focused on creating more and more awareness and hammering the consumers with the advertisement. But now very recently, we are planning to go ahead with the performance marketing and increasing the website sales as well.
- Madhur Rathi:** Got it. Sir, I wanted to understand regarding the thermal segment. It seems that this year, it's going to be a harsher winter than expected. So if we -- what percentage of our distributors have we currently been able to onboard on the thermal segment or all our distributors currently have our thermal products in the stock?
- Ankit Gupta:** So all the distributors of ours sell the thermal products. And we are very hopeful that it will be a good winter for us as well.
- Madhur Rathi:** Got it. Sir, what would be the average selling price for the thermal segment? And where do we see thermal as a percentage of our revenue maybe over the next 1 or 2 years?
- Ankit Gupta:** So when we talk about thermal segment, overall the ASP is somewhere around INR150 -- sorry, INR250.
- Madhur Rathi:** Got it. And sir, as a percentage of revenue, where do we see this share increasing?
- Ankit Gupta:** So currently, it contributes around 6% to our total sales. But it's very tough to actually comment on where we will be in next 1 or 2 years because it's a seasonal product. And one cannot guarantee that every year, the winters would be good and the summers would sell better. Like 2 years back, the winter was not good, and our thermal sales declined by around 30%. But last

year, we grew by 23%. And this year also, we are eyeing that we'll be having a good growth in the thermal sales as well.

Madhur Rathi: Got it. Sir, just a final question from my end. Sir, on the margin front, sir, are we still on track to do the 12%, 13% EBITDA margin for FY '26? Or can we see some improvement with improved demand trend on this number?

Ankit Gupta: We are very hopeful and we really aspire to be between 12% to 13% this particular fiscal. And currently -- yes.

Madhur Rathi: No, sir, sorry, you were saying something.

Ankit Gupta: So currently, we are already at 11%. So I think by year-end, we should be able to touch around 12%.

Moderator: We have a follow-up question from the line of Yashovardhan Banka: from Tiger Assets.

Yashovardhan Banka: So would you like to mention any quantifiable synergies, overhead reductions or our working capital efficiency increasing post the merger in FY '26?

Ajay Patodia: Basically, after merger, there is no any this type of any working capital deficiency increase. But we have target for this year to reduce our working capital days for the current year. And the company is -- merger are basically real estate companies and the brand we take in our company and 2 companies which is related to our job work.

So there is no any such material impact on the working capital with respect to this. But basically, it increased our efficiency and control and increased the intrinsic value of the shareholder like we take the brand value at book value only. So we thought it is very good for the -- all the stakeholders.

Moderator: We'll take our next question from the line of Garvita Jain from Seven Islands PMS.

Garvita Jain: So in continuation of the last question asked, I just want to have an estimate of how much impact can we expect on the margin, positive impact because of the merger? And how much cost saving are we expecting because this was a real estate merger also. So we will have some saving on the rent paid, etcetera. So how much impact are we expecting on EBITDA margin due to mergers?

Ajay Patodia: Basically, Garvitaji, is EBITDA neutral only. Actually, our total number of share increased only 5% of the total share, around INR30 lakhs only, INR29,80,000. And the saving in expenses around also INR4.5 crores to INR5 crores only. Basically, royalty and rent is around INR2.5 crores, plus the related party transaction of INR27 crores, INR28 crores also removed from the -- after this exercise.

So overall impact on the PAT is INR4.5 crores to INR5 crores. So basically, EPS is very neutral, same EPS, last year is INR16.05. After this merger, it is negligible INR16.01, only INR0.4 impact, no more than that.

Garvita Jain: Okay. So you're saying that in total, INR4 crores to INR5 crores PAT impact will be there, right?

- Ajay Patodia:** Yes, yes. But in long term, we get the more benefit due to this. We get the saving at our compliance front, we have our Dollar brand in our company. And if after we launch new products, our royalty did not increase because brand is the company. And our RPT is reduced to the 90% and basically a controlled part of promoter family because all the assets related to business assets of the Dollar industry in one place. So long term...
- Garvita Jain:** The compliance benefit is the only focus here?
- Ajay Patodia:** Long-term view is very...
- Garvita Jain:** Got it. Got it. One more question I want to ask because like is there any domestic price pressure we are expecting in the coming Diwali season or coming quarter due to more of like domestic sales?
- Ankit Gupta:** Sorry, I didn't get your question. Sorry, can you repeat that, please?
- Garvita Jain:** Yes. So my question is, since we do not have any major export exposure, right, we are all domestic. So is there any pricing pressure we are expecting in the coming quarter because of the other competitors who are going to supply more domestic because of the tariff issues. That's what I want to understand.
- Ankit Gupta:** No. So see, our exports is only 4.5% to our total sales, around 4.5%, 5% only. So in domestic also, we don't see any change in the pricing. It's very stagnant. Even the raw material prices are very stagnant. So we don't see any change in prices in the upcoming quarters.
- Garvita Jain:** Okay. Okay. And sir, any change in the debt structure due to the merger?
- Ankit Gupta:** No, negligible.
- Garvita Jain:** Okay. And if you could please tell me at what valuation the merger is done?
- Ajay Patodia:** Basically, all the merger exercise is supervised and completed by the KPMG itself and most of the assets are like brand value. Brand is our -- taken at book value only. It is only INR5 crores. You can expect how much multiples we can get the Dollar brand only.
- And basically, all the assets as per approach, 3 approach is to be considered by the KPMG that is equity share exchange ratio and asset approach and market price method. And after approaching all the ratio and values, income approach, basically, the -- which is beneficial to the minority stake and the company is taken as -- in the merger valuation.
- Garvita Jain:** Okay. And sir, are we expecting any saving on the labor cost due to this merger?
- Ajay Patodia:** Any saving in the?
- Garvita Jain:** Labor cost?
- Ajay Patodia:** Yes, labor cost, ultimately, if companies merged, then you must save some part of the employee cost also because then there is a basically compliance has removed and many where you have to

concise your employee cost also. So ultimately, the effect is -- we've seen in the long run that our employee cost is also reduced.

Garvita Jain: Any percentage if you could give me, sir?

Ajay Patodia: Currently, we are not study that with regard to the employee cost, but it is ultimately...

Ankit Gupta: So there will be some savings in the employee cost in terms of that overlapping operations, which are happening in 2 different entities, so that will get optimized, but it would be a negligible impact. Like overall, the financial impact is not that much as compared to the intangible benefit that we'll be getting out of this merger.

Moderator: Before we take the next question, kindly note, we are in a post Q2 situation and [found one 0:20:54] want to about any quarterly numbers or guidance. Merger should be on the focus. We'll take our next question from the line of Divhy Gosar from Geojit PMS.

Divhy Gosar: So I wanted to understand, so we have bought in physical assets as well. So what would be the approximate market value of those physical assets?

Ajay Patodia: Physical assets is more than INR100 crores actually. The business property, which is related to Dollar -- is only dedicated to Dollar is more than INR100 crores.

Divhy Gosar: The physical assets, means the property, right?

Ajay Patodia: Property, property.

Moderator: Next question is from the line of Keshav Garg from Counter Cyclical PMS.

Keshav Garg: Sir, I wanted to understand that I am looking at the related party transactions of last year. So the purchase from promoter group was INR38 crores, purchase of services from promoter group was INR14 crores and sales to promoter group was INR6.7 crores. So now can we expect all of these transactions to vanish when 31st March 2026 balance sheet comes out?

Ajay Patodia: Basically, 90% of the related party transaction is vanished. Only there is -- if you check the RPT personnel, there is 1 or 2 individual and 1 or 2 firm also. So that is remained intact only. Because in merger, we cannot add the firms. Only corporate can merge in the merger and amalgamation procedure.

Keshav Garg: Right. So -- and how much is the net worth of these companies that are merging with us?

Ajay Patodia: Total net worth of the company is more than INR60 crores, INR70 crores.

Keshav Garg: Okay. Okay. The book value?

Ajay Patodia: Book value.

Keshav Garg: Right. And do these companies have any debt?

Ajay Patodia: No, no debt, no debt. No contingent liability, no any liabilities.

- Keshav Garg:** Great. So -- and also, I mean, since we were hardly giving any royalty to begin with and now -- so there will be no saving per se on account of royalty because anywhere royalty was miniscule, irrelevant. But now there is a 5% equity dilution. So now how do you -- I mean, since this merger will be EPS reductive in a short term. So I mean, how should shareholders look at it from a short-term point of view?
- Ajay Patodia:** Even in short term, it is not reductive, it is EPS neutral. In earlier question also, I will specify that the -- actually premerger, our EPS is INR16.05 per share. And after merger, it is INR16.01. That is only INR0.4, only INR0.4. So -- and long term, it is beneficial to the company because intrinsic value of the company increased manifold.
- Keshav Garg:** Right. And last year, I can see that our receivables past due date doubled from INR181 crores in FY '24 to INR298 crores in FY '25 and receivables past 6 months due also doubled from INR24 crores in FY '24 to INR49 crores in FY '25. So now that half of the first half -- half of FY '26 is also over. I hope this receivable situation has improved somewhat?
- Ankit Gupta:** It is very much improved. Even current year, we have targeted to reduce our receivable days. Currently, it is around 112 days to reduce to around 100 to 103.
- Keshav Garg:** Okay. That's great. And lastly, our exports also declined by roughly 10% year-on-year. So this year, what is the outlook on exports?
- Ajay Patodia:** We have explored in many areas, like in Myanmar, in Nigeria, in South Africa also. So we expect we get increase in our export this year in total revenue.
- Keshav Garg:** Okay. And our exports are branded exports under our own brand? Or are they like white labeling and contract manufacturing in some other brand?
- Ajay Patodia:** 90%, 95% is our own brand. Only 5% to 10% is their white label, if anyone required.
- Keshav Garg:** Right. And last question from my side. I can see that last year, our sales discount went up drastically from -- by it increased 40% year-on-year, even though our sales were by and large, there was not much -- it was like a 10% kind of growth in sales. But our sales discount went up by 40% to INR172 crores, which is almost like over 10% of the top line.
- So why are we giving so much sales discount? And for current year is the discounting still high, has increased or has decreased?
- Ajay Patodia:** So in the current year, it has not increased. Last year and the ongoing intensified competition in the market led to this extra discount, which was given. But when you compare it with the other peer groups in the same segment, you'll find that we are much, much better off in terms of extra discounting that we had to offer in the market.
- Keshav Garg:** Right. And are we on track to become a zero debt company by FY '28?
- Ajay Patodia:** Yes.

- Keshav Garg:** Okay. Great. And also now with all the Zudio and all coming up with their highly discounted innerwear segment, so basically, how are we -- basically, have we launched some new SKUs in the more price competitive segment? Or have we vacated that segment and moved on to the premium segment? Like how are we dealing with the new competition from Zudios and so on, the discounting that is happening over there?
- Ankit Gupta:** See, currently -- see, we are into innerwear segment. Mostly our sales are into innerwear and some part of the sales comes from the athleisure segment, which are basic products, right? And currently, we don't see any threat coming in from Zudio or likes of Zudio because they are more focused in the outerwear segment instead of the innerwear segment.
- Secondly, we have a history of 50 years, right? And we have started this company with economy range of products. So we can't do away with the economy range of products because it's the product segment which gives us volume, which gives us economies of scale, and it's for a price-sensitive market. So, we keep innovating new products.
- We keep launching new products in the premium segment, mid-premium segment. In fact, in the economy segment also as per the market feedback and the consumer demand and everything. So currently, we don't see any threat coming in from that. But yes, we are keeping a very sharp eye on the same thing as well so that we are future ready if any impact comes from there.
- Moderator:** Next question is from the line of Moksh Ranka from Aurum Capital.
- Moksh Ranka:** Sir, I wanted to understand your gross margin difference between the modern trade and the general trade, which includes the quick commerce and e-commerce. So, could you just help me understand where there are better margins and what's your competitive scenario between the two?
- Ankit Gupta:** So at a margin level, it's almost similar, whether we deal in with general trade or e-commerce or quick commerce. So it's the -- overall, the margin -- at a margin level, at a company realization level, it's almost similar.
- Moksh Ranka:** Okay. Because I was looking at e-commerce website, and I see that many new age brands are getting very competitive when it comes to discounting. And so I think as a company, we might also have to increase our discounting, especially in this festive period. So your gross margins accounting for that discount would be similar in the general and modern trade?
- Ankit Gupta:** Yes, yes.
- Moksh Ranka:** Okay. And what about the competitive scenario? So in your general trade, you have been established for the last 50 years. So your relationships with distributors would have been much better than new age brands. So is your like footfall stronger in general trade as compared to modern trade and that is -- your general trade should be your growth driver as far as volumes are concerned?
- Ankit Gupta:** No, it would be a blend of two because in the e-commerce segment also, when we talk about e-commerce marketplaces and the quick commerce as well. So last year, we did around 80% of

growth. And earlier, it used to contribute around 3% of sales. But last year, we crossed that -- crossed to 8%, 8.5% coming in from just e-commerce. And yes, this year also, we are seeing a very good growth coming in from e-commerce only.

Moksh Ranka: And this growth we have achieved without compromising on our gross margins in e-commerce?

Ankit Gupta: Yes, definitely.

Moksh Ranka: Okay. And where do you see your growth -- so most of your growth -- incremental growth do you see coming from quick commerce and e-commerce? And also, could you give me a breakup of your website sales like your direct to consumer website sales?

Ankit Gupta: So currently, our website sales are almost negligible because we are focusing more on the marketplaces where the traffic is already there. The consumer footfall is already there. And we are currently planning to move ahead with performance marketing and create traffic -- drive traffic towards our website also, but we have not started it yet.

Moksh Ranka: Okay. And my last question is I wanted to understand more about your ad spend. So you mentioned like 20% of your ad spend is basically digital spend. So rest 80%, like where are we spending our ad spend exactly?

Ankit Gupta: So mostly it's television. Secondly, it's retail branding and point-of-sales branding. Then we have this hoardings, newspaper ads. So all of these taken together constitute the other 80% -- 75% to 80%.

Moksh Ranka: Okay. So, in future, are we focusing more on digital spends and that as a percentage of our spends would increase and our television, hoarding, etcetera, as a percentage will reduce. Is my understanding correct?

Ankit Gupta: So every year, we do increase our percentage spend on digital media. So this year, I think we will be spending around 25% of our total ad spend.

Moksh Ranka: Okay. And just one last question from my side. So do we have a marketing agency tie-up or are we doing it in-house this ad spend?

Ankit Gupta: So we have -- we are closely working with Lowe Lintas Worldwide, which is a creative agency. For the digital platform, we have Digital Abhiyan, who is a well-known digital media company based out of Calcutta only, but he works pan-India with one of the big MNCs. So he's very well versed with the digital world and optimize our overall ad spends also digitally.

Moderator: We'll take our next question from the line of Resha Mehta from Green Edge Wealth.

Resha Mehta: So most of my questions have been answered. Just two. One is on the merger. So any onetime cost -- material costs that we are looking at maybe to KPMG or anything basically for this entire scheme of arrangement, which could probably impact our margins in the immediate short term?

- Ajay Patodia:** No, there is no any such major cost involved. As there is only -- we have to pay only 2% of the total merger fees to the court and the rest of expenses is related to professional capacity only. So there is no such major cost.
- Resha Mehta:** Understood. And lastly, a business question, if I may. So the competitive pressures have been very high. So have we seen any easing out of the same as we've gone along in Q2?
- Ankit Gupta:** So we won't be able to comment about Q2 as of now, but things have been pretty much same.
- Moderator:** We'll take our next question from the line of Saket Kapoor from Kapoor & Company.
- Saket Kapoor:** Sir, if you could just give us some understanding, what has actually triggered this merger at this point of time? And how long we have been working with the same and looking for this event? How have we prepared for it? Just to understand what triggered the merger today and how long we have been working for this?
- Ankit Gupta:** So it had been in our thought process, but because of some technicality and some issues earlier, we were unable to move ahead with it. And from past six, seven months, we have activated this particular project. And now we are here proposing it and applying it.
- Ajay Patodia:** If you're looking for our call records, in November '23 call, our MD Shree Vinod Guptaji also answered the question with regard to merger and with regard to taking a brand in the company. So, at that time, we already try to complete the process within two years as somehow there is some technical constraint is there so that now it is possible that all the company are in same length and we are -- we complete the same within a stipulated period of time.
- So it is our process from the last two, three years. And very much there is some disturbance in the industry, every investor, every minority shareholder required to any succession plan in the company. So with this merger, we also have -- we are also restructuring our succession plan and our total majority shareholding from promoter is transferred to the trust. And then all control is with the trust only. So there is a long-term view...
- Saket Kapoor:** Yes, sir. Sir, can you just dwell further of the transfer of -- I was coming to it, that 50% stake, I think so would be transferred to the trust. So what is the thought process behind it? And currently, how is the company managed by professional or the second generation is being prepared to take the charge going ahead, if some color -- if you could give some more color on the same?
- Ankit Gupta:** So we are working on a model which is a blend of professional plus the promoters because we understand that a good blend can lead to higher growth and accelerated growth at a company level as well. Apart from that -- hello?
- Saket Kapoor:** Yes, sir, I can hear you. Please continue.
- Ankit Gupta:** Yes. So yes, that's the thing. Like we are the third generation who has come into the business, but we do understand the importance of sales on board. And without them, you can't grow at an accelerated manner. So it would be a blend of the two. And as far as shifting our 51% towards

trust, it's basically to ensure that the interest of the company is given priority as opposed to if any difference happens in the mindset of the promoters. So it's like interest of the company ahead, that's it.

Saket Kapoor: Sir, two small points. Firstly, sir, you mentioned that...

Moderator: Mr. Kapoor, I'm sorry to interrupt, sir. There are other participants waiting for their turn. I request you to get back to the queue please.

Saket Kapoor: But I have been very brief, ma'am, in comparison to other participants. Anyway, it is your judgment.

Moderator: We'll take our next question from the line of Prashant, an Individual Investor.

Prashant: So my first question related to merger is, are we seeing any benefit on account of tax, whether it is GST or any other because of the merger?

Ajay Patodia: No. Basically, all the companies are on the same tax rate. So there is no major. But you can say we can save GST because at the time of payment of rent, we have to pay the GST also. So that's part of GST sale that is very negligible. Total rent amount is only INR1.9 crores only.

Prashant: Okay. And relating to this only, I mean, with this merger process, I mean, what will be the -- I mean, because there is a large value of property involved, so will there be any stamp duty or SA duty or property-related taxes involved?

Ajay Patodia: It is only around 2% to 3% in Calcutta in West Bengal for merger 2% of the duties charge.

Prashant: So value-wise that would...

Ajay Patodia: Around INR2 crores to INR3 crores only.

Prashant: INR2 crores to INR3 crores. And the second is, I mean, with the job work unit coming under the fold, I mean, do we see -- anticipate any increase in labor cost or employee cost on an overall basis?

Ajay Patodia: No, no. Basically, we have to target to reduce the labor because at many, our compliance cost is reduced many type of compliance, which is we have to done annually is reduced. So we hope that it reduce the employee cost, not much, but ultimately reduce.

Prashant: Okay. And any loss of incentive, state government or anything because of the merger or the change of the fiduciary relationships or anything?

Ajay Patodia: No, no, no impact.

Moderator: We'll take our next question from the line of Shubhankar Gupta from Equitree Capital.

Shubhankar Gupta: Can you just repeat the name of the digital marketing agency, Ankit?

Ankit Gupta: So it's Digital Abhiyan that we work with.

- Shubhankar Gupta:** Digital Abhiyan, okay. And last time we met, I think you mentioned that 20%, 25% of the manufacturing was from our own factories, that is capability-wise, right? So does getting -- doing this merger also increase that capacity?
- Ajay Patodia:** Yes.
- Ankit Gupta:** Yes.
- Shubhankar Gupta:** By how much?
- Ankit Gupta:** Not much because it would be adding only the stitching units that we have that will get merged into this. So it would be miniscule, but it would be what like shift making 25% to 27%, 26% maybe.
- Shubhankar Gupta:** Okay. Not much, not much. Fair enough. Actually, my main question, Ankit, was around the sales discounting. So, I saw that the dealer incentives and schemes went from around INR125 crores to INR175 crores from last FY to this FY, right? So can you please detail this out, like what has this increase been? Like what is the key reason for this increase? And how does this exactly work? This is, I think, one point that I'm not very clear. Hello, am I audible?
- Ankit Gupta:** Yes. So, this discounting has been because of the intensified competition, which happened in Q3 and Q4 of last year and mainly it's effect of Q4 only. So that's it. Like no other reason of increasing it.
- Shubhankar Gupta:** No. But where exactly does this go? Like it's a huge amount, right? Like our own PAT is lesser than this amount. So my concern is that where does this amount exactly -- okay, can you like break it down is what I'm asking?
- Ajay Patodia:** So basically, if you're looking after, sir, our total percentage of scheme and discount is less than the peers. So in quarter 4, there is some intensive competition in the industry. We have the new brand in our segment and 6 to 7 brands, and they are heavy discounted at dealer's level. So for our share of market share, we have to some also incentivize to our distributor.
- If you're looking after the last year result, our nine month EBITDA is more than 12%. But in quarter 4, it is reduced. So overall, main impact is in quarter 4 only. And we are thinking that it is normalized within 2 to 3 quarters in current year.
- Shubhankar Gupta:** Okay. Like, I'm not very -- again, I mean, I'm sorry, I'm asking this question again. But it is -- can you just detail this out like how does one break this number down?
- Ajay Patodia:** It is mainly scheme part only because the discount already given in the bills itself, it is mainly the scheme part and incentive to the dealers when he complete the target, like if it completes the target of 100%, it gives a 1% extra benefit. If it is target more than 110%, then it gets the 1.5% benefit. That is the scheme in our segment actually all over in the industry. That is the main part.
- Shubhankar Gupta:** Okay. But let's say, you're having Project Lakshya also, right? So, if this amount is increasing so much, right, then what is the point --so Lakshya, say, organization will happen, like it will

become more structured, but then your cost is increasing at this pace, then what goodness does Project Lakshya has?

Ajay Patodia:

This is very beneficial for the Lakshya also. Our Lakshya royalty calculation is also included in the dealer incentive scheme. The Lakshya accrual -- yes, this includes also. And due to Lakshya, we have last year get more benefit in our growth than our peers. Because once the distributor is involved in Lakshya, he is associated lifetime for Dollar only because he has to take the benefit through old performance and new performance. So at that area, we benefit in the Lakshya market.

Moderator:

Ladies and gentlemen, we'll take that as the last question for today. For any follow-up questions, you can reach out to the CFO and Investor Relations team. I now hand the conference over to management for closing comments. Over to you. Any closing comments? Yes, please go ahead.

Ankit Gupta:

On behalf of the promoter group and management team, I thank you once again for joining us today. Wishing you and your families a very happy and prosperous Navaratri. Thank you so much.

Ajay Patodia:

Thank you.

Moderator:

Thank you. On behalf of Arihant Capital Markets, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.