



Date: 14<sup>th</sup> May, 2026

To  
The Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra- Kurla Complex,  
Bandra(E),  
Mumbai-400051  
NSE Symbol - IRISDOREME

Dear Sir/Madam,

**Sub: Transcript of Earnings Conference Call of the Company- Q4 FY 2026**  
**Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Group Earnings Conference Call held on 12<sup>th</sup> May, 2026 at 11:00 a.m. for discussing operational and financial performance for the quarter and year ended 31<sup>st</sup> March, 2026.

The above information is also available on the website of Company at [www.irisclothings.in](http://www.irisclothings.in).

We request you to kindly take this on record.

Thanking you,

Yours Faithfully,  
For Iris Clothings Limited

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**Ladha** Santosh Ladha  
Date: 2026.05.14  
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**Santosh Ladha**  
Managing Director  
(DIN: 03585561)

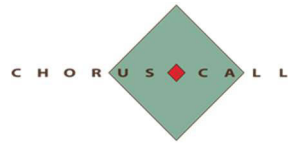
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“Iris Clothings Limited  
Q4 FY26 Earnings Conference Call”  
May 12, 2026



**MANAGEMENT: MR. HARSH VARDHAN SARDA – BUSINESS HEAD – IRIS CLOTHINGS LIMITED  
MR. NIRAJ AGARWAL – CHIEF FINANCIAL OFFICER – IRIS CLOTHINGS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Iris Clothings Limited Q4 and FY26 Earnings Conference Call. Please note that some of the statements made in today's discussion may be

forward-looking in nature and may involve risks and uncertainties. Documents relating to the company's financial performance is available to the stock exchange. Trust you have been able to go through them.

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 Mr. HarshVardhan Sarda, Business Head. Thank you, and over to you, sir.

**Harsh Vardhan Sarda:**

Good morning, everyone. Thank you for joining us today for our Q4 and FY26 Earnings call. I'm pleased to share our progress and achievements over the past year, along with our strategic vision for the future. Iris Clothings has delivered robust revenue growth during the year alongside significant improvement in operational profitability.

FY26 has been a transformational year for the company as we continued our evolution from a garment manufacturing company into a fast-growing branded kids wear player. Our performance reflects the increasing strength of the DOREME brand, expanding customer franchise and the resilience of our business model.

A key growth driver during the year was the expansion of our distributor network, particularly across the B2B channel, which significantly improved our market reach and sales momentum across regions. The addition of new distributors, coupled with growing brand acceptance, helped us deepen penetration in the organized kids wear market and contributed strongly to our Q4 performance.

Over the years, we have built a scalable distribution-led platform, supported by product innovation, category diversification and a consumer-centric approach. We are also seeing encouraging opportunities to expand wallet share as we gradually widen our product offerings. Another important milestone during the year was the launch of our dedicated direct-to-consumer platform.

This marks a strategic step in our omni-channel journey and reflects our vision of building a future-ready and digitally integrated brand. We believe this initiative will strengthen online sales, deepen customer engagement and provide valuable consumer insights to support long-term brand building.

Despite continued investments towards expansion and brand building initiatives, we delivered strong profitability growth supported by scale benefits and improving operational efficiencies. We remain optimistic about the long-term opportunity and the organized kids wear market driven by rising disposable incomes, increasing preference for branded apparel and higher spending per child.

With DOREME positioned in the affordable premium segment, we believe we are well placed to capitalize on these evolving consumer trends. Going forward, we remain focused on expanding our distribution network, strengthening brand equity, scaling digital capabilities and driving sustainable, profitable growth. I will now hand over the call to Niraj Agarwal, our Chief Financial Officer, who will walk us through the Q4 and FY2026 financial numbers. Thank you, over to you, Niraj.

**Niraj Agarwal:**

Thank you, Harsh. Good morning, everyone. Thank you all for joining us today. I'm pleased to share that we have delivered strong performance in Q4 and FY26. Talking about the key financial highlights of Q4 FY26, our total income was INR60.4 crores compared to INR40.2 crores in Q4 FY25.

Consolidated income during FY26 witnessed a significant growth of 30.5% year-on-year, reaching INR190.8 crores against INR146.2 crores reported in FY25. EBITDA during the quarter grew by 34.1% year-on-year and stood at INR11 crores as against INR8.2 crores in Q4 FY25 with an EBITDA margin of 18.2%. EBITDA for FY26 was INR29.4 crores as compared to INR28.3 crores in FY25. EBITDA margin of 15.4% in FY26.

Additionally, profit after tax for the quarter witnessed robust growth of 43.5% year-on-year from INR4.48 crores to INR6.4 crores. During FY26, net profit was INR16.1 crores compared to INR13.1 crores in FY25, growth of 23.4% year-on-year basis. In summary, our focus remains on strengthening operational efficiency and leveraging growth opportunities to create long-term values.

With this, we can now open the floor for questions. Thanks.

**Moderator:**

Thank you very much, sir. We will now begin the question and answer session. First question is from the line of Aditya Banerjee from Arihant Capital Market. Please go ahead.

**Aditya Banerjee:**

Yes. Hi. So my first question is that given that EBITDA margins declined from 19.3% in FY25 to 15.4% in FY26, can the company provide a bridge explaining the primary drivers of this compression, specifically the impact of the increase in COGS versus investments in B2C rollout?

**Harsh Vardhan Sarda:**

Hi, Aditya. Thank you for your question. So primarily, EBITDA margins if you see quarter 4 have been decently improved. However, since we have been robustly expanding revenue, we have added a few new product categories, which are value in nature and super competitive in terms of pricing to drive that market -- the pyramid of the market at the bottom so that we can capture specific stores, which were certainly out of our reach until now.

So since we have entered those competitive products, for which we will see value in terms of growth this year. Hence, one of the reasons for EBITDA margin decline has been that. Secondly, since we launched D2C in Q4, there has been a significant spending in terms of branding and creating the entire platform. So that has also been impacting the margins. Apart from that, we

also did a big distributor event for summer's conference, which has also impacted the margins for this year.

- Aditya Banerjee:** Okay. Great. So my -- the question is that is there a planned Greenfield expansion of 2 lakh square feet and an estimated capital outlay of INR50 crores, what are the projected asset turnover and incremental revenue expectations once this facility reaches optimal utilization?
- Harsh Vardhan Sarda:** So once this factory reaches optimal utilization, we will see additional INR300 crores coming in from that facility. So overall -- additional INR300 crores so we are targeting somewhere around INR500 crores from this facility over the next 2 years once the facility is in place.
- Aditya Banerjee:** Okay. Thank you. And my third question would be that regarding the launch of the dedicated D2C platform, what are your target customer acquisition cost and expected customer lifetime value metrics as the company transitions into a future-ready omnichannel ecosystem?
- Harsh Vardhan Sarda:** Right. So the target customer acquisition costs that we are looking at currently is around INR250 to INR300 for a product for an average bill value that we are currently getting is around INR1,500 to INR1,600. That is the target cap that we are looking at.
- Aditya Banerjee:** Okay. And the other question would be that both return on equity and return on capital employed saw significant declines in FY26 from the FY24 peaks. So, what operational levers are being pulled to return these metrics to the 20%-plus range?
- Harsh Vardhan Sarda:** So, as I said, we are experimenting with multiple product categories. So we are recently planning to launch an infant gift set collection, trying to add a few new product categories, which will provide us with higher margins and take us to the optimal 19% to 20% EBITDA margins that we are looking.
- Aditya Banerjee:** Okay. Okay. Great. And my other question is that the debt-to-equity ratio improved sharply to 0.14x in FY26, so does the company intend to fund upcoming INR50 crores greenfield projects through internal accruals? Or is the plan to average the balance sheet?
- Harsh Vardhan Sarda:** We are still evaluating our best options for that. But in funding it through internal accruals is definitely an option since we do not have any long-term debt on our books currently.
- Aditya Banerjee:** Okay. Okay. And the other question is the company currently has 260 distributors across 26 states. Beyond the initial focus on Eastern regions for EBOs, which specific states are being prioritized to reach the Vision 2030 target of 300 distributors.
- Harsh Vardhan Sarda:** So currently, we are targeting the southern part of India. So, Telangana, Andhra Pradesh, Karnataka, that is a big focus for us. That is where our presence needs to increase. Apart from that, Uttar Pradesh is one state which we are focusing on expanding our reach in that.

- Aditya Banerjee:** Okay. Okay. And sir, one more question. With the introduction of the categories like kids, winters, sportswear and woven suits, so how do you foresee the product mix evolving by FY27 and which category is expected to have the highest contribution to bottom line growth?
- Harsh Vardhan Sarda:** Highest contribution, we are looking since we launched woven products, woven will become a big part, we have primarily been a knit company for the last decade or so. In the last year, we have recently gotten into woven, which is a completely different age and there are multiple products that we plan to add in that category in the next couple of years.
- So, we see woven pants, woven sets, woven night suits as a big category overall in the upcoming couple of years. Apart from that, infant wear, which has been around 12%, 13% of our mix, we plan to increase that to around 20%, which will be a big driver for margins overall in the business.
- Aditya Banerjee:** Okay. Okay. Great. And my other question is, so currently, the company has been exporting to around a few countries with a target of 12 by...
- Harsh Vardhan Sarda:** I think I lost you.
- Aditya Banerjee:** Yes, yes. Is the target of 12 by 2030, is the international strategy focused on organic brand growth of DOREME or averaging the pharma approval for Disney products to enter more regulated Western markets?
- Harsh Vardhan Sarda:** So currently, the focus is primarily on growing through the DOREME brand by taking that to more international markets, finding bigger retailers in specific regions and selling our brand to them. That is the primary focus for exports in our strategy.
- Aditya Banerjee:** Okay. And last question from my side would be, in sight of the 30.5% growth in total income for FY26, how has the company managed its working capital cycle? And are there any plans to further optimize warehousing and dispatch units to improve speed to market?
- Harsh Vardhan Sarda:** So, our working capital cycle since the growth of this has become much better from last year because of that improvement in revenue. And to improve the working capital cycle, we are planning to optimize our manufacturing cycles and reduce that by significant margins to improve the overall working capital cycles.
- Aditya Banerjee:** Okay. Thank you so much.
- Harsh Vardhan Sarda:** Thank you.
- Moderator:** Next question is from the line of Nish Shah from Stellar AMC.
- Nish Shah:** So, my first question is with regard to digital platforms. So, you said that the customer acquisition cost would be around INR250 crores to INR300, so what strategy have you kept in place since the customers won't be having the benefit of touch and feel. And also, today kids are

very choosy with respect to the design they want to wear. So, what are the target customers? And what is the strategy in place?

**Harsh Vardhan Sarda:** So digitally, our strategy is very....

**Moderator:** Sorry to interrupt, sir. Your voice is breaking.

**Harsh Vardhan Sarda:** Apologies for the -- I don't know whatever happens with the network. So, Nish, I think let's start off with your question. Are you still online, Nish?

**Nish Shah:** Yes, yes, I am here.

**Harsh Vardhan Sarda:** Yes. So, talking about the digital platform that we have launched. The idea and the strategy overall as a company is to leverage our wide experience of being a branded kids' wear company for the last 20 years and using that brand experience by going into a different distribution network, which is the online network. So digitally, we want to be present in multiple product categories, serving the same audience and offer a variety of products to our consumers in a much more hygienic environment for them to make that purchase. So that is the overall digital platform idea that we currently have.

**Nish Shah:** Sir, just on this, we were already present in other online marketplaces like, Amazon, FirstCry, so was this own digital platform really need which you stand?

**Harsh Vardhan Sarda:** Absolutely. So, we are not on Amazon currently. FirstCry, we are doing significantly well on FirstCry, which is what makes us very, very confident that we, as a platform can offer better variety, can offer better experience to our customer who really wants our products and are searching for them on FirstCry, they can directly come to us as well and expand that overall product -- overall vision of the brand in the minds of the customer.

**Nish Shah:** So, the product SKUs would be different in FirstCry and our own platform?

**Harsh Vardhan Sarda:** Absolutely. Absolutely.

**Nish Shah:** Okay. And are we creating visibility on the website, what is the footfall and -- how are we creating the visibility?

**Harsh Vardhan Sarda:** Yes, since we had just started, it's been a couple of months. Currently, we have received a decent response, and we are doing around 300 pieces per day in terms of orders. And we plan to ramp it up very, very fast over the next 6 months.

**Nish Shah:** Okay. So, going forward, our focus would be to -- we had more focus on our own platform or we will like to explore the marketplaces like Amazon or also Quick Commerce?

- Harsh Vardhan Sarda:** So Quick Commerce is something that we are still exploring with multiple partners, but our primary focus will be to build our own digital platform and, of course, also improve our presence on specific platforms like FirstCry.
- Nish Shah:** Okay. And will the funding for the market internal or raising some debt?
- Harsh Vardhan Sarda:** So that is something that we are still working around with. Primarily, currently, we are using through our internal accruals that the company is generating. Funding is something around that we are exploring as we ramp up our expansion.
- Nish Shah:** Okay. What contribution are we expecting from digital platforms in next 2, 3 years?
- Harsh Vardhan Sarda:** This year, specifically, we are expecting somewhere around 10% overall from our digital platforms. And next year, we are targeting around 20% to 25% of the overall revenue coming from digital.
- Nish Shah:** Sir, I can see we don't have much cash in our balance sheet. So internal accruals, I don't think will work out in near-term.
- Harsh Vardhan Sarda:** As I said, we are -- as we plan on expansion, we are very, very aggressively discussing on how to fund this. We either raise debt or raise funds.
- Nish Shah:** Okay. Sir, are the margin profile better than -- if we sell to B2C model rather than going to distributors or the marketplaces?
- Harsh Vardhan Sarda:** So initially, since we are in digital initially, we have to spend on advertising and getting those customers. Once the customer lifetime value starts kicking in, the margins start improving. Initially, we'll have to take a hit on margin, but that is our investment for the future. As we go ahead, margins will start improving massively.
- Nish Shah:** So how much gross margins are we expecting when everything is settled out?
- Harsh Vardhan Sarda:** When everything is settled out, we are expecting around 65% gross margin coming in.
- Nish Shah:** And EBITDA margins?
- Harsh Vardhan Sarda:** EBITDA margin, we target around 20% to 22%.
- Nish Shah:** And which year do we expect this to kick in?
- Harsh Vardhan Sarda:** We expect the next 2 years. At the end of the second year, we are expecting this to kick in. Set up the overall revenue, we expect this to start kicking in.
- Nish Shah:** Then can we expect the margins profile to be around 15%, 16%?
- Harsh Vardhan Sarda:** We expect margin profile to slightly improve to somewhere around 18%. That is our target.

- Nish Shah:** Okay. So that any development on the EBO front?
- Harsh Vardhan Sarda:** EBO front, we are exploring, as I said in the previous question, we are exploring regions like Telangana, Karnataka, Maharashtra to expand EBO. So hopefully, we'll see some development happening in this quarter.
- Nish Shah:** Okay. And for this also, we will be raising debt correct? For EBOs.
- Harsh Vardhan Sarda:** We are still -- not going to raise that for EBOs. As I said, funding is something that we are still working on, and we'll be more clear in the next quarter as the entire development, going forward.
- Nish Shah:** So any plans for raising further equity?
- Harsh Vardhan Sarda:** As I said, we are still exploring the opportunities that we have currently have.
- Nish Shah:** Okay. Sir, going forward, what will be a focus to develop our digital platform at a much higher focus or going towards EBO.
- Harsh Vardhan Sarda:** I think digital will be more focused but EBOs will be part of our omnichannel strategy to create that brand experience for the customers.
- Nish Shah:** Okay. And sir, we also had 4,000 additional capacity, 4,000 pieces per day. When will it be operational?
- Harsh Vardhan Sarda:** So, the factory is already operational. We will get to full capacity in the next couple of months.
- Moderator:** Next question is from the line of Madhur Gandhi from SIES School of Business Studies.
- Madhur Gandhi:** Yes. I just wanted to ask a few questions. So first one is that digital, like you said that the company is exporting, how did the raw material price fluctuation impacts profitability? May be there as there is the rise in price of go-through? So that impact profitability?
- Harsh Vardhan Sarda:** So, if the raw material price continued it will definitely impact our margin. But currently, we are -- since we have recently covered, we are currently looking at what the -- how this entire raw material pricing situation shapes up over the next month or so.
- Madhur Gandhi:** My next question is, so now as you said that you are going to do less B2C platform. So, company appropriate sales -- so while mentioning the margin, how will you approach the scale that you have planned?
- Harsh Vardhan Sarda:** Madhur, I think there is a lot of background noise, I missed your question, sorry.
- Madhur Gandhi:** I'm sorry, sir. So, our company is going B2C. So how does company approach this level of sale while retaining the margin?
- Harsh Vardhan Sarda:** As I said, Madhur....

- Moderator:** Mr. Madhur, we please request to mute your line. Please go ahead, sir.
- Harsh Vardhan Sarda:** Yes. So, Madhur, just to answer your question, since we are right from manufacturing to distribution -- since we are this vertically integrated, and we have had a vast experience in the space that we are currently operating in. So, scalability will not be a challenge. It's just a change of platform. So initially, of course, we will have to take a hit on margins at the digital front. But having said that, in the next couple of years as it starts to scale up, we will definitely achieve the profitability that we are targeting.
- Moderator:** Next question is from the line of Majid Ahamed, an Individual Investor.
- Majid Ahamed:** My first question that I have is, sir, for the EBOs, how much are we looking to expand for the coming years, sir?
- Harsh Vardhan Sarda:** EBOs, we are planning to add around 8 to 10 stores in this coming year.
- Majid Ahamed:** Okay. Sir, as of now, how many stores do we have, sir?
- Harsh Vardhan Sarda:** Currently, we have 7 stores.
- Majid Ahamed:** Okay, good. And what is the capex for EBO sir? Capex and what could be a payback period?
- Harsh Vardhan Sarda:** So, the capex per EBO is around INR2,500 to INR3,000 per square feet, which is for 1,000 square feet store that comes to around INR30 lakh for the capex only plus the inventory. And overall payback, we see somewhere in the 18 to 20 months.
- Majid Ahamed:** Sir, how do you see the competitive intensity in the market base currently? Because with the new players emerging in the private equity funded players and other international players getting into this market. How do you see the right to win for us to scale?
- Harsh Vardhan Sarda:** So, the right to win for us is definitely the experience that we have built over the last decade as a manufacturing-led company and a product-led company. Having said that, in the kids' wear space, apart from one very big player, there is not a lot of competition. Primarily, the market is still very unorganized and there's still a dearth of organized player.
- So, our right to win is to become a big organized kids branded player in the market in the affordable premium segment that we operate in. Because if you look around, there's not a lot of competition in the organized kids' wear space.
- Majid Ahamed:** But sir, so how much do we exactly spend in marketing and making our brand -- like what are the channels are we trying to market like Is it pure digital marketing or -- how you think about that?
- Harsh Vardhan Sarda:** So currently the thing that we are exploring primarily is digital marketing, which is running ads through social media channels like, Youtube, Instagram, Facebook. Apart from that, we have a

lot of local marketing that we do at the distributor retailers, the retailers that we are currently selling to. So, we have a lot of marketing that happens at that point of sale as well. Those are the 2 primary marketing channels that we are currently using.

**Majid Ahamed:** Sir, in terms of the export, how do you see this FTA and others? How do you see that tipping up?

**Harsh Vardhan Sarda:** Export, I think it is a good opportunity for India and like us to explore the various FTA that have been signed by the government of India. And we are keeping a close eye on opportunities that arise out of this agreement.

**Majid Ahamed:** Sir, just wanted to know just the revenue from the EBOs and the segment margins currently, sir. How much should we expect?

**Harsh Vardhan Sarda:** So currently, EBO is contributing somewhere in the 1% range to the overall revenue of the overall company. So, it's still very significantly smaller. We are planning to expand that from digital focus mostly and having EBOs as more of an experience center for the overall brand.

**Majid Ahamed:** So, the revenue is around INR2 crores as of now?

**Harsh Vardhan Sarda:** Yes.

**Majid Ahamed:** Going forward, how much do we expect this 1% to...

**Harsh Vardhan Sarda:** This time, we expect overall to grow up to 3.5% - 4% just EBOs

**Majid Ahamed:** Sir, finally, how much growth are we expecting it next year? Any guidance?

**Harsh Vardhan Sarda:** We are very aggressive in terms of our growth. We expect 30% to 35% growth this year in terms of revenue.

**Moderator:** Next follow-up question is from the line of Nish Shah from Stellar AMC.

**Nish Shah:** My question is, earlier in the year, we said that we will be adding 5-6 new EBOs by March '26 but then in Q3, you said that the execution will be delayed by a quarter or so. And we are still in the exploring stage for identifying the new areas. Also, we are unsure of how will be funded and marketing spend of a digital platform. So, I understand it is not a easy decision to make, but when can we expect something concrete in the regards?

**Harsh Vardhan Sarda:** I think we'll see something concrete since still figuring a lot of things in the overall direction of the company. I think in the next 6 months, we'll have a concrete proposal on how this is shaping up. Since we have launched digital and we are seeing a lot of traction coming into digital, next 6 months, we'll get an idea on how this is expanded overall as a company.

- Nish Shah:** Okay. Sir, we have been distracted and were launching too many things, launching a digital platform and also going -- focusing on an EBO side by side, won't be making it difficult for us?
- Harsh Vardhan Sarda:** Not really, not really. I think EBOs and online goes hand-in-hand. It is an omnichannel strategy that has to be implemented for any brand which wants to come in and capture this space. We see a big, big gap in this entire market where there is no player which is doing -- there's one very large player, which is trying to do what we are replicating, which is FirstCry.
- Apart from that, there is no big player which has come in and try to capture this market. So, we are very, very positive that the direction that we are going as company is a very high growth and a big, big opportunity for someone like us who has that experience over the last 15 years in building something similar, I'm capturing that space and becoming one of the pioneers in the kids' wear apparel space.
- Moderator:** Ladies and gentlemen, as there are no further questions from the participants. I now hand the conference over to the management for the closing comments.
- Harsh Vardhan Sarda:** Thank you once again for your interest in us and for being a part of our journey. We look forward to sharing our experiences with you in the next earnings call. In case you have any queries, post this call or anything remains unanswered, you may please connect to our IR team.
- Moderator:** Thank you, sir. On behalf of Iris Clothings Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.