



# HARSHDEEP

**Date: 26<sup>th</sup> May, 2026**

To,  
The Manager,  
**BSE SME Platform**  
Department of Corporate Services,  
25th Floor P.J. Towers,  
Dalal Street Fort, Mumbai - 400 001

**BSE Scrip Code: 544105**

**Subject: Transcript for Audio Recording of Earnings Conference Call pertaining to H2 FY25-26**

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Please find attached herewith transcript for Audio Recording of Earnings Conference Call held on Tuesday, May 21, 2026 at 12 Noon pertaining to financial Result of Company of H2 FY 2025-26.

Thanking You,

Yours faithfully,

**For HARSHDEEP HORTICO LIMITED**

**HITESH CHUNILAL SHAH**  
**MANAGING DIRECTOR**  
**DIN -09843633**



**HARSHDEEP HORTICO LIMITED**

**CIN : L26994MH2022PLC396421**

**Redg. Office:** Building No. 01, Gala NO. 1 to 4 (Part),  
Shree Sai Logistics, Survey No. 18/2 P, 17/2A, 17/2 A, 17/B Part,  
Village Elkunde, Bhiwandi Thane - 421302, Maharashtra  
**Mob : 7506334491/94 Email : info@harshdeepindia.com**



**Harshdeep Hortico Limited**  
**Q4 FY26 Investor Conference Call**

Event Date/Time : 21/05/2026, 12.00 Hrs

Event Duration : 1 hour 1 mins 46 secs

**MANAGEMENT DETAILS**

**Mr. Harshit Hitesh Shah**

Director & CFO

**Q&A PARTICIPANTS:**

- |   |                           |   |
|---|---------------------------|---|
| 1 | <b>Raj Shah</b>           | : RK Family Office.                     |
| 2 | <b>Keshav Garg</b>        | : Counter Cyclical Investments Pvt Ltd. |
| 3 | <b>Prashant Kale</b>      | : Star Capital.                         |
| 4 | <b>Love Gupta</b>         | : Counter Cyclical Investments Pvt Ltd. |
| 5 | <b>Gunit Singh Narang</b> | : Counter Cyclical Investments Pvt Ltd. |
| 6 | <b>Mustafa Khedwala</b>   | : Cube Investments.                     |

## **Moderator**

Good afternoon, ladies and gentlemen. I am Akash, moderator for the conference call. Welcome to Harshdeep Hortico Limited Q4 FY26 Investor Call. We have with us today, Mr. Harshit Hitesh Shah, the CFO & Director.

As a reminder, all participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing, \* then 0 on your touch-tone telephone. Please note this conference is being recorded.

I would now like to hand over the floor to Mr. Harshit Hitesh Shah. Thank you, and over to you, sir.

## **Harshit Hitesh Shah**

Very good morning to all the investors sitting over here on the panel and on the call. It is an honour to speak to everyone and showcase our Q4 results, which we have performed very well. I would like to introduce myself. I am Harshit Shah. I am current CFO and Director of the company, Harshdeep Hortico Limited.

We are a leading manufacturer of premium planters, garden furniture. We also have started agricultural shade nets. And we have also started a 3D printed EcoSeries pots. So, let me start with what Harshdeep is. Harshdeep is basically a family business started by my father, Mr. Hitesh Chunilal Shah, in the year 2000. And since then, we have been working very hard in this industry and in this space to encourage people to use pots, in order to standardize the gardening needs.

And moving forward, we have 150-plus employees currently working in the company. We hold more than 2,000 SKUs. We have a presence over 27 states. Currently, we have introduced one more new factory, which adds up to three total factories of Harshdeep, and we have a total of seven showrooms all over the country. Moving ahead, we have a lot of different types of techniques through which we manufacture pots.

First of them is the roto moulded series, which stays for more than 10 years, and that is the highest quality planter that we make. We provide a guarantee warranty of approximately 10 years in this, and this is a high volume, high margin category for us. And the last financial year, we have done somewhere around 30-35% of this category of the total revenue. Going on to the next category is the fiberglass, which is the aesthetics are maintained in this kind of a category, and it is hand painted. It is hand manufactured. Everything that you see on a fiberglass planter will be handmade by us.

Moving ahead is the indoor series, which is highly used by the corporates for gifting purposes, by offices, for keeping it on the tables of the Directors and the CEOs. Going ahead, we have a sustainable series, which is highly recommended by us to the Western world, that is the U.S. markets and the Canadian markets and the European markets. As we have successfully entered the U.S. marketplace and the European marketplace in this financial year with the help of this particular raw material that is the EcoSeries.

Moving ahead, what is EcoSeries? EcoSeries is a blend of sugarcane husk, coffee beans, and rice husk. And with the help of these bioproducers, they are making the raw material by infusing it with the recycled plastic granules, and we are trying to make it 100% sustainable by using the 100% recycled powder and not the powder which is recyclable.

Going ahead, we have a very strong connection, and we have strong contacts with the nurserymen who are growing the plants from a very small size to the desirable size. And we are producing somewhere around 1,00,000 pots daily of this category. This is basically high volume and a less margin area, and we have done somewhere around 30-35% of revenue share in this year.

As I speak ahead, we have introduced a new vertical, and vertical that the country has never seen. That is the rotational moulding fountains, which are used for indoors and outdoors purposes. Why do I say, why we have introduced this for the first time is because no other company in India, even the top roto moulding companies, knew about this, but they could never fountains this because of the complexity of the moulds.

And the benefit that we give to our customers is that, first of all, it is UV resistant and the weather resistant. It is very much light in weight. So, the problem with the fountains earlier was that moving them from one place to another was a headache. And they used to break down. They used to chip off. And they used to fade away. With the help of this rotational moulding technique, we have introduced 10-year warranty on these kind of fountains.

The main USP is the quality, and it is, of course, crafted for the modern spaces. As we go ahead, we have another vertical that is the AgriShield. In order to protect the plants from the outside environment, we use a protective layer of clothing, which is used by the nurserymen, in order to create the greenhouse effect for the plants to thrive in our desired condition. So, that is also a very big market, which is approximately INR 2,000 crore market eventually, and we have done pretty good in this vertical as well, as this was an introductory year. And a lot of customers have appreciated the quality and the services that we provide along with that.

Moving ahead, we have introduced four new major distributors this year, one in NCR, one in Hisar, one in Aurangabad, and one in Kolhapur. Currently, we have 13 major distributors all over India, one in Kolkata, Hyderabad, Chandigarh, Visakhapatnam, Patna, Kolhapur, Aurangabad, Jaipur, Visakhapatnam, Hisar,

NCR, Kolkata, and Mumbai. We have two warehouses all over India, one is in Bhiwandi, one is in Bangalore. With one more manufacturing facility added to our portfolio, we have three different locations of our factories. One is in Pune, one is in Delhi, and one is in Bhiwandi. The biggest factory would be in Bhiwandi, approximately 1 lakh square feet of working space. The second will be the Pune, 40,000 square feet approximately, and Delhi will be somewhere around 20,000-25,000 square feet.

Moving ahead, we have seven showrooms, one in Rajahmundry., one in Ahmedabad, one in Mumbai, two in Pune, and one in Delhi. We have plans of expanding our reach with the help of showrooms all over India. We have plans of expanding in this space as well. We have successfully exported to two new countries this year. One was in Canada, one was USA, and one was the Netherlands.

And we have successfully exported in countries like Kuwait, Tanzania., Oman, Saudi Arabia, UAE, Nepal, Taiwan, New Zealand, and Australia. As we go ahead, I have explained that we manufacture the pots with the help of a lot of different techniques, injection moulding technique, rotational moulding technique, blow moulding technique, and fiberglass planters.

Speaking of the revenue that we did for this year, in H1 was somewhere around INR 32 crores, 64 lakhs. And in 2026, H2, we have done somewhere around 36.1%. We have in the year FY2425, we had done in H1 was INR 24 crores 90 lakhs, and the H2 was INR 31 crores 51 lakhs. So, there is a significant increase in the revenue of H1 and H2 in the year FY2526. Speaking about the EBITDA, it has increased from INR 5.95 to 8.4 crores in H1 and INR 9.0 to 11.3 crores in this H2. Speaking of the PAT, we have increased the PAT from INR 4.22 to 5.7 crores in H1. And INR 5.47 to 6.82 crores in H2 in comparison from FY24-25 to FY25-26.

I will be uploading the presentation on the BSE website so that everybody gets a better understanding of the balance sheet and the numbers of Harshdeep. And if there are any questions, we are, of course, available on the email to answer them. Thank you so much, everyone, and thank you so much for listening. We can start the question-and-answer now.

### **Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad, and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing, \* and 1 again.

The first question comes from the line of Mr. Raj Shah from RK Family Office. Please go ahead, sir.

### **Raj Shah**

Hello. Am I audible?

**Harshit Hitesh Shah**

Yes.

**Raj Shah**

What is the revenue breakup between B2C and B2B? And is B2B order book driven? Then what is the current order book?

**Harshit Hitesh Shah**

Basically, we are doing B2B, that would be 75% of our business. B2C will be the other 25% of our business, but we are more focused towards the B2B businesses. Because it will help us grow in volume. And when we say B2C, it is only required for us in a specific category that is the garden furniture, because we have understood this year that a lot of people are trying to approach us directly in order to buy the garden furniture and the garden fountains. So that is a brand that will be going towards the B2C, but the pots business will be purely B2B.

And if you ask me about the current order book, we have three orders lined up of the airport.

One is Lucknow, one is Mumbai, and one is Visakhapatnam, which comprises approximately INR 1.5 crores. And other orders are continuously running of our own showrooms around the clock as the season is going to come up. And the monsoons are already setting up, and that is a favourable condition for us to do business.

**Raj Shah**

Okay. Can you throw some light on roto moulded foundation -- sorry, roto moulded fountains? What is the market size in India versus developed world? Are we in export in this segment or not?

**Harshit Hitesh Shah**

As I said that we have newly introduced the fountains of roto moulded, and the country has never seen a roto moulded fountain before. I would say, that we have a very good niche that we have connected. And as you speak of the exports, so it is a very big market in USA and in European markets. If you tell me, the decorator fountains and the export, it will be somewhere around USD 1.3 to 1.5 billion.

**Raj Shah**

Okay. And, what is the current import and export mix? Sorry, I mean, domestic sell and export mix.

**Harshit Hitesh Shah**

See, as I said that we have recently introduced it in the month of March. So, we are --

**Raj Shah**

No. I'm saying overall.

**Harshit Hitesh Shah**

Overall. So, there is nobody doing any kind of rotational moulding fountains over here in India, as I said. Nobody has done it. We are the first ones to introduce it, so we are trying to gather as many numbers as we can currently.

**Raj Shah**

I meant overall revenue. From, overall revenue perspective, how much is export?

**Harshit Hitesh Shah**

Of the company?

**Raj Shah**

Yeah, of the company.

**Harshit Hitesh Shah**

Yeah, okay. So, this year, as we know, there were some geopolitical issues arising, so we have not really got what we were supposed to do, but we have done somewhere around, say, 2% of the total revenue in exports.

**Raj Shah**

Okay. And, sir, what is the current capacity utilization? And what can be the peak revenue possible from current infrastructure?

**Harshit Hitesh Shah**

I'm sure, I cannot give the numbers out according to the rules and regulations. But I would say that we are comfortable to do at least 35-40% growth from the current infrastructure. And we have also increased our infrastructure in this financial year in order to grow more exponentially. As I said, we have introduced one more factory in Delhi, and we have introduced one more warehouse in Pune, in order to manufacture the shade nets, and in order to manufacture the pots in the northern market. Because we are trying to eliminate the logistics cost, as it will help us getting advantage with our competitors to sell it at a more competitive rate. And we could provide the stock as soon as possible to all our customers.

**Raj Shah**

Okay. Sir, according to regulation, you can always give us current capacity utilization and peak revenue potential. I'm not asking you for the guidance like we will do this year that much and all that, but I am asking the amount which we have invested, out of which how much revenue is possible?

**Harshit Hitesh Shah**

Sir, we are very much comfortable of doing anything above INR 100 crores with the current infrastructure.

**Raj Shah**

Okay. Thank you. I will be back in the queue.

**Harshit Hitesh Shah**

Thank you.

**Moderator**

Thank you so much, sir. The next question comes from the line of Mr. Keshav Garg from CCIPL. Please go ahead with the question, sir.

**Keshav Garg**

So, Harshit, I understand that we were expecting somewhere around INR 85 crore revenue, which we have fell short of in a big way. And for FY27, the guidance was INR 115 crore. Realistically speaking, what's a realistic number for FY27? Or instead of a number, why don't you just give a ballpark, like we can grow our business by 20%, 15%, 25%, something like that instead of firm numbers.

## **Harshit Hitesh Shah**

Sure. Keshav ji, as I said, that this year, in the second H2, we saw a lot of irregularities in terms of raw material available. There was no LPG gas available as the whole rotational moulding machinery of ours works on LPG gas, which we were cut off for approximately two months. And there were labour shortages because of non-availability of LPG gas to the lower class and the labour class. And we tried to protect their LPG. And we did a lot, but there were a lot of issues that we faced, and we had also a very big order book, which we couldn't supply, because we couldn't produce that much amount of pots and furniture.

The biggest disadvantage that we had was non-availability of raw material A. The prices shot up 20-25%. And as we come into luxury goods, and they're not into a commodity or essential goods, so people started decreasing their orders. And then we faced acute shortages of LPG gas, which we couldn't manufacture the pots.

So, these were the few reasons that we couldn't come to the promised turnover. And because of the rising prices, a lot of big projects were also deleted from the portfolio. These were a few reasons that we saw, but still, we were able to achieve INR 69 crores, which was promised INR 85 crores. But, yeah, I won't say that we couldn't achieve what we promised, but we have achieved the best according to the current scenario.

## **Keshav Garg**

Yeah. I appreciate the headwinds, Harshit. So that's why I'm saying, keeping everything in mind and your best judgment, and I'm not talking only about FY27. Let's say for the next 3 years, what is your aspiration? At what rate do you realistically feel that we can grow this business?

## **Harshit Hitesh Shah**

Coming again to that point, if the geopolitical conditions go back to how they work, then we are surely positive on 25-30% of growth every year that we can see, which is realistic.

## **Keshav Garg**

Sure. Now, Harshit, as you alluded, the raw material prices --

## **Moderator**

Keshav, sir, sorry to interrupt you. I would request you to join back the queue for more questions, sir.

**Keshav Garg**

Yeah, just let me complete my last question. Harshit, now the raw material prices have gone up. So, have you taken any price hike? And what should the shareholders expect on the margin front? Can we sustain the 30% margin ballpark?

**Harshit Hitesh Shah**

Sir, we are trying to maintain the margin, but I cannot really put the whole amount on my customer because they'll run away. I'll be very honest to you because we have to compare our rates with the competitors as well. And everyone has done a 20-25% hike in their prices, and that is how much we have done as well. But moving along, if the condition worsens, I don't think so. As a company we will not be putting the whole burden on our customers. Somewhere we will help our customers in order to expedite the orders. But I'm sure that we will be keeping the margins as hard as possible, like we will be plunging to it as much as possible.

**Keshav Garg**

Sure, Harshit. Much appreciated.

**Harshit Hitesh Shah**

(Indiscernible 00:19:40)

**Moderator**

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press \* and 1 on your telephone keypad. The next question comes from the line of Mr. Prashant Kale from Star Capital. Please go ahead, sir.

**Prashant Kale**

Hi, Harshit.

**Harshit Hitesh Shah**

Hello Prashant ji, please tell me. Sir, you're not audible.

**Moderator**

Prashant, sir, can you just speak little louder? Your voice is not audible.

**Prashant Kale**

Hello, can you hear me now?

**Harshit Hitesh Shah**

Yes.

**Prashant Kale**

Hi, Harshit. Congrats on good set of numbers in this difficult time.

**Harshit Hitesh Shah**

Thank you, sir.

**Prashant Kale**

My question is, we had almost two months of gas supply disruption. Now, is it completely restored and we have full gas supply to run all the three facilities at full capacity?

**Harshit Hitesh Shah**

Sir, you're not audible. Can you please speak a bit loud? Hello?

**Moderator**

I believe Mr. Kale is not in the queue anymore. He has left the queue. Let us take the next question from Mr. Love Gupta from Counter Cyclical Investments. Please go ahead, sir.

**Love Gupta**

Yes. Hello, sir. Thank you for the opportunity. So, sir, our working capital days have been increasing YoY. Am I audible?

**Moderator**

Gupta, sir, would you speak little louder and clear because --

**Harshit Hitesh Shah**

Can you speak a bit loud?

**Love Gupta**

Hi. Am I audible now?

**Harshit Hitesh Shah**

Yes. You're very much audible, please.

**Love Gupta**

So, sir, our working capital days have been increasing YoY. What steps are we taking to keep that in check, and what is the sustainable level that we can expect to reach over, say, 1 or 2 years?

**Harshit Hitesh Shah**

Hello?

**Love Gupta**

Hello? Yes, am I audible?

**Harshit Hitesh Shah**

Sir, can you please repeat your question.

**Love Gupta**

Our working capital days have been increasing YoY. So, what was the reason for the same? And what sustainable level can we expect to achieve? And what improvements can we expect to see over the next 1-2 years?

**Harshit Hitesh Shah**

So, coming on this question, as you said, the working capital is very much required for us is because we are increasing our capacity every day. We are trying to reach every corner of this country. That is only possible if you infuse the funds in terms of stock, in terms of current assets. And the receivables are going to increase as we increase the businesses. As for this financial year of particularly, we have a few customers who have done phenomenally very nice, which we have seen, like, a growth, 100%.

In order to support these kinds of businesses, we have to give them some kind of credit. And as the business increases, so does the credit also increases according to that, but we are actively asking for credit from the customers who are not doing that big of a business. But we are solely behind the back in order to get our payments back. So that is one of them. We are also trying to cut down the salaries and the expenses of the company in a way, in order to curb the working capital. But we are sure that something like inventory, we will have to hold the inventory of this number in order to grow.

Because one particular order comes in, for example, say G20 was there, say, Modi ji had to come over here just for the inaugural of the airport. They had to provide them pots worth INR 1 crores instantly in a span of two weeks. Something like this, some events do arise like this because of that, we have to keep our inventory high. And, of course, as we are opening up new stores and dark stores all over the country, that also contributes in the increasing of the inventory.

**Love Gupta**

All right, sir. Thank you.

**Moderator**

Thank you so much, sir. The next question comes from Mr. Prashant Kale from Star Capital. Please go ahead, sir.

**Prashant Kale**

Yeah. Hi, Harshit. Thanks for the opportunity.

**Harshit Hitesh Shah**

Hi.

**Prashant Kale**

Yeah.

**Harshit Hitesh Shah**

Yes, please.

**Prashant Kale**

My question is we had almost two months of disruption in gas supply. Is it now fully restored? And is it sufficient to run all our three facilities at full capacity?

**Harshit Hitesh Shah**

Still, there are a few things, like the prices of the raw material has been hiked by 60%. The LPG gas is still not streamlined because they are more focusing towards the domestic use of the LPG gas. And even the labour shortages are there as we are seeing because the prices of petrol and diesel has also increased. And a few statements from the political parties has really frightened them. But we are trying our best to make sure that everything runs smooth.

**Prashant Kale**

But how much capacity is affected, like 10% capacity, 20% capacity? How much is affected?

**Harshit Hitesh Shah**

We have three different divisions of manufacturing, and all of them require different kinds of raw material. And, for example, in injection moulding, rotational moulding, we require LPG gases. In blow moulding, we require top material, PP and CP. So, acquiring all of them as a problem, but I would say 10% of our facility has been affected because of all the regulations.

**Prashant Kale**

All right. And for shade net division --

**Moderator**

Sorry, interrupt Prashant, sir. I would request you to join the queue once again for more questions.

**Prashant Kale**

Okay.

**Moderator**

Thank you, sir. The next question comes from the line of Mr. Gunit Singh from Counter Cyclical Investments. Please go ahead, sir.

**Gunit Singh**

Sir, thank you for this opportunity. Can you please give me the current product-wise revenue and margin mix for planters and eliminated products, the new outdoor furniture's and the shade that we have introduced?

**Harshit Hitesh Shah**

Yeah. Sure. I'll give you that. Just hold on. Just a second, I will get back to you on that. Yeah, so, revenue-wise, the roto moulded series has done somewhere around 30.66% of the total revenue. The Grower Series has done 42-43% of the margins. The shade net has been introduced this year, and we have done somewhere around 3% of the total revenue. Then the Decorative Series comprises of approximately 14% of the revenue mix.

The EcoSeries has done somewhere around one 1-2% of the revenue mix. The fiberglass has done somewhere around 3.78% of the revenue mix. The garden furniture has done 1% of the revenue mix, as it is a new category, and nobody else has been doing this in India, and we are the only ones pushing it all over the places. This is our revenue mix of all the categories comprising.

**Gunit Singh**

Got it. So, what percentage of our sales are B2C? And we have seven showrooms currently, right?

**Harshit Hitesh Shah**

Yeah.

**Gunit Singh**

So, I would like to understand the sales from our showrooms and the margins that we get from the B2C sales. And do we have any plans to expand in that direction, whatever experience have been?

**Harshit Hitesh Shah**

So, coming to your question, B2C is something that we were not focusing primarily. And why do we have showrooms all over the places? I will tell you. I'll explain you as because we wanted the logistics to be easier for all our dealers and distributors in these cities. So basically, the main purpose of us to open up a showroom was to improvise the logistics, and improvise the chain logistics by supplying the goods to the all of these kind of traders with the help of our showroom, and we only deal to wholesalers from all of the showrooms.

And we don't really do retail in terms of planters. But we do retail in fountains and furniture. In order to improvise our B2C connect, we are opening up e-commerce website wherein we will be selling the furniture and the fountains online as well. So, we are trying to push planters into B2B and the fountains and the furniture into B2C marketplace.

**Gunit Singh**

Got it. So how much is the B2C sales currently?

**Harshit Hitesh Shah**

The B2C sales will be somewhere around, it is very difficult for me to bifurcate between the B2C and B2B currently is because these showrooms do invoicing on terms of customers. So, ballpark figure, if you tell me, I will be able to tell you approximately 15-18% of my current revenue will be going towards the B2C.

**Gunit Singh**

Got it. And my last question would be --

**Moderator**

I would request you to join the queue once again, sir. Thank you. The next question is from the line of Mr. Mustafa Khedwala from Cube Investments. Please go ahead, sir.

**Mustafa Khedwala**

Good afternoon, Harshit, and congratulations on issuing the first dividend.

**Harshit Hitesh Shah**

Thank you.

**Mustafa Khedwala**

You said that the raw material prices are up by around 60%. That's the PP prices, I believe. You also said that we have increased prices by 20-25% of our product, right, on average?

**Harshit Hitesh Shah**

Yes, correct. Not on the MRP, but on the wholesale prices.

**Mustafa Khedwala**

Okay, sure. Is that going to be enough to cover the inflation that we have experienced in our raw material costs? And how much offers have you not passed on according to your best estimate?

**Harshit Hitesh Shah**

So basically, all the competitors and everyone has increased the prices by 25-30%. But even after increasing to that level, we have seen that customers are not willing, and they are still anticipating that the conditions will go back to normal in a matter of few days. Everyone is holding back, and they are waiting and watching the current scenario, and as PM has also informed everyone to not, spend on unnecessary things.

So even that is a very big sentiment going on in the current market. But still, looking at the numbers of April and May from last year, we are still doing the same. So, there is no dip in the business as of now because of all these conditions, but we are not seeing any exponential growth as well. I'll be very honest to you. But as soon as the raw material prices go down, there are a lot of orders in line that are going to be placed for the big projects -- big Infra, Adani, and Reliance as well. So, everyone is currently holding back and coming back to your question that it has gone by 60%, and we have just done 25% hike.

So, yeah, we are trying to somehow collaborate all the expenses, we have downsized the office as well. In order to reduce the expenses as well. And we are not really imposing high numbers to our customers because we don't want them to frighten away from us. And has been the premium most player in this industry, we do command the pricing, but we don't want to really frighten away our customers. Somewhere we are trying to cut the margins, but we are not doing it on a very high scale. But, yes, somewhere we have to look out for our customers as well.

**Mustafa Khedwala**

This is quite interesting what you've mentioned. The Grower Series that we have, basically, where the injection moulded small pots which are used by the nurseries to grow. Are we seeing even them deferring the purchases from us? Or is it only the roto moulded fancy series?

**Harshit Hitesh Shah**

Only the roto moulded and the fancy Decorative Series has been highly affected due to it, but the major business, as I said, 40% of the revenue that comes from the Grower Series is not affected that much. Of course, it is going to get affected because the diesel and petrol prices have gone up. And for the commercial purposes also, it has exponentially grown. But we won't see a surge of 60% or 50% or 40%. We have seen a surge of 10-15% increase in that segment. Everyone has supported that growth. Even the customers have understood why are the increasing the prices, and there is no other argument towards it, that we have done it in order to increase the margin, but only to sustain the current prices.

**Mustafa Khedwala**

Do you foresee a shift from organized to unorganized, with I think, 18% GST they have to pay on our pots?

**Harshit Hitesh Shah**

So, a lot of organizations are trying to eliminate that cash factor as there is a vouch of IT department on all the nurseries. This year, we were surprised to see a lot of people are actually going and asking for the bills and that are the customers that we are supporting them. As I said, that we only appreciate people who want a GST. And in that segment, we have seen a surge of consumers. As people have tried to stop the unorganized market because the flow of material was not that great. The quality is not that great.

And, of course, the IT department is on the back on all our customers because nursery is in a very shadow place, in a shady place wherein they have not stated, how to work properly. For example, Ugao, they also face some kind of litigation. Since then, they have stopped buying it from the unorganized players, and they have shifted to us because we provide them with all the GST bills.

**Mustafa Khedwala**

What percentage of our turnover comes from Ugao? I think they are our largest customer.

**Harshit Hitesh Shah**

Ugao must be doing somewhere around 10% of my business. This year, he has grown more than 100%. So, from INR 1 crore, he has grown to somewhere around INR 10 crore this year.

**Mustafa Khedwala**

Okay. Sure. And last question is, you said that this year, we hope to go by around 25-30%. But let's assume that the problem that we are currently facing, especially inflation in raw materials, etc., continues, I don't think we will be able to grow by that number clearly?

**Harshit Hitesh Shah**

Sir, currently, as I said, everything goes back to normal. As the prices which were INR 100, INR 120 per kg, which we are paying right now, INR 160-170, which went to INR 220 as well. I mean, the growth is going to get affected, and it is not only us, but the whole plastic industry is facing this problem.

**Mustafa Khedwala**

Got it. And last question from my end.

**Moderator**

Mustafa sir, request you to join the queue sir.

**Mustafa Khedwala**

Last question. This year the inventory --

**Harshit Hitesh Shah**

Mustafa ji, I cannot hear you. Can you please be a bit loud, please?

**Mustafa Khedwala**

Yeah. The inventories in our books have gone up by 62%, and our receivables are up 51%. Did we do some pre-stocking in anticipation of increasing in raw materials?

**Harshit Hitesh Shah**

We have not done any kind of stocking as such. Because, of course, there was non-availability of raw materials for a very long time. We did anticipate this kind of a situation coming in, but only held stop for, like, 15-20 working days. And we also thought that this is a temporary condition, and everything will go back to normal. But as we are seeing it currently, we see no solution towards the work.

**Mustafa Khedwala**

Okay, I'll come back in the queue. Thanks.

**Harshit Hitesh Shah**

Yeah.

**Moderator**

Thank you so much, sir. Ladies and gentlemen, if you have any questions, please press, \* and 1 on your telephone keypad. We have a follow-up question from Mr. Raj Shah from RK Family Office. Please go ahead.

**Raj Shah**

Sir, last year in H2, we did EBITDA margin of 28%. And this year in H2, we did 31% EBITDA margin despite headwinds. What is the reason for that? And, is there a product mix change, H2 versus H2?

**Harshit Hitesh Shah**

So, sir, we introduced a fountain that I said in H2. Hello?

**Raj Shah**

Sir, but a fountain's portion of revenue will be very less, right? Like, it cannot increase margin from 28%?

**Harshit Hitesh Shah**

H1 is usually less than H2 because in H1, it is all about monsoon. I will explain you why. A lot of nursery people come and buy Grower Pots from us. And Grower Pots is high volume, less margin, less turnover

product. And when you go to H2, H2 is all about festivals. Diwali comes in. New Years come in. Christmas comes in. A lot of festivities, a lot of new openings are placed after Navratri, after all of these processes. So, usually, H1 is less because they are still producing the plants in a smaller pot. And when you go to H2, all of these plants are shifted from a small plant to a big plant, which is the roto moulded planter, which is the blow moulded, which is a Decorative Series, which is high margin, high volume again.

If you see our presentations, it's always H1 have been less than the H2. Is because the landscaping and the big projects only start after Diwali, after Navratri, because monsoon sets in, winters are about to come, and the plants only thrive in these kinds of conditions.

### **Raj Shah**

Okay. And sir, I wanted to know the process of large B2B orders, like when you sell to Adani or any other intra, is there a tendering process? How do you get the order? How do you find out if there is a requirement? That is question.

### **Harshit Hitesh Shah**

As I said, that we are giving to all the big, corporates like L&T, for example, Adani, Reliance. Basically, there is a system, there is an ecosystem which spans. So, horticulture is not a very big industry. And we know horticulturists who are sitting in Lodha, Kalpataru, and Adani, Reliance because we have somehow connected to through them, and this is not a very old industry. This industry has only come up in the last 25 years. The relations between us and the horticulturists of all the big corporates, all our interests lie in the same way because they want quality, they want the litigation, and no other unorganized player in this industry is ready to supply such huge quantities, such quality, such experience, and such after-sales services from us.

Being in this industry for more than 25 years gives us an advantage that everyone in this space knows what Harshdeep does, and where do we lie. Also, there were a lot of requests from Atal Setu for the new coastal projects. All of them, they come to us, and we actually design the planters for them. The new Navi Mumbai Airport, which was done, the whole ideation of the pots started from us, and then we help them increase. And then they put in a tender, and then we sign the tender.

And they have a software wherein all the big tenders come over there. And over then we fill in the tender, and we get it. Half of the times, what we do is we ask the subcontractor put in a tender because we require 100% payment on big orders. Our subcontractor does the tendering, and then we sell it to him. And then he sells it ahead. Because we need a security on our payments, which is very much strictly done over here in this company.

**Raj Shah**

Okay. So, sir, like I thought, these were the direct orders. You directly sell to Adani because of the value which you add. So, on the value of that, two questions. One, are we trying to sell directly to them? Or there will be always, like, their horticulture is contacting us? Or are we directly trying to sell them? And second question is, what is the margin differential? When you sell to the distributors versus when you sell to these big projects, what are the margin difference?

**Harshit Hitesh Shah**

Distributor margins and the big project margins are the same. We don't differentiate in any much way. So how we differentiate discounts is on the order value. If your order value is about INR 50 lakhs, then we provide you, 50% discount. If your order value is about INR 20 lakhs, we provide you 45% discount. This is how our discount structure vary. We don't have a fixed discount to anyone whom we have given, but of course, to our distributors, they have to order this kind of quantity in order to satisfy all the customers.

**Raj Shah**

Okay. So, sir, if there is a project business, like you said in Navi Mumbai, you designed everything. Why you are not charging higher? And my first question was that, are we trying directly reaching to infra projects or there will be in between middlemen?

**Harshit Hitesh Shah**

How this works is, for example, you want landscaping to be done. So, what you do is, you don't go to another plant guy, you won't go to one pot guy. What you will do, you will hire a landscaper, and that landscaper, you'll tell them that I want pots from this company. I want plots from this company. So, this is how they differentiate and how they process the order. The landscaper himself will come to us. He tell us in the BOQ that the planters are Harshdeep. And the plants are from, say, XYZ nursery. So we try to accommodate everything possible in our portfolio.

**Raj Shah**

Just last question, like, in project business, why don't you charge higher? Because as you said, like, you designed the pots, you designed everything, then why don't you charge higher?

**Harshit Hitesh Shah**

So, it will be, as I said, we have some leads 17% margin, and any vertical are taking anything above. And we try to maintain the prices as well. And looking ahead as the scenario is changing, doing such a practice is something we won't be doing. Because we have some certain kind of margins fixed, and we won't go below that. And going above that, something I don't really support that. Because finally, the customer has to pay the price, and whatever price they're paying is equivalent to what they're getting. So, overcharging that's really not how we work.

**Raj Shah**

Got it. Thank you.

**Harshit Hitesh Shah**

Thank you.

**Moderator**

Thank you so much, sir. We have another follow-up question from Mr. Prashant Kale from Star Capital. Please go ahead, sir.

**Prashant Kale**

Thank you for the opportunity. Harshit, is there any plan for any CapEx in FY27 and onwards?

**Harshit Hitesh Shah**

Sir, currently, we are quite comfortable with the CapEx. And if there will be anything, then, of course, we'll discuss.

**Prashant Kale**

Okay. Thank you very much.

**Harshit Hitesh Shah**

Thank you.

**Moderator**

Thank you so much, sir. We have one more follow-up question from Mr. Mustafa Khedwala from Cube Investments.

**Harshit Hitesh Shah**

Yes, please go ahead, sir.

**Mustafa Khedwala**

Harshit we've mentioned that we want to launch our own website to sell directly to customers, especially the water fountain etc. So, I believe you also sell on Amazon and other e-commerce websites.

**Harshit Hitesh Shah**

Absolutely. Fountains is a line that we are directly going to go like an end consumer brand. How is Pepperfry, for example. You know, furniture online, rentals and everything.

**Mustafa Khedwala**

So, you will go by the likes of Pepperfry, and these companies?

**Harshit Hitesh Shah**

Yeah.

**Mustafa Khedwala**

So, but what about Amazon and all? How much do they contribute to our turnover?

**Harshit Hitesh Shah**

For example, it is not that great because there are other sellers on Amazon, like, Ugao is there, Dripakshi is there who are our dealers, and they put our listing only on the Amazon, on Meesho, on Flipkart. We do put our listing, but our pricing is slightly higher than theirs. Because we don't want to disturb their audience. But in fountains and in furniture, we don't have any kind of liability or any kind of responsibility. We are on our own over there, and we will be selling it directly to the consumers also.

**Mustafa Khedwala**

Okay. And what kind of growth or what kind of business are we doing in this? And how would you expect the contribution from this furniture and this AgriShield business, let's say, 3 years and so forth?

**Harshit Hitesh Shah**

Currently, we have optimized 100% efficiency in manufacturing. We are increasing the machinery in AgriShield. As I'm speaking, because we saw a phenomenal growth, and everybody really appreciated the kind of quality that we are giving them. Currently, we are overbooked in that segment, and we are increasing to two numbers.

As moving forward, rotational moulding is our forte. So, in the fountains and this is going to be a super hit, and we have already launched it. We have already awaiting of 15-20 days currently on the fountains. We are overbooked in all our verticals currently. Yeah, that is a very great thing, and we really got motivated looking how people really appreciated the new designs and the new technology that we have gotten.

**Mustafa Khedwala**

Well, that's fine. What I want to understand is how big this. Right now, the base is negligible. So growth 100% also on point one is not that big a deal. I'm thinking 3 years and forth, how many do you expect it to contribute to our overall business? Can it become 10%, 20%, 30% of sales?

**Harshit Hitesh Shah**

10%,20% is something which I shouldn't be saying, because it is a very big jump from 1-10%. Because I need to increase the production. Currently, we are running on 100% efficiency on the shade nets. And the fountains are something that I can grow exponentially because the machinery is with me. The moulds are something that is limited, but I can get order the moulds from places immediately as well. I can see high growth in the fountains and in shade nets, of course, we can see a 100% growth of what we are doing currently as we are increasing the productivity also in this year. We have also put the solar panels above our factory. We are going to see increase in the profit also this year is because by eliminating the electricity bills of Pune.

**Mustafa Khedwala**

Again, I'm coming back to the same question. Fountains, we can ramp-up because we have the roto moulded machines, right?

**Harshit Hitesh Shah**

Yeah.

**Mustafa Khedwala**

And shade net, also, I think we had invested in a better machine at our Pune facility, which you're saying is now 100% booked. So how much can that contribute to sale? Let's say, if you don't do that in the next 2 years, let's say, 5% of turnover, can this new category contribute?

**Harshit Hitesh Shah**

Yeah, as I said, it was our first introductory year of shade net this year. We really didn't go all in, and we wanted to do it as a trial phase, which we were successful to do it. This year, we have increased the space of manufacturing. We have introduced more machinery as well. We can expect approximately 10-20% growth from what we did last year.

**Mustafa Khedwala**

Last year, we did 3% of our total came from shade net. This year, basically, 3.5% will come from there. So marginally, nothing yet.

**Harshit Hitesh Shah**

2% growth, of course, we can see with the increased machinery.

**Mustafa Khedwala**

Okay. Got it, Harshit. Hopefully, we will do a con-call in the next earnings season as well.

**Harshit Hitesh Shah**

Yeah. We are going to do it after H1 results also. So probably, I will be more comfortable to speak on the statements and the current scenario, how they are. And, of course, we will be in contact. Of course, everyone has my email as well. I will be putting it on this. If there are any questions, I can also answer them.

**Mustafa Khedwala**

No problem. Thank you so much, and all the best.

**Harshit Hitesh Shah**

Thank you so much.

**Moderator**

Thank you so much, sir. We have one follow-up question from Mr. Prashant Kale from Star Capital. Please go ahead, sir.

**Prashant Kale**

Hi, Harshit.

**Harshit Hitesh Shah**

Hi.

**Prashant Kale**

We have installed these solar panels. How much is the capacity of the solar? And how much saving do we expect on electricity?

**Harshit Hitesh Shah**

We will be saving approximately INR 10-15 lakhs a month currently on this current projections.

**Prashant Kale**

And how many megawatts is it?

**Harshit Hitesh Shah**

Sir, one second. I will just check, and I'll get back to you. Sir, I don't have the exact number, but, of course, I will take your email ID down, and I will get back to you on this question.

**Prashant Kale**

Sure. Thank you very much.

**Harshit Hitesh Shah**

Thank you.

**Moderator**

Thank you so much, sir. We have a follow-up question from Mr. Gunit Singh from Counter Cyclical Investment. Please go ahead, sir.

**Gunit Singh**

Hi, sir. So, I would like to understand that we already have seven showrooms. And you mentioned that on in retail, we are just selling the furniture and fountains. I would like to understand why are we not selling our main products, which are the pots and planters to the retail? What is stopping us from doing this? Because you already have the network, and we already have showrooms.

**Harshit Hitesh Shah**

So, I would explain you is because we have a set of dealers and distributors of planters all over the country. And they have been selling our pots since a very long time. And if we come directly into the picture, I might get one or two big retail inquiries, and I can take a bigger margin from a couple of customers. But that wholesaler has been giving me brand loyalty. He has been giving me business for a very long time. We, as a company, we really don't like taking away anyone else's business just because of the price war. And we are selling it to the consumers who come to us factory and if they are not aligned with any of our wholesalers, then only we provide them with the material.

And the reason why we have showrooms all over in seven different locations, as you see, they're all A-tier and D-tier cities where the distribution of our pots was not that great. That is the reason we went over there, set up a warehouse. We started encouraging the wholesalers to purchase pots in smaller quantities and keep it in their showrooms. As we wanted to increase the distributorship, and not sell it from our own warehouses. Because I don't want to eat up anyone else's business, and we have been dealing with these kinds of wholesalers since a very long time now. So, coming directly into the picture, obviously, disturbs the ecosystem.

**Gunit Singh**

Got it. When you mentioned that B2C was 15%, you included the sales through these wholesalers and distributors as well in that?

**Harshit Hitesh Shah**

No, that is not included.

**Gunit Singh**

Got it. I mean, if we include that also, what percentage of total sales would be B2C?

**Harshit Hitesh Shah**

Sir, can you be a bit louder? I can't hear you properly.

**Gunit Singh**

I am saying, what percentage sales would be B2C if we include all the wholesaler, distributors which sell directly to end users?

**Harshit Hitesh Shah**

Sir, we have a lot of different variety of pots. Now I will tell you the pots which are used by the nurserymen to grow the plants. So we supply those kinds of pots to everyone. That kind of a pot is high volume, less margin, and we have to do the supply directly to the end consumer. Because as the margins are paper thin, and the competitors really work on that kind of model. For me, explaining it to you in that way is a bit difficult.

Because a lot of wholesalers come to these kinds of depots of Harshdeep, which are there in Rajahmundry. And a lot of people also travel from Kolkata. They come to Rajahmundry to these kind of warehouses, and they purchase it from there just because their truck is being loaded in plants. And now again, why my showrooms are there in Pune, Rajahmundry, and Bangalore is because that is a hub of plants.

A lot of people come to that marketplace in order to purchase the plants. And if there is some space, they put the pots as well in that. So that is the reason we have the showrooms over there in Pune, Rajahmundry, and Bangalore. So, you got my point that differentiating it into that segment will be a bit difficult for me right now. But of course, I can work the numbers, and I can come back to you.

**Gunit Singh**

Got it. Thank you very much. And I want to understand from the new product launches or existing products, is there some product which you feel, which will grow to a very significant proportion of revenue which is not contributing today? So, in terms of the --

**Harshit Hitesh Shah**

Fountains and the shade nets are going to increase for sure, and we see a great future in that.

**Gunit Singh**

What kind of growth are we looking at the fountains? So, you mentioned, I think it was 1% of revenues currently, right?

**Harshit Hitesh Shah**

Currently, stating what kind of growth I will be seeing is a bit difficult, currently because everyone is frightened, sir, right now. And not many consumers are willing to spend money on lifestyle and on commodities which are not an essential commodity. So probably by the end of H1, I will be in a very better position to say, what kind of growth are we seeing right now. Right now, we are just focusing how we can increase the distribution. And how we can provide our customers the best price we can by not reducing the margin.

**Gunit Singh**

Got it. And you mentioned that 10% of our capacity was compromised because of the current situation, approximately 10%, right?

**Harshit Hitesh Shah**

Correct.

**Gunit Singh**

So, are you talking about 10% on the FY26 base? So, for example, what I'm trying to say is that if this situation continues, so are you saying that we would not be able to match the revenues in FY26?

**Harshit Hitesh Shah**

I'm not saying anything right now because we all are observing the conditions, and we all are facing the same issues as the petrol and diesel. The day petrol and diesel prices increases, the whole chain and the whole life cycle of every commodity changes, because transport hits, all products get hit because of it. So, currently, if I'm giving someone a pot, what I used to give them earlier, they're already paying 25% higher prices in pots. They will be now paying at least 10-15% extra on the transport as well because of the current hike in petrol and diesel.

So, commenting on what kind of goods are we looking, and what we are doing as a bit difficult for me to say right now, as we are all closely monitoring the situation. And as I said again, that we are not here to compromise our margins in this current scenario. We are trying to hold the margin and increase and give growth, but currently, stating a number is a bit difficult for me.

**Gunit Singh**

All right, noted. Thank you very much.

**Harshit Hitesh Shah**

Thank you.

**Moderator**

Thank you, sir. The next follow-up question is from M. Prashant Kale from Star Capital. Please go ahead, sir.

**Harshit Hitesh Shah**

Yeah, yes.

**Prashant Kale**

Hi, Harshit. It's not a question, but it's just a suggestion. Like you said, Pune, Rajahmundry, and Bangalore are the hubs for nursery. But you probably missed one more hub -- that's Guwahati in the Northeast. So do we have any operation or showroom in Guwahati?

**Harshit Hitesh Shah**

Sir, we have it in Kolkata that gives the distribution to the seven sisters. We have an upcoming one showroom in Lucknow, one in Ludhiana. And we are looking very promising on that. By that, we will be increasing our spot in the Northern India, which will be very strong now. We are going to strategic leases now.

**Prashant Kale**

Yeah. But I think Guwahati is the big center for nursery and plants.

**Harshit Hitesh Shah**

Yeah.

**Prashant Kale**

You should evaluate the idea to put one more showroom in Guwahati.

**Harshit Hitesh Shah**

But we already have a distributor who is coming up with a showroom for us in Guwahati.

**Prashant Kale**

Oh, that's great.

**Harshit Hitesh Shah**

Yeah, so we don't want to disturb that. So, we have a warehouse in Kolkata that will be supplying all the requirements to that showroom and in Guwahati.

**Prashant Kale**

Oh, great. Thank you very much.

**Harshit Hitesh Shah**

Thank you, sir.

**Moderator**

Thank you so much, sir. In the interest of the time, that will be the last question for the day. Now, I hand over the floor to the management for the closing comments.

**Harshit Hitesh Shah**

Thank you everyone for closely listening to this call and for all the insight that I've got from you all. And if there are any further questions, I will be sharing my email ID in the presentation. Please do let me know if there is anything else how I can help you. Thank you.

**Moderator**

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call services. You may now disconnect your lines. Thank you, and have a pleasant day.

**Harshit Hitesh Shah**

Thank you.

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- Note:**
1. This document has been edited to improve readability
  2. Blanks in this transcript represent inaudible or incomprehensible words.