

## **MONTE CARLO FASHIONS LIMITED**

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Symbol: MONTECARLO	Scrip Code: 538836

### **Sub: TRANSCRIPT OF EARNINGS CONFERENCE CALL - Q4 & FY26**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the earnings conference call of the Company held on May 19, 2026 to discuss Q4 FY26 results.

Request you to kindly take the above information on record.

Thanking You,

Yours Faithfully

**For MONTE CARLO FASHIONS LIMITED**

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**ANKUR GAUBA**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
**ICSI Membership No: FCS 10577**



“Monte Carlo Fashions Limited  
Q4 FY26 Earnings Conference Call”

May 19, 2026



**MANAGEMENT:** **MR. RISHABH OSWAL – EXECUTIVE DIRECTOR – MONTE CARLO FASHIONS LIMITED**  
**MR. SANDEEP JAIN – EXECUTIVE DIRECTOR – MONTE CARLO FASHIONS LIMITED**  
**MR. DINESH GOGNA – DIRECTOR – MONTE CARLO FASHIONS LIMITED**  
**MR. R.K. SHARMA – CHIEF FINANCIAL OFFICER – MONTE CARLO FASHIONS LIMITED**  
**MR. ANKUR GAUBA – COMPANY SECRETARY – MONTE CARLO FASHIONS LIMITED**

**MODERATOR:** **MR. YUVRAJ KUNWAR – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Monte Carlo Fashions Limited Q4 FY26 Earnings Conference Call, hosted by Emkay Global Financial Services Limited. 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 touch-tone phone. Please note that this call is being recorded.

I now hand the conference call over to Yuvraj Kunwar, Emkay Global Financial Services Limited. Thank you, and over to you.

**Yuvraj Kunwar:** Good morning, everyone. I would like to welcome the management and thank them for this opportunity. We have with us Mr. Rishabh Oswal, Executive Director; Mr. Sandeep Jain, Executive Director; Mr. Dinesh Gogna, Director; Mr. R.K. Sharma, Chief Financial Officer; and Mr. Ankur Gauba, Company Secretary.

I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

**Sandeep Jain:** A very good morning to everyone. I'm Sandeep, and thank you all for joining us for today's earnings call to discuss the performance for fourth quarter and full year of financial year 2026. Let me start by sharing the financial highlights and then operational highlights.

For the fourth quarter under review, the company reported revenue of around INR280 crores, reflecting a strong year-on-year growth of 36%. EBITDA for the quarter stood at INR26 crores, registering a growth of 353% year-on-year and EBITDA margin of 9.2%, profit after tax of INR5 crores as compared to a loss of INR10 crores in the same quarter last year, with a PAT margin of 1.78%.

Now coming to the financial performance for the full year ended financial '26. Revenue from operations stood at INR1,276 crores, reflecting a year-on-year growth of 16%. EBITDA stood at around INR227 crores, witnessing a growth of around 22% year-on-year and with EBITDA margin reported at 17.81% without other income. The company reported a profit after tax of INR12 crores, which is increased by 38% year-on-year with a profit after tax margin at 8.79%.

We are pleased to share that the company has successfully achieved its stated guidance of financial '26 delivering a revenue growth of 16%, along with EBITDA achieved of 20%. This reflects the strength of our business fundamentals, execution capabilities and a brand positioning across categories. Going forward as well, we remain committed to sustain this growth momentum and endeavor to continue to deliver performance in line with our stated guidance.

Coming to the operational performance for the period under review, we saw a strong rebound in the sales across most categories. Our brand Rock.it brand delivered another quarter of consistent performance, registering an impressive 86% growth in gross sales during this year.

The Home Textile segment also maintained its robust growth trajectory, supported by healthy demand across all categories. Further, footwear gross sales surged 149% compared to financial '25, and the growth momentum is expected to continue in the coming quarters as well.

Online net sales continue to show a strong momentum, recording a robust growth of 38% compared to financial '25 through our own website and external portals, reflecting the growing customer preferences for our digital channels. We remain strongly focused on expanding our retail footprint and firmly committed to open around 40 to 45 EBOs across India with a strategic emphasis on Western and Southern regions.

During the quarter, our retail presence was further strengthened with addition of 2 new Cloak & Decker brand EBOs, taking the total count to 24 stores. The company continued to pursue its expansion strategy through stores ranging between 500 to 1,000 square feet. To enhance customer convenience and reach, we have partnered with quick commerce platforms such as Blinkit, Swiggy, Zepto to enable express deliveries within 30 minutes.

Additionally, our strategic collaboration with Salesforce is helping us streamlining the operations, elevating customer experience and build a long-term brand loyalty through digital transformation. The company has successfully organized trade show for the order booking in pre-winter collection in February '26 and winter collection in March '26. Further, we have expanded into overseas e-commerce platforms for direct and indirect export through Joom.com and Stylishop.com and broadening our global presence.

With this, we now open the floor for question-and-answer session. Thank you so much.

- Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Gunit Singh with Counter Cyclical Investments.
- Gunit Singh:** In the current quarter, the revenues grew by about 20%. So I want to understand how much was volume growth out of this?
- Sandeep Jain:** The revenue growth was approximately 36%.
- Gunit Singh:** So how much was volume growth in this quarter?
- Management:** We consider annual basis and we have achieved 12% increase in volume.
- Sandeep Jain:** That annual growth in the volume is around 12%. And this quarter, I need to check, it should be around 18% to 20%, I think.
- Gunit Singh:** Got it. So according to you, what were the main drivers of this 30% growth? Did we take any price hikes? Or was -- I mean, what were the main drivers of this growth? I want to understand if this 20%, 30% kind of growth should continue in the coming quarters as well?
- Sandeep Jain:** See, whenever we give a guidance, we give annual guidance. And the reason for this growth is that increase in summer category sales, so which is increasing every year. So as we go ahead also, so as we told earlier also that the summer categories are growing faster than the winter wear categories. So the growth are more in summer categories. And last year, we suggested that

we should be achieving a revenue growth of 15%. And accordingly, we achieved this year a 16% growth in our sales.

**Gunit Singh:** Got it. So basically, Q1 is also summer clothing. So I want to understand what is driving the growth in our summer clothing? Is it that we have increased our collections or more trendy design? Or is it because we are entering different channels? What are the main reasons? And should we expect a similar growth trend in the coming quarters for the summer at least, if you can let us know?

**Sandeep Jain:** See, there are 2 reasons for that. One is that the penetration is happening across summer categories, across regions. Another reason is that the loyalty customer base, which we're having in our winter wear category are increasing, are in summer sales. So that we have witnessed in our EBOs. So both factors are helping us in growing summer wear range also.

**Gunit Singh:** Got it. And for the -- have we seen any impact of lower spending or higher inflation? Because of the higher inflation, so lower spending on say clothing and any slowdown in the previous 30 to 45 days of Q1?

**Sandeep Jain:** To be very honest, we don't see any major, I would say, cut down in the spending from the consumers. But we see that if some hike has been taken by the government for the petroleum and diesel, so it may affect the consumer spending as it may give rise to some inflation. So that is the concern which everyone has, I think, in the Indian industry.

But it's very -- it's too early to say about that how much effect it can be for coming quarter or next quarter, so that we need to see. But definitely, if the further price goes up in case of petrol and diesel and if inflation goes up in the coming quarters, it may cut down some consumer spending.

**Gunit Singh:** Got it. And would you like to give some guidance for FY27 in terms of store expansion, in terms of top line, bottom line or any plans that we have?

**Sandeep Jain:** Store expansion guidelines, already we have given that 40 to 45 stores will be opened this financial year also. So as far as guidance is concerned that the company is well positioned to grow in this financial year also. But to give you accurate guidance, we would do it in quarter 2 con-call. So that exact guidance will be given to all our stakeholders. As there are some geopolitical issues, so because of that, it is -- it will be right on our part to give the guidance when we have more clarity as far as ground reality is concerned.

**Gunit Singh:** Got it. And we were entering some different segments, like renewable energy, some projects. So do we have any updates on that?

**Sandeep Jain:** So, I'll ask Mr. Rishabh to comment on that.

**Rishabh Oswal:** So, we have around 40 megawatts of PPA signed with the Madhya Pradesh government. We're just in the final stages of finalizing the commissioning and the vendors for this. So, I think in the next 12 months, it should be operational, maximum inclusive of everything. In this financial year, we will start billing from that unit.

- Gunit Singh:** Got it. So, what should be the revenue and the EBITDA margins from this? And as soon as we start commercialization, would we be running at full capacity? I mean...
- Rishabh Oswal:** Yes. As soon as we run, it will be run on full capacity from day 1. I don't have the accurate -- I'll share the revenue figures with you. It will generate a revenue of around INR15 crores to INR16 crores depending on the generation of the modules. And the capex will be around INR130 crores to INR140 crores of the total project.
- Gunit Singh:** INR15 crores to INR16 crores annual revenue and -- got it. And what about the EBITDA margins for these?
- Rishabh Oswal:** It's almost -- you can -- the net operating income is 90% of the top line and this. The O&M cost is around 10%.
- Gunit Singh:** Got it. So, this is basically an IRR of about 10%?
- Rishabh Oswal:** No, it will be around 15%.
- Gunit Singh:** You mentioned that the capex was around INR140 crores, right?
- Rishabh Oswal:** Yes. So, I will send you the exact working of the -- we will share the exact working of the project, but we are commissioning the project at a projected IRR of 15% to 16% over a period of 25 years.
- Gunit Singh:** All right. Got it. So, I mean, for that, the EBITDA should be around INR20 crores to INR22 crores to have a 15% IRR on...
- Rishabh Oswal:** This will be highly leveraged also. I don't have the exact financial working with me right now. So if you want, we can share it with you over e-mail.
- Sandeep Jain:** But one thing which you can note down is that IRR should be excess of 15%. So, 15% is a base figure. So it can be excess of that also.
- Gunit Singh:** All right. So currently, how much of capex has been incurred? And out of the total capex, how much debt are we taking?
- Rishabh Oswal:** In solar?
- Sandeep Jain:** No, no. Still, we have to finalize in next 7 to 10 days. So accordingly, we take the debt there.
- Rishabh Oswal:** It will be leveraged up to 75%.
- Sandeep Jain:** 75% would be debt and 25% would be equity.
- Gunit Singh:** Thank very much wish you all the best.
- Moderator:** The next question comes from the line of Manan Shah with Moneybee Investment Advisors.

- Manan Shah:** Yes, hi. Sir, thank for the opportunity. Sir in the current quarter, we were anticipating lower returns, which would have -- which was looking to elevate the margins. However, it seems it is lower discounts which has helped us with the margins. So, are the returns as per your expectations? Or I believe you were expecting lower returns in the current quarter?
- Sandeep Jain:** See, return depends on the market conditions. We did expect that the return will be a little less, but I think it has come a little more than our expectation, but it is in the line as far as market trends are concerned. So overall, I think we have performed well above our expectation in this quarter.
- Manan Shah:** Okay. Okay. Sir, then can you share what sort of growth in the bookings you have seen in the pre-winter and the winter shows that you've recently concluded?
- Sandeep Jain:** So that is still continuing. There are some areas which still have not booked. So, we can give it in the next quarter.
- Manan Shah:** Okay. Okay. Sure. And I believe there have been some raw material hikes also in terms of cotton, I believe in wool as well. So, have we taken any hikes and are we looking to take any hikes? And in the current year, we were expecting to close the year at around 18% to 19%. We've hit the lower level. So, in the coming year, are we expecting to hit the 19% sort of margins?
- Sandeep Jain:** No, no. We stated earlier also in our, I think, the last con call that margin should be around 20%, including other income, EBITDA. And we have achieved that figure. So, we expect to be in this range only. Yes, there have been increase in the raw material prices.
- And -- but we have already covered before we went to our trade show, and we have already taken a hike of around 7% to 8% in our prices also. So, we are fully covered as far as raw material hike is concerned.
- Manan Shah:** Okay. Okay. Got it. And how are the sales for the summer wear going in the current season given the summer has been much harsher this year?
- Sandeep Jain:** It has just picked up as summer is a very long season as it starts in March and goes till August this year. So very early to say about. But as of now, the sales have been good. Let us see in next 4 months are very important for us, like June, July, August, the major sales happen in these months. But we hope that the trend will continue, and we have good sales in summer as well.
- Manan Shah:** Okay. And on the footwear side, this year was a great performance. So, anything that you're looking into the following year? Like how should the performance go from here on?
- Rishabh Oswal:** Yes. So, since the base is still small for -- is very small, we are looking at doubling this turnover from footwear category. Currently, we were focusing only on online channels, and that will remain the primary driver of this category business. However, we are also experimenting and we placed ourselves in around 15 large format stores of Reliance, and we are speaking with other chains as well. Also, we have identified around 30 to 35 of our larger EBOs, where we experiment -- where we are retrofitting the store to house footwear, and we are experimenting with those.

So, I think in a couple of quarters, we'll have a better feedback in terms of the offline performance. However, the online performance of footwear will continue to grow. And even with just online, we will -- we are looking at doubling our turnover in footwear.

**Manan Shah:** Okay. And on the export side, we had exported some goods to Middle East. Any update on that? How has that performed? And what are we planning for the coming year?

**Rishabh Oswal:** Yes. So Middle East, we had exported very negligible quantity, around 2,500 to 3,000 pieces. Out of that, 70% of that has been sold in the secondary market. This is only online. This is not offline.

And this was an experimental stage. We are very optimistic about this vertical. However, due to the uncertainty in the Middle East right now, buyers are not ready to place orders for us. So, we expect a delay of 2 to 3 months before we can get a repeat order.

**Manan Shah:** Okay. Got it. And in terms of the cash that we have on the balance sheet, you mentioned that out of that INR140 crores capex, around 25% would be equity, balance is debt. So the surplus cash that is there then, what -- how do we plan to then use it over time?

**Sandeep Jain:** Already company is giving a dividend every year. And this year also, I think the company has announced INR 20 dividend. So, balance, I think we are also looking for the good projects in BESS also in solar also. So those projects -- some of the projects we think that will come in this financial year as well or maybe we can get order in this financial year and can be executed in next financial year. So, some cash will be used in those projects. And we will not go for any tender where the IRR is less than 15% to 17% even in future as well.

**Manan Shah:** On the BESS side, you said we are exploring some projects. So, are these on the EPC side or IPP?

**Sandeep Jain:** IPP side.

**Manan Shah:** Okay. So, to complement our current IPP order that we want...

**Moderator:** Manan Shah, I would request you to please come back in the queue for further questions. The next question comes from the line of Viraj Parekh from Carnelian Asset Management. Please go ahead.

**Viraj Parekh:** Thank you so much for the opportunity, sir. Apologies, I joined the call a little late. So, if I'm repeating the question. First, I think I heard you're not giving an annual guidance right now giving in Q2. But is it possible for you to help us understand what is the channel inventory situation right now, channel stocking in terms of this year how we're entering into the summer and winter this year?

**Sandeep Jain:** I think I'm pleased to share that we are in a very comfortable position as far as our inventories are concerned, not even at our level, even at our store level also, even our channel partner level also. And that's why we have been guiding the -- like even this year, we will have a very good growth. But what I'm saying is that the actual growth numbers or actual guidance, we can only

share in quarter 2 because there have been some disturbances in the market, even though we have been very optimistic as we had -- we have a strong order book as far as winter season is concerned. But only thing we have to be as far as near to the accurate guidance. So, we'll give it in quarter 2 so that we see that how these 2 quarters fare if there is some inflation, which happens because of increase in the oil prices and all.

**Viraj Parekh:** Sir, is it possible for you to give us a direction in which the '27 pans out? Can it be at far better or than '26, how it has gone based on the inventory situation and already the winter booking which has concluded part of it, it is concluded.

**Sandeep Jain:** We will be having a good growth in this financial year also, but only thing I'm saying is that the actual growth guidance, like last year, we gave that 15%, we will achieve, and we achieved 16%. So, I would like to be very near to the accurate guidance. So that I can only give in quarter 2, but there will be definitely a growth in this financial year. Double-digit growth is definitely on the cards.

**Viraj Parekh:** Sir, I think last year also, we were looking to open 40, 45 EBOs. If I look at our 10-year numbers, we have opened only 26 this year from 471 to 497 net, I'm saying net we've opened. So, when you say 40 to 45 new stores next year as well, is that only the -- is that a gross number or the net number?

**Sandeep Jain:** No, no, it's a gross number. Actually, what happened is that we didn't take any corrections in last 3, 4 years. So, we took a correction of around 14, 15 stores which were unprofitable. So, we closed those stores. But otherwise, we opened 43 stores. But that was a one-off correction, which we took it last year because it was long pending as we could not sustain those showrooms in last 3 years.

So, we thought of closing it and making the company more profitable. So that's why we've taken a decision of closing 14 stores last year. Otherwise, the gross addition was same what we indicated. And this year, I think the gross and net would be almost near to 90% as I don't see any correction of or any closing of stores in this financial year because that decision already, we have taken last year.

**Viraj Parekh:** The stores we are opening as on date, can you help me understand this average size per store?

**Sandeep Jain:** It ranges from 1,000 square feet to 1,500 square feet, the average size.

**Viraj Parekh:** And this is reduced from earlier stores which we are opening up, right? I think earlier we used to open bigger stores?

**Sandeep Jain:** No, no, no. I'm talking about the average, some stores are 1,000, some are 2,000, some are 1,500, but the average size is around 1,000 to 1,500 square feet. And sometimes we do get a good location, but the size is only 700, 800 also. And there are some stores which are 2,200, 2,500. So average, I'm talking about this number.

**Viraj Parekh:** I believe we are also...

- Sandeep Jain:** Just for example, we got a good location in Noida Mall of India, where the store size is only 650 square feet, but the sale we are achieving is INR4 crores. But I cannot leave that location just because it is 650 square feet. So, there are some good malls or some locations which are very highly -- having high footfalls, but the square feet size is small. But -- and there are some stores we are getting where the store size is bigger. But the average, I'm talking about 1,000, 1,500 square feet.
- Viraj Parekh:** Sir, the stores in which we showcase our footwear collection as well, those will be bigger to them I'm assuming, right, 2,000 square feet plus?
- Sandeep Jain:** Yes, yes, yes, you're right.
- Viraj Parekh:** So how many of those stores we have on date out of the network of 497?
- Sandeep Jain:** Around 50, I think. So those stores above 2,000 square feet, we have home also and we have footwear also. So those are bigger stores and are, I think, around 50 in the total count.
- Viraj Parekh:** The last question, I'll get back in queue. I think our inventory is approximately INR570 crores. I think the number of -- despite -- can we have some kind of understanding of how we're going to maintain our inventory levels or days, you can say, over the next 2 years? Because I think despite having a good channel correction and decent growth, the inventory of the number of days or the value of it is still quite high for us.
- Sandeep Jain:** It has come down to 144 this year as compared to 169 last year.
- Management:** Now we are opening more...
- Sandeep Jain:** And as we're doing business more in SIS and more in large format stores and online, I don't see that inventory level comes down because only we take the end sales. So, when we only take the end sales and the inventory is lying in our account only at our channel partners, so it will remain at this level only.
- Viraj Parekh:** Got it, sir. Thank you so much. All the very best. I will get back in queue.
- Moderator:** Thank you. The next question comes from the line of Shiva from Purnartha Investment Advisors. Please go ahead.
- Shiva:** Thank you for the opportunity. My first question is the solar plant. It was said that according to KUSUM, there's a 30% subsidy. Are we eligible for that subsidy? And is it included into the estimates of IRR?
- Rishabh Oswal:** No. So that subsidy is for DCR modules. We were fortunate enough to get this tender with the exception of putting up non-DCR. So that is almost already INR1 crores, INR25 lakhs cheaper than a DCR module, 30% cheaper. So, you're talking about the CFA that the center offers of INR1.05 crores per megawatt. But non-DCR modules are cheaper by that. That is available for DCR modules.

**Shiva:** Okay. So ours is a non-DCR model?

**Rishabh Oswal:** Yes. It was one of the last tenders to be eligible for non-DCR modules.

**Shiva:** Okay. And the entire capacity is 49 megawatts, sir?

**Rishabh Oswal:** It is 35 megawatts AC with an overloading of 30%, we'll do anywhere between 43 to 45 megawatts. We are still doing the feasibility study and the technical study how much overloading we need to do.

**Shiva:** And the PPA is signed at 2.79, what is the per unit?

**Rishabh Oswal:** Yes, at 2.79.

**Shiva:** Okay. And could you just help us with respect to what was the annual returns and discounts as a percentage of gross sales for this full year?

**Rishabh Oswal:** Just a second wait for a minute. So last year returns were 15%. This year, it is 17%.

**Shiva:** Returns?

**Rishabh Oswal:** Yes. But the discount percentage has gone down.

**Rishabh Oswal:** Last year, discount percentage was 10.16%. This is 9.44%, this year for the revenues -- of overall revenue.

**Shiva:** Understood. And I might have missed it. What is the plan for this year's growth in the EBOs network for us exclusive?

**Sandeep Jain:** We have already answered this question that the growth target we will -- the guidance we will give in quarter 2 con-call. But what we indicated is that there will be double-digit growth, but actual growth, what we can do in this financial year, we will give you in quarter 2 con-call.

**Shiva:** I'm asking the number of stores expansion?

**Sandeep Jain:** 40 to 45 at in this financial year. It may go to 50 also.

**Shiva:** Okay. Thank you.

**Moderator:** The next question comes from the line of Sheetal Shah, an Individual Investor. Please go ahead.

**Sheetal Shah:** Am I audible, sir?

**Sandeep Jain:** Yes, you are audible.

**Sheetal Shah:** Sir, congratulations on meeting and exceeding your guidance. My heartiest congratulations to you and your team. Sir, I have two questions. Sir, company had become profitable in Q4 after a

gap of many years, I think 3 years. So sir, is it due to some structural change you have made on your side or is it due to market dynamics? I just wanted to know how -- is it sustainable, especially in Q4?

**Sandeep Jain:** Yes, of course, it is sustainable. And I think the reason is that adequate provisioning has been taken in quarter 3 and the discounts have been less. As I indicated, just it was 9.44% as compared to 10.16%. So that was another factor, which was helping us make it profitable. And thirdly, the summer sales have increased. We have seen that there is a jump in the sales in the fourth quarter. So that also has been improving the profitability of the company in this quarter.

**Sheetal Shah:** Okay. Thank you, sir. And sir, I'm not asking about the guidance. As you have told you will speak about it in Q2. But just I wanted to know, sir, what levers will play out in achieving your guidance this year, sir, especially FY27? And sir, what are the headwinds which you expect not to happen in achieving your guidance just a broad view, sir?

**Sandeep Jain:** To be very honest, I think we are more confident as compared to last financial year because all our categories have shown results. Our Rock. it brand is growing at a very good growth rate. Our footwear division is also contributing a lot. Our Home Textile is gaining acceptance year-by-year and existing categories are also performing well.

So I think all these categories which have been -- which have shown growth in last financial year would significantly contribute in this financial year as well. So we don't have any doubt on that. But yes, as far as your question is that what can be the headwinds. So headwind is definitely the economy.

If we see that there has been some inflation caused by some LPG or petrol rise, so that may deter some consumers to defer spending for a certain period of time, but that will happen for everyone, not for our brand. So that is the only concern we have right now is that the geopolitical tensions and situation should get normalized as soon as it can be so that it doesn't have any effect on the Indian economy.

**Sheetal Shah:** Okay. Very good, sir. And the last question is, sir, about raw material inflation. Sir, is it passed through with immediate effect or it will take a lag to pass through?

**Sandeep Jain:** Immediate. So we don't wait for a second when the price goes up. So I think let us -- to be very honest that before we go for a trade show, we normally cover all our raw material because we know that how much expected booking we can have it on our books. So accordingly, the raw material is also covered. And also, we take a hike of 6% to 7% or 8%, depending upon like some of the material, which is not covered. So to answer your question, yes, we are adequately covered as far as increase in raw material prices is concerned. So it will not affect our margins.

**Sheetal Shah:** And no impact on the margins due to raw material hike in raw material price?

**Sandeep Jain:** Yes.

**Sheetal Shah:** Okay, sir. All the best to you and your team, sir. Thank you, sir.

- Moderator:** The next question comes from the line of Rohit Arora, an Individual Investor. Please go ahead.
- Rohit Arora:** Sir, are we expected to be profitable in Q1 of FY27?
- Sandeep Jain:** See, I can't say -- I can't guide you quarter-by-quarter. But one thing which I can definitely tell you is that we would be better as compared to last financial year. And the exact guidance we will give in quarter 2 concall. But one thing which I earlier also indicated is that the double-digit growth is definitely on the table.
- Rohit Arora:** Double-digit growth.
- Sandeep Jain:** Yes.
- Rohit Arora:** And sir, are we looking to expand our summer portfolio?
- Sandeep Jain:** It's -- I think over the last many years, it has been growing faster than the winter wear category and that is why the contribution from summer is also increasing every year as compared to winter wear category. So that process will continue because being a tropical country and being of 9 months of summer. So this country is definitely going to outgrow winter as well and other categories.
- If I just give you a range of like this year of winter wear range contributed 45%. Non-winter contributed 42%. Textile contributed around 10.2%, and accessories and footwear contributed 2%. So that indicates that now we are almost equal to our winter wear range as far as summer products are concerned.
- Rohit Arora:** And sir, are we looking to expand our accessories portfolio?
- Sandeep Jain:** Yes, consciously we are doing it as the number of stores are increasing, so accessories are also growing.
- Rohit Arora:** We have accessories of only men or we have accessories of women as well?
- Sandeep Jain:** Both men and women both.
- Rohit Arora:** And kids portfolio?
- Sandeep Jain:** The kids portfolio is doing around INR100 crores. It has grown to INR110 crores this year.
- Rohit Arora:** Annually?
- Sandeep Jain:** Annual revenue run rate
- Rohit Arora:** Okay, sir. Thank you.
- Moderator:** Thank you. The next question comes from the line of Ankur Gulati from Genuity Capital.
- Ankur Gulati:** Just one question again. Q1 growth is similar to.

- Sandeep Jain:** Can you please speak loudly?
- Ankur Gulati:** Sir, what I'm trying to understand is Q4, we got benefit of our strategy where we are establishing our brand in full season. So the strategy is there it will play out in Q1. So the seasonality impact on profitability will go this quarter or are you expecting it will not?
- Sandeep Jain:** But see, in the quarter 1, what happens is that we get returns of winters. So that is why it brings down my revenue. And that happens every year. So we are trying to reduce it. But as you know, that the third quarter is very, very heavy and the returns normally comes in April and May. So that is why it reduces my revenues in that case. And the primary sale also is a little less. But as we go to Q2, Q3, it starts increasing. So the Q1 has around 12% to 13% of the revenues, then quarter 2, quarter 3 starts building up.
- Ankur Gulati:** So the 17% return, which you referred to that was from which quarter, I mean, INR280 crores revenue booked in?
- Sandeep Jain:** For full year, I'm talking about 17% return.
- Ankur Gulati:** Okay. And just to understand the business better, those INR600 crores sales were there in Q3 on average, 15% to 16% comes back in Q4 – Q1. Is that what you meant to say?
- Sandeep Jain:** It is divided between Q4 and Q1. Not everything comes in Q1. So some of the quantity comes in Q4 and some of the quantity comes in Q1. Majority comes in the Q1.
- Ankur Gulati:** Okay. Fair enough. So Q4 this year is up, let's say, 35%, 40%, right? And on the net sales basis for Q1, can we at least expect this INR140 crores of Q1 last year will also have similar 40% bump because at least the summer season, summer offers, which we have, summer products have started?
- Sandeep Jain:** I can't give revenue guidance for quarter-to-quarter. I can only give you annual guidance because there are variations in quarter-to-quarter depending upon the season, depending upon the demand. So it will be prudent for us to give you an annual guidance rather than quarter-to-quarter guidance.
- Ankur Gulati:** Fair enough. And your annual guidance, the solar business is over and above that or is it included in that?
- Sandeep Jain:** Solar business, we are above that. I'm talking about our standalone business.
- Ankur Gulati:** Okay, sir. Got it. Thank you. All the best.
- Moderator:** Thank you. The next question comes from the line of Jayveer Thakur an Individual Investor. Please go ahead.
- Jayveer Thakur:** Firstly, congratulations on a very good set of quarter 4 numbers. Coming to my question, sir, regarding the quick commerce tie-ups that we have, are they present only in Delhi or are we planning to scale this to the rest of India?

**Rishabh Oswal:** Yes. So for now, we started with off with Blinkit. And since Blinkit is more predominant in the Delhi NCR region, they also started experimenting with the dark stores in that particular region. However, since we've tied up with Swiggy, now our products are available in some dark stores of Bangalore also.

Also, we are one of the few brands which have also onboarded Zepto and are in final talks with BigBasket. After we get BigBasket, we will have the entire ecosystem of quick commerce where Monte Carlo products will be available. However, the final decision where the products will be placed geographically lies with the buyers only as with quick commerce players, we work on an outright model.

So the final call is with them. We are not working in a marketplace model with quick commerce because that will involve us taking care of the inventory. So to begin with, we are doing an outright business. So the final call for geographical penetration lies with the buyer as of now.

**Jayveer Thakur:** Sure, sir. That actually makes sense. Second question, sir, that I have is on the fast fashion brands that are coming up nowadays. How are you planning to sustain the growth that we have in terms of double-digit growth that you do?

**Sandeep Jain:** See, first of all, the fast fashion brands have not come today. They are here in India from last 10 years. So Zara is here in last, I think, 10, 12 years, they came in around 2009 and Shein came in around 2014, '15. So we have been competing with them. And we have our own USPs as far as designing and fashion is concerned. And India is a very large market. So it can accommodate fashion brand as well as large fashion brand also. So we don't see any issue as far as our growth is concerned because of these brands.

**Jayveer Thakur:** Okay, sir, sure. And sir, on the online and the e-commerce side, can you just help me understand how much commission we pay to the e-commerce platforms like AJIO, Myntra that we have?

**Rishabh Oswal:** Yes. So see, these are all our trade agreements that we have with these guys. It won't be fair for me to disclose them here. But it varies because we operate in all different models. It's an SOR marketplace outright and margins vary depending on category to category. Margins are also a combination of margins plus marketing spends, all of that. So it won't be okay for me to share the exact margin that we are giving these players.

**Jayveer Thakur:** No, sir, that's fine. I don't want a specific number, but just a broader structure as to how do we plan these commissions?

**Rishabh Oswal:** So see, the commission, so one thing when we look at our online business is we never want to bleed money when we work online. So the base target that we have, we want to achieve the same profitability as our other verticals do. So all the margins are in line with the other channels. There's not extra margin that is being offered to the online channels. If I can -- if that can answer your question.

**Jayveer Thakur:** Okay, sir. Sir, is there any difference in the margins between the distribution channels we have? Can you just throw some light on that?

- Rishabh Oswal:** Yes. There are some differences based on the distribution channels because each distribution channel has their own cost. For example, my MBO, SIS business will have an agency cost and a distributor cost, whereas my e-commerce and LFS will not have that. My LFS has a lot of manpower cost.
- My EBOs, which are franchised, do not have that much pressure on the top line. So the margins are limited over there. Our factory outlets have the least margin because they sell products at a discounted rate. So margins vary, but see margins is not the only cost component for each vertical. So -- but when we look at the expenditure, the total expenditure for each vertical is within plus/minus 4%, 5%.
- Jayveer Thakur:** Okay, sir. And just one last question from my side. What sort of revenue contribution are you expecting from your home textile segment in FY27?
- Sandeep Jain:** I think we will maintain around 13% to 14% through the overall revenue.
- Jayveer Thakur:** Perfect. All right. That's it from my side and the all the best for the future.
- Sandeep Jain:** Last year it was 12%.
- Jayveer Thakur:** Okay. So we are seeing a growth of around 3% to 4% here?
- Sandeep Jain:** We see a growth in home textile segment as recently we had a very good trade show. So we expect that the contribution from home will grow from 12% to 13% to 14%.
- Jayveer Thakur:** Okay, sir. Sure. Thank you for your answer.
- Moderator:** The next question comes from Sheetal Shah, an Individual Investor. Please go ahead.
- Sheetal Shah:** Yes. Thank you for the follow-up. Sir the company is regularly paying a very good dividend, sir. A request from our investor side at some point, you consider buyback also, sir. The reason being our share price is languishing in the same range for so many times, the company has good cash to go for buyback. And we are trading at a very low multiple compared to our peers. It's just request. Keep a note on this, sir.
- Sandeep Jain:** Thanks for the suggestion. And we'll pass your suggestion to the board as well.
- Sheetal Shah:** Thank you, sir.
- Moderator:** The next question comes from Rohit Arora, an Individual Investor. Please go ahead.
- Rohit Arora:** Hello, sir. Are we looking to do more IPP projects after the completion of our current project?
- Sandeep Jain:** See, it all depends on the ROI we get. So if IRR is good, definitely we have been thinking of doing other projects in BESS and other energy area also. But it all -- once we implement this, and it all depends on the IRR we get in those projects. If IRR is good, we definitely go ahead in that also.

**Rohit Arora:** Do we have to acquire land?

**Sandeep Jain:** A separate subsidiary has been made.

**Rohit Arora:** Do we have to acquire land on our own to do a project?

**Rishabh Oswal:** Yes. So most of the projects that the government gives land has to be acquired by us, but we prefer leasing land instead of buying it because that gives us a better IRR on the amount -- invested amount.

**Rohit Arora:** And are we looking...?

**Rishabh Oswal:** To answer your, aggregation is done by us only.

**Rohit Arora:** Aggregation?

**Rishabh Oswal:** Yes, land aggregation and leasing is done by us.

**Rohit Arora:** And are we looking to expand our manufacturing facilities? Any capex in them required?

**Rishabh Oswal:** It's in the normal range.

**Sandeep Jain:** In the normal range of INR10 crores to INR15 crores every year, not more than that.

**Rishabh Oswal:** We prefer outsourcing our increase in production.

**Sandeep Jain:** And moreover, 85% of the production is outsourced from different vendors across India.

**Rohit Arora:** Okay, sir. Thank you.

**Moderator:** Thank you. There are no further questions at this time. I would like to hand the conference over to the management for closing comments.

**Sandeep Jain:** So thank you very much for participating in this con-call. And we reiterate that whatever guidance we have given in the past, we have been very consciously giving it and we have achieved it also. So just to remind everyone, we will give our guidance in quarter 2 con-call, but we are confident enough to achieve double-digit growth going forward in this financial year. Thank you very much for your attendance.

**Moderator:** Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.