

May 26, 2026

To  
The Manager- Listing Department,  
**BSE Limited**  
P.J. Towers, Dalal Street, Fort,  
Mumbai- 400001, Maharashtra, India.

**Scrip ID/Code: TRUECOLORS/544531**

**Subject:** Transcript of the Analysts/ Investors Earnings Call held on May 22, 2026.  
**Reference No.:** Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Respected Sir/ Madam,

Further to our communication dated May 18, 2026 and May 22, 2026, please find enclosed the transcript of the Earning Conference Call held on Friday, May 22, 2026 at 03:00 P.M. (IST) to discuss the audited standalone financial results of the Company for the half year and year ended March 31, 2026.

The said Transcript is also available on the website of the Company at <https://truecolorsgroup.com/ip-fy-26-27/>.

Please take the above intimation on your record.

Thank you!  
Yours Faithfully.

**For True Colors Limited**  
**(Formerly Known as True Colors Private Limited)**

**Javanika Gandharva**  
**Company Secretary & Compliance Officer**  
Encl: as above

**TRUE COLORS LIMITED**

(Formerly known as TRUE COLORS PRIVATE LIMITED)

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**“True Colors Limited  
H2 & FY 2026 Earnings Conference Call”  
May 22, 2026**



MANAGEMENT:

**MR. SATISH PANCHANI**  
EXECUTIVE DIRECTOR & CHIEF EXECUTIVE  
OFFICER

**MR. SAGAR MULANI**  
EXECUTIVE DIRECTOR & CHIEF FINANCIAL  
OFFICER

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COMPANY SECRETARY & COMPLIANCE  
OFFICER

**True Colors Limited**

## H2 & FY 26 Earnings Conference Call May 22, 2026

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**Moderator:** Ladies and gentlemen, good day and welcome to Q4 FY26 Earnings Conference Call of True Colors Limited hosted by TIL Advisors.

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 “\*” then “0” on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Mehra from TIL Advisors. Thank you and over to you Mr. Mehra.

**Abhishek Mehra:** Thank you Neerav. Good afternoon and welcome everyone and thanks for joining this H2 and FY26 Earnings Conference Call of True Colors Limited. The Investor Updates have already been uploaded on the Stock Exchange and on the Company website. In case you do not have a copy of the same, please feel free to reach out to us.

To take us through the discussion we have with us from the Management Team, Mr. Satish Panchani – Executive Director and Chief Executive Officer, Mr. Sagar Mulani – Executive Director and Chief Financial Officer and Javnika Gandharva – Company Secretary and Compliance Officer.

We will be starting the call with a “Brief Overview” of the “Business and the Financial Performance” which will be followed by the Q&A session.

I would like to remind you that everything said in this call reflecting any outlook for the future which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainty that the company faces.

With that said, I will now hand over the call to Mr. Satish Panchani for the opening comments. Over to you sir.

**Satish Panchani:** Thank you so much, Abhishek. Good afternoon, everyone, and thank you for joining us today. I welcome to our Earning Call for the Second Half and the Full Year FY26.

This is one of our first formal interactions with the investor community since our listing. And before we get into the numbers, I would like to take this opportunity to walk you through what True Colors actually is, how the business has been built, and the way we ourselves look at it

internally. So, we believe this context is important because the number we report each period only makes sense once you understand the architect sitting underneath them, right?

Let me start with what the company is about:

True Colors Limited is, in the simple term, a digital printing ecosystem company. We are not a machine seller, we are not a paper manufacturer, we are not an ink company, and we are not a fabric printer. We are all of this at the same time, and that is by design.

India today is at the very early stage of a transition from conventional screen printing to digital printing in textile. Globally, the equivalent transition is much further along. The opportunity is in building the infrastructure that the country will need as it adopts digital printing over the next decade. Our aim, and we say this very deliberately, is to build India's digital printing ecosystem.

So, we began in 2013 with a small sublimation printing setup and a capacity of around 400 meters a day. It was a pure service business at that time. We printed fabric for our customers, and that is what all we did. In 2015, we entered machine trading because we realized that the customers we were printing for were themselves looking to buy machines, and there was no organized player guiding them.

In 2016, we started supplying ink again because the customers buying machines from us need a reliable ink supply, and the imported ink supply chain was fragmented. So, at this point, we had three things:

1. Printing services.
2. Machines
3. Ink.

all driven by the same customer relationships.

In 2018, we took what was in hindsight the most important step. We set up our own sublimation paper plant. At inception, it was 15 lakh meters a month. Sublimation paper is the carrier on which the ink is printed before it is transferred to the polyester fabric. Every sublimation printer in the country needs it on a daily basis, and at that point, almost all of India's sublimation paper was being imported from China. We saw that it has a structural gap, and we built the capacity to address it.

In 2021, we brought all these businesses under one umbrella, True Colors Limited. So, between 2022 and 2024, we secured authorization from five global OEMs, namely Konica Minolta, Eton, Pangda, SkyJet, and HopeTech, which gave us a complete range of digital printing machines to offer our customers across all the price points and the application as well.

In 2025, we listed on the BSE SME platform, scaled our sublimation paper capacity to over 2 crore meters a month, and expanded our in-house digital fabric printing capacity to 75,000 meters a day.

And in FY26, we are in the process of bringing in-house ink manufacturing into our group. So, it is through the planned merger of INKIA Inks alongside a strategic partnership with Itaca of Spain for premium pigment ink as well.

So, if you trace this entire journey, what you will notice is that each business was not bolted on for diversification. Each business came in because the previous business demanded it. The machine business needs an ink supply. Ink and machine business need a sublimation paper supply.

The supply business needs a captive printing operation to demonstrate the technology. And now the consumable business needs to be backward integrated into manufacturing. So, every step was a response to a gap that our existing customers were running into.

So, in this presentation that we have released so far, we have shared the performance of each vertical very separately. We have given you the revenue, the volume, the growth rate for the technology and consumable, and for the printed fabrics as well. We have done this because it will help you to understand the moving parts.

But internally, we do not look at the business as four or five separate verticals. We look at it as one ecosystem that needs to keep growing larger. So, the logic is straightforward here. Why? Because every machine that we install becomes a permanent ink and paper customer. The warranty on the machine that covers spare parts, printhead, electronics is tied up to the use of our ink. Changing the supplier void the warranty. So, beyond the warranty, there is again a second layer of stickiness is there, which is the color consistency. Digital textile printing is business is completely make-to-order business where designs are approved against specific color profile, and those color profiles are tied up to the specific ink.

Once a customer starts printing, the only way they can fulfill the repeat order is with the consistent color. And it's by staying with the same ink. So, the paper may vary, but ink cannot, because the ink is what carries the color profile against which the design was originally approved, right?

And beyond that, there is a third layer, which is a service. The technical complexity of these machines and the institutional knowledge that our service team built about each installation means that switching is operationally disruptive at any point of the machine's life. So, when we install a machine, we are not booking a one-time sale. We are adding not to the recurring consumable base that compound over the years. Our installation base today stand at around 900 plus machines and roughly 50% of our FY26 revenue is recurring. That is from ink, sublimation paper, and the spares.

So, now the second layer of compounding site inside the consumable business itself. Today, a meaningful portion of our ink we supply is imported and distributed. The margin of the distribution are reasonable, but there are not fair margins of manufacturing seats.

As we transition the ink business from distribution to in-house manufacturing under the INKIA brand, the margin profile of the recurring revenue base itself begins to improve. So, the machine business compounds the consumable base and backward integration compound the margin on that base and that is what the structure is. And this structure is for future sustainability as well.

So, let's quickly touch upon the capacity expansion that we did:

On sublimation paper, we have already taken the capacity from roughly 1 crore meter a month to (+2) crore meter a month. FY26 utilization on the expanded capacity was around 52%, which gives us a substantial headroom that we can grow this vertical without further capital deployment.

Our ink, the plan in Phase-1 is targeted for FY27, takes in in-house production to 150 ton a month with CAPEX of around INR 40 crores to INR 45 crore. This phase replaces our current import volume serving self-consumption and again a white labeling need base. Phase-2 is targeted for FY28, takes total in-house capacity up to 500 tons a month with additional INR 20 crores to INR 25 crore of CAPEX.

The INKIA merger added 80 tons a month and we added further 270 tons incrementally. And Phase-3 is a longer-term target for 1000 tons a month across sublimation, reactive, disperse, pigment inks. So, importantly, the land for this we have secured is roughly around 3.5 times than existing facility footprint. So, the runway for the expansion is already in place.

The strategic rationale is threefold here:

1. India today stores almost 100% of its ink from China, Japan and Europe. In-house manufacturing reduce that import dependence and insulate us from the currency and supply chain volatility.
2. Global brands are now diversifying away from China under the China Plus One approach. And the meaningful share of that incremental textile manufacturing, we know that is being routed through India, which is directly expand our addressable market.
3. Ink is the highest margin category in our portfolio. So, manufacturing rather than the distributing, it has a direct and the durable effect on the profitability as well.

So, with that context, let me turn to the performance of FY26:

So, revenue from operation for the full year was INR 301.55 crore, that is up 29.22% year-on-year. EBITDA stood at INR 46.98 crore at a margin of 15.58%. And the profit after tax was INR 31.16 crore at a margin of 10.33%.

Recurring revenue from ink, sublimation paper, spare part, that contributed roughly 50.25% of our total revenue. So, within the verticals, machine placement of the year came in at around 109 units, that is up 89 in the prior years. The headline unit growth looked moderate, but the revenue from this segment grew over 155x year-on-year. That is driven by deliberate shift towards higher value and higher capacity machines.

Ink volume as reported grew to 1,140 tons during the year. It is a volumetric growth of approximately 19%. However, this number understates the actual underlying consumption growth. And I would like to flag this clearly.

As a part of deliberate strategy to deepen customer engagement around new machine placement, close to 45-50 ton of ink was bundled with machine during this year. The revenue and the volume from this bundled ink have not been reported within the ink vertical. So, if we add this back and underlying ink consumption growth, it is a repeated base is comfortably not to 20%, which is metric we internally track most closely since it reflects the true compounding from the install base.

Alongside this, average realization also declined during the year, which is second reason the volumetric growth is not fully visible into the reported financials.

So, on paper, we again delivered the strong volumetric growth reaching to 11.69 crore meters. Although the financial impact was offset by the decline in realization, the realization decline was driven by reducing the average GSM of sublimation paper used in printing, which came down from the 45-55 range in the prior year to closer to 35 GSM this year.

As the customer makes shift towards lower GSM applications more, the fabric and the printing division perform well and contributing meaningful to overall throughput.

So, I would also like to address one operational item here, which is our operating cash flow. We reported negative operating cash flow for the year and this requires some explanation.

A majority of our vendor base qualifies as MSME suppliers and the regulatory framework governing MSME payment mandate settlement within 45 days. In FY26, we meaningfully scaled up volume with several of these vendors, where the majority of supply was previously imported under credit term existing well beyond 90 days. So, this transaction created a timing-related pressure on working capital.

Alongside this, the growing contribution of Konica Minolta's Inc., which operates on the advanced payment terms, added further to working capital needs. But I am pleased to share that collections have been strong in Q1 FY27 and the position has normalized now.

To close, the way we think about it internally is this:

We have an installed base that compounds the consumable business. We have a consumable business that is being backward-integrated to improve margins. We have sublimation paper capacity that has just been doubled and has utilization headroom.

And we have ink manufacturing capacity coming on the stream over the next two years that will structurally change the margin profile of our group. So, each of these independently is in motion and they are all pulling in the same direction. We are at the early stage of what we believe is a multi-year transition in Indian textile printing industry.

With that, I will hand it over for the question. Thank you so much for your time.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. First question is from the line of Arhan from Bastion Research. Please go ahead.

**Arhan:** Thank you for the opportunity, sir. Am I audible?

**Satish Panchani:** Yes, you are audible. Yes, sir. My first question is on the bookkeeping side. As you already explained, the operating cash flow was negative 35 crores in FY26 against the bet of 31 crores. You also explained the MSME and Konika Minolta dynamics. On a normalized basis going forward, what kind of cash conversion should we be looking at? And specifically, with receivables nearly doubling YoY, can you give us a comfort that this is not a quality of receivables issue and a timing issue?

**Satish Panchani:** Right. So, actually, there is not an issue of any customer-specific concern. If you see the receivable is around 101 crore at the time that the year ended, that is because of the MSME compliance and we are not coming under that category. So, right now, if we see at the current positioning, the receivables are very strong right now, the number that was 111 crores comes to almost 93 crores now. So, it was just a matter of time and due to the compliance issue. Otherwise, the receivables are normalized.

**Arhan:** Okay, sir. Got it. And my second question is, you have flagged entry into adjacent categories of commercial printing, label printing, and textiles packaging. How serious is this and what is the rationale for entering this new versus deepening the core textile printing business further?

**Satish Panchani:** Right. So, if we see, then digital printing is not only limited to textiles, right? And every segment, when like if we talk about the label printing or if we talk about the mica printing in every industry, when we are talking about the mail-to-order process, not keeping a stock or people are talking about the customization. So, we think that in each and every industry, including textile, the digital printing is going to be bigger, right? So, in that context, we take this baby step forward to moving in that direction of commercial printing. And along with that, we are entering into ink manufacturing as well, right? So, if we have the formulation capability for manufacturing the ink for the textile, the same formulation capability can be utilized for the

commercial printer as well. So, this is the first step. We have taken that initiative to move into that direction. If we get the feedback from the market, very positive and aggressive feedback, then we will also start putting aggressive strategies into that field as well. So, as the manufacturing capability lies with us, it can be used in any field of the digital printing, not limited to textiles.

**Arhan:** Okay, sir. Got it. And just the last question. It is on the execution side, if you were to step back and tell us where True Colors will be in the next five years, not in specific revenue numbers, but in terms of installed base, manufacturing footprint, vertical mix, and competitive positioning, what does that picture look like? And honestly, what are the two or three things that could go wrong that would prevent you from getting there?

**Satish Panchani:** Right. So, if we see India is into currently a transition phase. Since last three to four decades, we were using conventional textile printing method, that is, screen printing and rotary printing, right? So, it has been just the beginning. We are at around 7% to 8% of the total market share of that compared to the conventional printing. So, next wave of printing expansion that is happening into digital. And India is currently depending for all the raw materials to our neighbors. So, all the ink is imported, largely the paper is imported. So, as a True Colors, we are trying to build that ecosystem where a part of the consumable should be available in India. If we say the market is going to be bigger in next 5 years, next 10 years. So, many things are transitioning from conventional printing to Digital printing. Then at the same time, to print a meter of fabric, you will need ink, you will need paper. And we want to build that infrastructure that when the India grows we should be ready with the consumable requirements. We shouldn't be the import dependent only.

**Arhan:** Okay, sir. Got it. Thank you.

**Moderator:** Thank you. Next question is from line of Ashneesha Jain, an Individual Investor. Please go ahead.

**Ashneesha Jain:** Yes, good afternoon. Am I audible?

**Satish Panchani:** Yes, good afternoon, ma'am.

**Ashneesha Jain:** Yes, thanks for the opportunity, sir. I am new to the company. So, can you please walk me through how the revenue actually flows from a single machine installation over its life? How much consumable revenue does one installed machine generate over say three to five years? And how should we think about lifetime value per machine?

**Satish Panchani:** Okay. So, like we have shared a complete sheet with you. Investor presentation is being shared with you. So, you can get entire detail from that presentation. Meanwhile, let me just give you a brief idea that if you want to print a 1 meter of fabric, what you need is the first is a machine, then is the ink, then a sublimation paper and a service support. And as a True Colors ecosystem,

we are providing this entire solution at a one stop. So, once you install the machine, to print on that machine, you need a consumable that is paper and ink and that's what we are providing. So, this is more like a recurring revenue business for us, that consumable business. And the service that we offer, it is again tied with the supply of the ink. So, once as a customer, you buy the machine, you stick with the company for the supply of the ink as well. And that is what the business model is.

**Ashneesha Jain:** All right, sir. Understood. So, also the presentation mentioned that (+900) active installed machines and (+50%) revenue, recurring revenue share. So, as the installed base grows from 900 to 1200 or 1500 and beyond, how do you see the mix between transactional and recurring revenue evolving over the next three to four years? Is there a point at which consumables become structurally dominant?

**Satish Panchani:** So, that point may come, but right now, we are in very early stage of this transition. If we talk about the dominance of digital printing in India, it is around 7% to 8%. Europe has shifted to almost 85% to 90% to digital. China, almost more than 40% to 50% into digital printing. So, India is in very early stage. So, for the next 5 to 10 years, if we see then the volumetric growth in terms of machines will be there. Maybe it's a time dependent, it's a lumpy that right now people are more focused towards the expansion and they are putting some machines. But yes, every machine that is being installed will generate the requirement of the consumable. And that is where the recurring revenue that comes from, right? So, recurring revenue, if today we do not supply any machine, then also people will need that ink and paper from you on the regular basis, right? So, the more number of machines that is being added into the system, the more recurring revenue will go up. But to comment on that, when the recurring revenue volume will go extremely high, that may be a point we can discuss after three to five years that this is the time that now recurring volume will go up. So, that is one part. Another part of this mix is that in terms of consumable, what True Colors is trying to do, let's say we are jumping into ink manufacturing business, right? So, that ink manufacturing facility will not only for our self-consumption, right? We will also white label this ink for India's other importers who import this ink and supply and distribute it across India. So, in that sense, it will happen in future that for True Colors, the consumable business like ink and if we expand our footprint to the paper business, then we can cross that benchmark and move ahead, far ahead with the consumable business in future.

**Ashneesha Jain:** All right, sir. Understood. So, sir, my next few questions are on the ink business. So, first, in the ink business, you plan on transitioning from distribution to manufacturing. Can you help us understand the margin uplift here, not in specific numbers, but directionally? How much of the gap between distribution and manufacturing margins do you expect to capture and what is the realistic timeline for that to fully reflect in the P&L?

**Satish Panchani:** Right. So, here, what infrastructure that we are building is in ink manufacturing, there are two to three things that we need to consider. Number one, it will improve the margin. That is one point that right now it's a trading business. In trading business, we know that right now it's a

healthier margin, but going forward, we see that the price fluctuation, the supply volatility, everything is in front of us right now. So, in that sense, it will always help us in terms of the manufacturing that will improve the margin. Second thing is, it's about when we talk about the formulation control, in the coming time, as I mentioned, we will not only use it for our self-consumption, but we will also provide this ink to the Indian importers and to the whole world. It will be the China Plus One when the whole world sees it. So, this product, we can offer to enter across the globe, wherever digital textile printing is happening, where people are using ink printing, so this can be offered to them as well. So, it creates a new opportunity line for us. We can fulfill that need for the nation as well. So, that is the second part where we will grow. Once we have the formulation control, it is not only about the ink for the digital textile printing, we can produce ink for the digital printing in any category as well. So, in that sense, this ink expansion, ink manufacturing business is going to help us.

**Ashneesha Jain:**

All right, so got it. So, last two questions. So, you have committed roughly around 100 to 115 crores of total CAPEX across the three phases of ink manufacturing. How do you think about the return of this investment and what assumptions are you making on volume offtake, particularly in the Phase-2 and Phase-3 where capacity scales significantly beyond the current consumption?

**Satish Panchani:**

Right. So, as I already mentioned, we are not only talking about the self-consumption. As I already told you, it will be again a white-labelled product for the industry. Right now, in India alone, if we talk about the digital textile printing ink only, then India is currently importing around 12,000 tons of ink every month. So, based on that, over the next few years, the volume of this ink is going to increase over the years. So, when we talk about the volume of ink manufacturing is being served in the two phases. Number one, self-consumption. Number two, white labelled products. And number three is not limited to digital textile printing. There we can talk about pigment ink, solvent ink, eco solvent ink, UV inks are so many types of inks that are being imported, that are being produced. So, that all can be produced and that can be combined as 1,000 tons per month capacity in the next three to four years, I would say.

**Ashneesha Jain:**

Understood, sir. So, my last question is a bit on the operational side. So, in practice, have you actually seen customers attempt to switch ink suppliers? What does the real world translate on your install base and what typically happens when a customer tries to switch?

**Satish Panchani:**

Right. So, what happens when customers try to switch, number one thing that comes into the picture is the services. Because it is not more like a desktop printer that we have in our office where we have installed the printer once and then we don't need the support or the cartridges that are filled, they come and give us support. Here, what happens is, every time the fabric base changes, a machine is needs upgradation technically. It means it needs a complete handholding. So, number one, once the customer tries to switch the ink so the service support which customers require there it gets stopped. Second is this availability of the spare part for that machine. Like some customer, if a customer buys a printer from HopeTech or you bought Konika Minolta then the only chance to get the spare part is from us only, right? The third thing

is your printhead and electronic parts that come under the warranty. And once you change the ink, so warranty also gets void for the electronics and the printhead. So, that gives the stickiness. And normally, almost 99% of your customers stay with you forever. Until and unless they change the machine, they bought a new machine and the expansion is with the other machine supplier, then it happens that your ink gets changed. Otherwise, the stickiness is throughout the lifetime.

**Ashneesha Jain:** Yes, sir. Understood. That was perfect. Thank you so much for the opportunity.

**Satish Panchani:** Yes. Thank you so much.

**Moderator:** Thank you. Next question is from the line of Madhur Rathi from Counter Cyclical PMS. Please go ahead.

**Madhur Rathi:** Sir, what is the expectation for FY27 in terms of top line and EBITDA margins?

**Satish Panchani:** So, we expect to grow at around 20% to 22% over the medium term and profitability growth should outpace the top line.

**Madhur Rathi:** Okay. But last year, our margins reduced from 18% to 15% EBITDA margin. So, now this year again, can we expect it to go back to 18%?

**Satish Panchani:** Okay. So, it was a mixed effect actually. If we see at the last year and this year, first thing is the machine vertical contributed very disproportionately. And number two, this year, as I mentioned earlier that what we did is we bundle the machine with the ink supply. And due to that, around 45 to 50 tons of ink was not part of the revenue in this financial year or let's say this H2 that we supplied to the customer, right? So, this is the mix that reflects on the EBITDA margin that is around 15.6% and which is sustainable. Last year H2 when it was 17.5%, if you see, the contribution from the paper business was very disproportionate. The majority, almost we can say around 70% of the paper business was in H2 while the production was happening to H1. And that's why it shows the major jump into the EBITDA margin. Otherwise, as I normally say, this is the margin range that we are operating around 14% to 16% which is a sustainable margin range. And as growing further, our paper manufacturing capacity got doubled. Our in-house manufacturing will start. So, margin profile will improve over the course of time.

**Madhur Rathi:** Understood, sir. Sir, but in the near term, we should expect between 14% to 16% or 18% for the EBITDA margin?

**Satish Panchani:** For the near term, this is what we are doing and it will improve over the course of time. So, for the medium term, as I mentioned, it is normal margin that we are doing, that is this range. Otherwise, over the course of time, it will improve.

**Madhur Rathi:** Understood, sir. Sir, now I am new to the company. So, sir, please just your explanation is required that, sir, we have four divisions. One is the digital printers for which we are exclusive distributors of some 4-5 principles. Is that understanding correct, sir?

**Satish Panchani:** Right. Correct, correct.

**Madhur Rathi:** Okay. And second is the paper, sublimation paper which is a consumable which we make ourselves. Ink we are currently trading but we soon plan to start manufacturing on our own.

**Sachin Panchani:** Right.

**Madhur Rathi:** And, sir, fourth is?

**Satish Panchani:** And fourth is our printing, fabric supply business.

**Madhur Rathi:** Okay, sir. So, that is a job work business.

**Satish Panchani:** That is a job work and fabric supply.

**Madhur Rathi:** Job work and?

**Satish Panchani:** Job work and fabric supply.

**Madhur Rathi:** So, basically, it is just the customer is giving us the fabric, and we are printing and give it back or we just take orders and buy raw material fabric from elsewhere and print it and give the end product?

**Satish Panchani:** Yes. So, if we see the revenue, revenue split is 50:50. 50%. 50% is the customers giving you the fabric and you are printing for them, number one. And 50% is the revenue that you are buying the fabric, shows the fabric, and on your brand name you are providing that printed fabric or value-added fabric to the customer. So, that both services are there.

**Madhur Rathi:** Understood, sir. And, sir, in this digital ink, I understand, sir, this is a company, Jaysynth Dyestuff, which they are manufacturing inks and printer both in, I mean, digital inks and digital printer in India?

**Satish Panchani:** So, right now, Jay Chemicals, they are mostly into the dyes that are being supplied to the mills for conventional printing and all stuff. And otherwise, regarding to import or manufacturing, we are not much sure right now.

**Madhur Rathi:** Sir, and this rotary printing, sir, is the rotary printing sector in India, it is declining or it is stagnant or it is still growing?

**Satish Panchani:** So, right now, the start of digital printing in India, that was started in 2013. At that time, we were doing around 3 crore meters a year. And if we talk about rotary printing it has been 5 to 6 decades that we are doing rotary printing in India. So, the volume of rotary printing will be around 2400 to 2600 crore meters annually in India. But now, the new capacity enhancement, because digital printing technology has an add-on advantages, like the process is very fast here. For one sample where it takes a few weeks in rotary printing, that thing happens in a few hours here. Second thing is that here you print 1 meter, you print 1000 meters, the costing remains the same, while when you talk about rotary or conventional printing, then we have to develop a screen for it, we have to develop a color for it. If we talk from the point of view of sustainability, the usage of water, so all these requirements of today's time, where we talk about sustainability, make to order, we talk about lower MOQ, at that time, in printing, the favorable printing solution that you have today, that is the digital printing only. So, the new expansions are happening in digital printing. The people who are operating the conventional printing machines they are adding the capacity into digital textile printing. So, in future, we are hoping that, like I just answered a question, that if we see that China has shifted themselves, Europe has shifted itself completely digitally, so the next wave of expansion that is going to happen into textile printing, there is more probability towards digital only.

**Madhur Rathi:** Sir, but in your presentation, you have given that the possibility of rotary printing to grow from 4% CAGR to FY30, they are both growing side by side.

**Satish Panchani:** So, the possibility of growing from 4% you see in this way, that today you are running a rotary machine, and you are having the order from the fixed customers. Now, rotary printing, compared to digital printing, the printing solution in terms of price is cheaper. So, where we are talking about volume, rotary printing is more favorable. So, already if you are a printer, where you have one machine installed, the next expansion you do into digital and you do into rotary as well. So, if you are expanding something in rotary, then you need to start with almost 50,000 meters or 70,000 meters per machine. Where in digital, let's say you can start with a machine of 3000 or 5000 meters per day. So, it's not that it won't grow, but when you are thinking about the fast growth, or the next capacity, where it's happening that if you want to print 100 meters in the future, it is the chances that 80 meters will be in the direction of digital and 20 meters in conventional printing.

**Madhur Rathi:** Sir, our employee expense has almost doubled year-on-year, from INR 11 crores to INR 19 crores, whereas our revenue has not increased much, year-on-year, from INR 140 crores to INR 150 crores in H2. So, sir, what is the reason for such an increase? And sir, going forward, how do you see this?

**Satish Panchani:** Right. So, there are two major reasons behind this. One reason is that in the last one and a half, two years, whatever capacity expansion we have done, that is a printing business, or printing business, that is a manpower efficient business. It's a more manpower-consuming business kind of a manpower process. So, that's why you see the growth in the revenue as well, or growth in the manpower salary as well in the form of numbers maybe. Second reason is that

in the coming time, we are preparing ourselves for the ink expansion, for the paper expansion, for our commercial printing business, for our fabric business. It was started with job work only, it is now 50-50. 50% is a job of 50% of the trading, right? So, we are expanding that field as well. So, it's a time of team building. When this year's H1 started at that time we had a discussion that we are going forward in this direction. It is a team building approach through which we are preparing ourselves for times to come.

**Moderator:** Thank you. Madhur, I will request you to come back for a follow-up question, please. Next question is from the line of Saurabh Vyas from Systematix. Please go ahead.

**Saurabh Vyas:** Congrats on a good set of numbers.

**Satish Panchani:** Thank you so much, sir.

**Saurabh Vyas:** So, I just wanted to have some questions regarding the machine realization rate. I can see that we have booked around INR 60 crores in this financial year itself, and on a base of 109 machines. So, the average comes around to INR 55 lakhs per machine. But I think you have given a guidance that we have bundled the ink business into this. So, is it fair to assume that another set of INR 5 crores to INR 6 crores roughly is because of the ink bundling, or do we have gained any realization per machine in this year itself? So, on that basis.

**Satish Panchani:** So, you can consider that as a realization of the machine itself. Either we can consider that part into the machine, either we can contribute that part to the ink. So, over the course of time, for machine, for us, it works in the form of a one-time installation, which will enhance the capability of the consumable in the future. Now, we feel that year-on-year, the realization of the machine may vary. You must have seen if you compare it with the last year, then it was roughly around INR 25 lakhs to INR 27 lakhs. So, that realization may vary, but the ink that we bundled and the consumption that increased due to that, that will reflect in terms of ink revenue in the upcoming year. So, that is what we should take out of it.

**Saurabh Vyas:** Got it, sir. So, on a year-on-year basis, what is the average realization that we can actually at least have a view about this machine that we will be selling? A rough estimate will be also good for us.

**Satish Panchani:** So, it is very hard to give the rough estimation as well as well because the entry level machine that is starting from almost INR 15 lakh to INR 20 lakh per machine goes up to INR 50 lakhs. If we talk about the reactive printers then they starting from almost INR 60 lakhs to INR 70 lakhs and then go up to INR 12 crores to INR 13 crores. So, that kind of variation is there. If we talk about the reactive printers, then they are starting from almost INR 60-70 lakhs and then go up to INR 12-13 crore. So, that kind of variation is there. But at the end of the day, what as a company we internally practice, how much meter that machine is going to produce during that particular year or over the year of time and in that production, what will be the realization for our consumables, right? So, that is what makes more important. So, it is little bit difficult to say

that this will be the realization for in case of specially in the case of machine because it is very a lot.

**Saurabh Vyas:**

Got it, got it, sir. No worries. My second question is regarding the ink business. We have given an idea that we will be doing a 150 tons per month production starting FY27. So, what will be the number of machines sold, like what will be the number of total base of machine that we will be forecasting to have this kind of a proper demand for this type of--

**Satish Panchani:**

So, if we say that we are building a manufacturing capability, which is for two purposes. One purpose, it will solve our in-house consumption. That is roughly around 100 tons this year. Maybe from next year, it should be around 110-115 tons on average throughout the year, right? So, that is what the internal self-consumption is. And second is the white label product that we need to supply to the Indian importers who are importing ink and the same line of distribution. So, it will not only serve us for our self-consumption, but at the same time, it will serve for others as well. So, that is how it will expand.

**Saurabh Vyas:**

Got it. And my last question is, if I could just squeeze it in, the geographical revenue mix that I can see in the data, we still are very Gujarat-heavy dominant as of now. So, is it because the state has the dominance of the textile industry or we are actually trying to expand our portfolio to the other geographical mix of India or may be export.

**Satish Panchani:**

If you see in the textile perspective, then we all know that Surat is the hub of the textiles, right after Ludhiana into digital specially and then after Maharashtra. So, if we talk about the Maharashtra, then it is more about the trading of the business from where all the Indian consumers source their fabric and export as well from Bombay and Delhi. Otherwise, if we talk about the manufacturing, then it is core into Surat mainly, then Ahmedabad and then Ludhiana. So, that's why where we are selling the print at the same position, with the same customer, we are going to sell ink and paper, right? So, as it is a recurring business. So, wherever you have supplied the machine, your recurring business will keep increasing over the course of time. If we talk about our fabric business, then the concentration of the fabric business is more into Maharashtra because it is a hub for India for trading of the fabric. And apart from that, we are also moving in the direction that wherever we do fabric self-export, to give you a rough idea, around 6% of the revenue into our fabric business that is coming from the direct export only. So, that's how it's concentrated in that region. But when you look at it overall as a group level, you will always find Gujarat as a highly concentrated part because supplying the machine and the recurring business, ink and paper, that will come out from it, along with the spare part as well.

**Saurabh Vyas:**

Fair enough, sir. Fair enough. Sir, last question from my side, the CAPEX that we have been given the guidance of roughly around INR 110 crore. How are we planning to fund it, like from the net root or will we be using the equity or from the internal accrual?

**Satish Panchani:** So, for our ink expansion, where in the first phase we are going to invest around INR 40 crores to INR 45 crore and in the next year it is around INR 20 crores to INR 25 crore amount. So, 25% of the total CAPEX, that will be done by the internal accrual and 75% will go with the bank debt.

**Saurabh Vyas:** Got it. Got it. Thank you so much, sir. Thank you so much. Thank you so much, sir.

**Moderator:** Thank you. Next question is from the line of Mehul from 40 Cents, please go ahead.

**Mehul:** Thank you for the opportunity.

**Sachin Panchani:** Hello, Mehul ji.

**Mehul:** Yes. Sir, can you hear me?

**Satish Panchani:** Yes, we can hear you. Go ahead.

**Mehul:** So, this INKIA brand is owned by us or I am new to the company, so I am just asking this question.

**Satish Panchani:** So, INKIA Inks Private Limited is the entity that we have proposed the merger with it and we got the approval from the BSE as well and now we are going with the NCLT. So, going forward, whatever the ink that we will produce, we will manufacture in India, either it be for the textile or for any other application into digital printing, it will be under the brand name of INKIA.

**Mehul:** Okay. So far the ink which we were selling that we were sourcing from China, right?

**Satish Panchani:** Yes, from China and Japan, yes.

**Mehul:** So, INKIA is an India company?

**Satish Panchani:** Right.

**Mehul:** How much sure are we that customers will be okay with this Indian ink compared to foreign ink?

**Satish Panchani:** So, INKIA is serving the customers since last three years, we can say providing ink to the customer but in to the small volume. In last financial year if we talk then they have produced around 80 ton inks per month and in True Colors, we use around 460 tons ink from INKIA and the white labelled product they produce is somewhere 50%, 60% is white labelled to others. So, it's been two years of a journey, three years of the product supply and it's a consistent and customer has already started accepting that ink. What happens when you ink import #1, you need to import in bulk, right? You try to keep the stock of two to three months because what happens it is four color, cyan, magenta, yellow and black. Today one color gets over, tomorrow another color gets over, then it takes time to transit. Multiple things can happen. So, you

generally use to keep a stock. So, once customers started buying ink from INKIA, if they source it locally they have no worry about keeping a stock of ink. #2. Once they import the ink, they need to pay GST upfront on the port and then second is the 7.8% of the duty they need to pay upfront and the logistic charges as well. If we talk about the current scenario then there is a dollar price fluctuation. So, this all is favorable if there is availability in India, right? So that is the reason over the last two to three years people have started using this ink as a white-labelled product because whatever is coming from the China it comes with your brand name. It is white-labelled only so for the end-user it does not make any difference if the ink is made in India or it is made in China or is it made in Japan, for them the only thing that matters is you are sending the ink from the same brand of machine that you are sending. It's your brand, your product. It's the only difference is earlier it was manufacturing in China, now it is manufacturing in India.

**Mehul:** We are not providing machine from Minolta and other company, you are not having any machine production of our own. So how you are saying that your machine and your ink, I am not able to understand this.

**Satish Panchani:** What happens is you procure a machine from an OEM here. Now, to install the machine, we have a team of 60 plus engineers in-house. You need a handholding to maintain the machine. It is not like a desktop printer that we have in our office. It is not like we ordered, we open it and put it in our office, do plug-and-play and Right? So, there is a process of installing and then we have to do the color profiling of the machine. So the result you want to get for that you require a daily support.

**Mehul:** That I understood but what is the compatibility of this ink which is only two years tested I mean what we have tested in the last two years and the machines which your customers are using for the last so many years and they are such an expensive machines so what is the compatibility of the new ink which we are manufacturing with these machines.

**Satish Panchani:** What happens in compatibility supposed you are using an ink which was manufactured in China and the day you change the ink if there is no compatibility they will come to know the second day itself that your color profiling is changed. Within a week you will come to know that the ink is not working in your printhead. Within a year you will come to know that earlier in this machine I have to have these much productions now my production is coming this much. In this to try and test the ink a day or a week is more than sufficient time whether this ink will work or no because it is a batch consistency, supply consistency, all these things play a role in that. This two year journey is not the journey of compatibility test, compatibility test's journey is of four to five years. This is the journey where our ink is selling in the market as a white-labelled product. We can say that around 2000 to 2500 tons ink is already been consumed throughout this time. So there is no question mark with regards to the compatibility.

**Moderator:** Thank you. Mehul, I will request you to come back for a follow-up question. A request to all the participants, kindly limit yourself to two questions per participant and rejoin for a follow-up. The next question is from the line of Harshit from Robo Capital. Please, go ahead.

**Harshit :** Thank you for the opportunity. So, sir, the recurring revenue of INR 150 crores this year, can you tell us the split in that? How much was the ink, sublimation and spare parts?

**Satish Panchani:** Yes, yes. It is already mentioned in the presentation. However, INR 74 crore revenue coming from the ink. INR 65 crores to INR 66 crore, that was the revenue that came from the paper and INR 10 crore was the revenue that came from the spare part, INR 10.5 crores and so. I am just missing the decimal, otherwise this is the revenue split.

**Harshit :** Right. And, sir, we said that the average realization on sublimation paper, because of the GSM, has fallen. So, we have a capacity of 2 crore, right? So, what is the peak revenue we can do in sublimation paper?

**Satish Panchani:** So, let's say, right now, the last year, what the realization we got was the INR 5.6 per meter. So, based on that, you get the idea that what is the peak revenue that we can achieve if we fully utilize that capacity. That is just being added at 3-4 months before. It was added earlier, but we started to get the output of that machine since last 3 months.

**Harshit :** Correct, sir. Understood. And, sir, now that we are doing a huge CAPEX of INR 100 crores - INR 110 crores in ink, right? So, can you please help us understand 1000 tons per month, right? So, how much revenue can we get from that?

**Satish Panchani:** Yes. So, revenue will be the mixed effect. We can produce multiple types of inks in that particular plant, sublimation ink, reactive ink, pigment ink, solvent, eco-solvent, UV inks, so many kinds of applications can be covered. But if we talk about the realization, then we can assume around, let's say, INR 200 to INR 300 per liter. That can be the range of that realization, and based on that, we can consider the revenue that can come out from that project. So, it will be the mix of the product, I will say, and mostly it will be the manufacturing setup, and mostly it will be the white label. So, this is the range that we are hoping to achieve in the next few years.

**Harshit :** Right. And the margin profile for both sublimation and ink is around 15%, or do they have different margin profiles?

**Satish Panchani:** So, right now, what margin profile that we have shown you is collectively at a group level. So, overall EBITDA and PAT margin we have shown, because each, what happened there, each of divisions, we have the different margin profiles, and all the divisions have the different strategic roles. So, it is when we talk about the ecosystem, yes, it is true that we track our margin internal by division, but what we have offered is on the consolidated level.

**Harshit :** Right. So, still if you could give a range, as in sublimation will be this much and ink's will be this much, just the broadening, that's all.

**Satish Panchani:** See, the dynamics differs, right, because sometimes what happens that you take some strategic call, you bundle, as I mentioned, you bundle machine with your ink, sometimes you provide

that kind of solution, sometimes there is some higher capacity of the machine is there, so at that time you consider what will be the consumption. So, based on the consumption that you take the favor, and you play with that margin profile, but overall, when we see it as a broader level, I guess we need to see it as an ecosystem level, okay? So, at that, what we have provided is the EBITDA and PAT at the consolidated level. Individually, particular product-wise, it is a little bit difficult, and it is also a competitive sensitive product as well.

**Moderator:** Thank you. I wish with all request to come back. Participants currently limited to two questions per participant. Next question is from line of Disha from Sapphire Capital Partners. Please go ahead.

**Disha** Yes. Thank you, sir, so much. Thank you so much, sir, for this opportunity. So, firstly, on this ink business expansion, this Phase-1, when do we expect this to come online?

**Satish Panchani:** So, production should start by the end of the year, and maybe we can have the realization of that into the next financial year.

**Disha** And, sir, this receivables that you mentioned, we have seen a sharp increase, but how much of this has been recovered in April?

**Satish Panchani:** So, it was, let us say, INR 111 crores as per books at the end of the 31st March, right? And if we talk as on today, it is around INR 93 crores. So, that is the amount that you can consider how much it has recovered.

**Disha** Right. And what is the working capital that we are targeting for this entire, for 2027?

**Satish Panchani:** So, working capital limit that we are using from bank is of INR 40 crores.

**Disha** No, the working capital days, what is the target for that?

**Satish Panchani:** So, this year?

**Disha** Yes.

**Satish Panchani:** That I may work again on it. Right now, what we are doing is we are trying to get more optimization into that number. However, again, a strategic call, sometimes supply of the machine varies, sometimes the consumable business goes up. So, it depends on the time to time, but the overall matrix, if you say, we are very much focused into the direction for the AR as well.

**Disha** Okay. So, with this ink business, with the expansions, will you actively be substituting imports? What sort of extra additional margin benefit can we see from this?

**Satish Panchani:** Yes, yes. Margin benefits will be there. It will depend on the type of the ink that we are producing. And the second is the volume, that the production capacity that we will get over the years, like in the very first year or let's say in the beginning of the six months. If we are, if we are, if we are, if we consider that 60% or the 70% utilization of the plant, the margin will differ. If 80% of the utilization of the plant, margin will differ. If we say we are producing this much of the sublimation ink, this much of the reactivating, depending on the, on the production of the product, depending on the production of the volume, margin will differ. But yes, it is definitely going to improve.

**Disha** So, sir, at optimal utilization, will it be possible for you to put a number as to what sort of increase can we see in margin?

**Satish Panchani:** So, right now we are more focused onto the execution part. The number that we are calculating right now is the, in proportionate with the project cost and the product and the volume that we are going to achieve. So, internally, we are working on it. But right now, to comment on the specific margin amount is a little bit difficult for us. So, let us start with the plant owing operation. Let us start the production first and in the latter stage, we will discuss, discuss on the margin as well.

**Disha** Okay. Okay. Fair enough, sir. That's it from my side. Thank you.

**Moderator:** Thank you. Next question is from line of Naveen, an Individual Investor. Please go ahead.

**Naveen:** So, in, in sublimation paper, our actual value addition is the coating. So, any reduction in GSM, is there any impact on the margins? I understand on the revenue, there'll be. But is the margin also impacted in any way?

**Satish Panchani:** So, what happens, when your GSM goes lower, at that time your raw material procurement also cost goes lower. So, eventually, it doesn't affect much on your margin level because earlier you used to buy 45 GSM paper. Now you are buying 30 GSM paper. So, the margin remains the same.

**Naveen:** Got it, sir. And in our new install base, we have started selling higher throughput machines, which are more productive. So, will the consumable intensity significantly be different than the older machines?

**Satish Panchani:** I didn't get your question.

**Naveen:** I mean the consumption of ink, because they produce at, they print at a higher speed.

**Satish Panchani:** So, it is only on meter so once your meter capacity gets enhanced, the consumable requirement goes up. So, the ink consumption gets increased over the time.

**Naveen:** And out of the total install base of 900 machines, how many of our customers continue to buy from us the ink and the paper?

**Satish Panchani:** So, in terms of ink, as I mentioned that ink is a sticky product. Generally 99% of the customer, the day they buy machine, they use your ink only. That is not the case with the paper. Paper is the open market because it works as a carrier, right? In terms of paper, if we say, then what we are right now, till last year, we were producing around 10 to 12 crore meter of paper per year. Where our installed base was producing around, was using around 22 to 24 crore meter paper. So, we were, we were having that gap with us and that's why we put one more machine to enhance the capacity to, to cater our installed base.

**Naveen:** Understood. Sir, last question from my end. We are starting with commercial printing vertical, the new vertical. Will it involve any additional investment or are we going to use the existing, this thing, whatever existing infrastructure we have for that?

**Satish Panchani:** So, what for the commercial printing, it is like in very early stage, okay? So, what we are trying to do is, we are trying to enter in the field by our trading sector. So, whatever the machine requirement, we will bring the machine and we will sell it to customers. So, it is a start opening it as a distribution business. So, we will not require any kind of further or additional CAPEX into that. But at the same time, as you know that we are, we are going to be the ink manufacturer. Over the course of time, these printers will require inks. This entire network requires ink and they are right now import dependent, right? So, that will open a door for you in both the direction, not only the supply of the commercial printing, but printing machines, but also will open the direction for the ink business. So, also not limited to the self-consumption, but again, a white label product. So, over the years, when India will shift from, in all the applications, so you as a company will project yourself as a digital printing ecosystem, not limited to textile, because if you have the formulation capability, if you have the manufacturing capability, there will not be any reason to hold yourself. So, that's why we have started to taking that baby step into that direction as well. We will start that with trading and then we get ourselves converted into manufacturing if that kind of response that we get from market.

**Naveen:** Will it involve any service layer like our fabric printing vertical?

**Satish Panchani:** Yes, it will. It required a team of service engineers. Right now, we have not added any additional resources into it. What we are doing is we are right now evaluating, we are taking some distribution ship, we will participate into some exhibitions, sales channel has been developed for it. And over the course of time, as we get some installation in our hand, we will start to build a team for it as well.

**Naveen:** Thank you, sir. That's all from me. And congratulations.

**Moderator:** Thank you. I request all the participants, kindly limit yourself to two questions per participant. Next question is from the line of Vikas, an individual investor. Please go ahead.

**Vikas:** Sir, I wanted to ask, this year we did a revenue of INR 300 crores. So, in the next 4-5 years, how much will we see? Will we get numbers like INR 1500 crores or INR 1200 crores, something like that? So, sir, what is the revenue profit, sir?

**Satish Panchani:** So, the revenue growth that you have seen, te last 3-4 years' records that you have, so we are growing ourselves. India is growing into the field of digital textile printing. At the same time, we are also trying to build an ecosystem, where our dependency on neighbors, or Europe, or Japan, the dependency on Japan for consumable that should be reduced. So, naturally, the technology will grow, adoption will increase. It is more kind of a disruption where we have been using an old technology for years for printing there the digital comes as a disruption. So, we will focus more towards the execution and to build the capability for manufacturing the consumables. That will be our core focus area for the upcoming 3-5 years. And revenue number will reflect of that approach and that execution over the years.

**Vikas:** So sir if you can give a CAGR of 40% or 50% something which you can share?

**Satish Panchani:** Sir, see, internally, the plans that we make, that is for the next 3 months, next 4, 6 months, next 12 months, what we want to do, what we want to achieve. So, if you see over the last three years so much has changed, so many infrastructure is being built. Where we had a capability of producing 4 crores papers that we have increase to 10 crores now we are talking about 24 crores meters so that's how everything is growing. And based on that growth, in the coming time, as I said, India is growing into this field. The proportion of printing will increase in digital printing. And our focus will be that recurring revenue, in that infrastructure, in building that, where all we can contribute. That will be the only projection over the years.

**Vikas:** Sir I wanted to ask you whoever is our competitors, so how are we going to compete against them in all the fields, how are we going to edge over them?

**Satish Panchani:** We have three divisions, right? One is the machine. The type of machine that you offer, the technology that you offer, it is more related to your service network. So, if you are focusing on your services, your machine is definitely going to sell into the market. When you are selling the machine in the market consumable is your bi-product it will go parallely to that. And when we talk about the printing business, it is a huge market, you know in India 7000 to 7000 crores meters textile is being consumed in India. So, that is a consumer-based market where there are a lot of products. So, how do you develop your product? The edge will be for us is that the consumable business of our where we are shifting from installed based to consumable, we are backward integrating the consumable and going towards the manufacturing so that is the backward integration. So, we will try to make ourselves strong into that position.

**Vikas:** Okay, sir. Thank you, sir. Thank you.

**Moderator:** Thank you. Next question is from the line of Harkeerat Singh, an individual investor. Please go ahead.

**Harkeerat Singh:** My first question is regarding the ink manufacturing. So, the raw material that is required for the ink manufacturing, so you will be sourcing from China or Japan or it's available in India?

**Satish Panchani:** So, both the things are there. Some of the things is mainly from India and some of the material you can also, it's two options are available. Either go with India, either go with China. So, depending on the volume, if you don't have volume for a certain raw material, you need to go to China. If you have volume, then India can also produce all the chemicals and other dye stuff are possible to source from India as well. Okay.

**Harkeerat Singh:** And second thing is like we are selling machines from four to five brands. So, will these brands allow us to sell inks manufactured by us?

**Satish Panchani:** So, when we talk about the, lets take an example, we are importing machines from China and we are importing ink from China as well, right? So, machine that is from a company named HopeTech. HopeTech make machines not only for digital textiles, they are making for digital printing. So whether you are printing Mica, or you are printing textile. So, they are focused into machine manufacturing. Ink manufacturers are different from where we procure the ink. And that ink that we import or the importers who imports the ink to India that is by the brand name of True Colors or who have their own brands, all are white-labeled. So, it is not tied with the machine supplier. So, they are working as an OEM, they are using their own brand, they are supplying the machines and then business is done. Now, you as a service provider, because your customers needs a complete handholding, they need services time to time, they need the replacement of the parts so you are providing these services to them additionally through your ink supply.

**Harkeerat Singh:** And my last question is regarding the trade receivables. The trade receivables as of the 31st March is around INR 111 crores. And right now you have recovered around INR 15 or INR 18 crores, right?

**Satish Panchani:** Right. So, yes.

**Harkeerat Singh:** Yes. So, tell us what is your trade receivable period like within 45 days or 60 or 90 days?

**Satish Panchani:** So, our general trade receivable period is 90 to 120 days. But normally what we received is around in this range only. So, this time due to, as I already mentioned, that is the number one, this trade receivable is the reflection of the revenue that we did in that three months. The second is the machine that we have provided some credit limit and the third thing is due to the MSME compliances and some payments get stretched, but then again, as I mentioned, it gets recovered. So, now the situation is normalized. So, if you consider the three months of revenue period and let us consider 80 crores, so it is more or less similar to that only.

**Harkeerat Singh:** So, what amount of money is blocked in this kind of a working capital?

**Satish Panchani:** So, working capital cycles in like what we need to make payment is around 45, normal payment terms is around 16 to 90 days. For MSME suppliers, it is as per mandatory to make it 45 days, right? So, right now what working capital that we are using is we have the INR 40 crore working capital limit from the bank and the INR 30 crore fund that we have infused. So, that is what the working capital that we are using right now.

**Harkeerat Singh:** I am asking like working capital blocked in the form of trade receivers?

**Satish Panchani:** Working capital is blocked. So, this is the normal working capital cycle. There is no block. It was only at the time that in the March that we see. Otherwise, as I mentioned, it was a reflection of the revenue growth at the time here. Then little bit of machine sales, that is a longer credit cycle. Otherwise, there is no specific customer specific concern is there.

**Harkeerat Singh:** So, is there any scope like in the near future we can reduce our receivable days?

**Satish Panchani:** Reducing the receivable days is again a strategic call. Then right now, we are typically this is the business cycle that we are working on, which is extended to 90 to 120 days and this is the normal cycle that we are working right now.

**Harkeerat Singh:** So, the entire industry works on the 90 to 120 days?

**Satish Panchani:** Yes. Industry, it is a working cycle is there only. Okay.

**Harkeerat Singh:** Thank you.

**Moderator:** Thank you. Next question is from line of Praveen Jadhav from Dheeraj Investments. Please go ahead.

**Praveen Jadhav:** Sir, you were saying like in earlier calls, you had mentioned that the ink that we use, like they buy from other companies, buy from us because if they change the ink, then like the printing will come different, right? So, now when we do production from the new INKIA here that we merged with us, so how will we like get the same thing like which we are providing currently?

**Satish Panchani:** So, because INKIA here has a technology from the grassroot level. So, we have all the formulation capability that any bottle, any color from any corner of the world, if we bring it to the INKIA'S table, then we can manufacture the or we can produce the same kind of ink, same kind of color tone and vulnerability. So, that is the manufacturing capability, that is the formulation capability, the technology support that INKIA has. And it is already being done, as I mentioned, the supply consistency is there since last two and a half years. So, it can be produced here in India as well.

**Praveen Jadhav:** Okay. So, you are saying that it won't be a problem when we start?

**Satish Panchani:** At this time, even it is not a problem. It has been two and a half years it is consistent supply of ink is going into the market.

**Praveen Jadhav:** And so, like second question is like in future, are you planning to buy out a small digital printing machine company in future? So, you will be like full-fledged you will be like company.

**Satish Panchani:** So, what happened as we all four promoters are having the background of engineering. So, it always runs into the mind that go backward and try to solve the technological issues. And that will always be in mind. And if that kind of opportunity comes into the picture, that we can produce the machine here by buying some company or doing in-house some R&Ds. So, that always runs in the mind and we will take that opportunity anytime. Because that is what how India should look like, how True Colors should look like in future. Yes. I will support that question.

**Praveen Jadhav:** Okay. That is great to hear. And so, last question is I just missed out on, like this year, what is your like estimate for the revenues for 2027?

**Satish Panchani:** So, we expect to grow at 20-22% over the medium terms. And as I mentioned that profitability growth should outpace the top line.

**Praveen Jadhav:** Okay, sir. Thank you, sir. Thank you.

**Moderator:** Ladies and gentlemen, that was the last question. And now I hand the conference over to Mr. Satish Sir for closing comments.

**Satish Panchani:** Yes, Neerav. Thank you. So, thank you all for joining us today and for your thoughtful questions. We look forward to engaging with you again next quarter. And in the meantime, please feel free to reach out our IR team for any follow-up. Thank you. Thank you so much.

**Moderator:** Thank you very much. On behalf of True Colors that concludes this conference, thank you for joining us and you may now disconnect your lines. Thank you.