Kajaria
INDIA'S NO.1 TILE COMPANY

August 03, 2026

BSE Limited
P.J. Towers
Dalal Street
Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sirs,

Re.: Transcript of Conference Call

In continuation of our letter dated July 31, 2026, informing about the uploading of the audio recording of the Conference Call held on July 31, 2026, we enclose herewith transcript of the said Conference Call, in compliance of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above said transcript has been uploaded at the Company's website at https://www.kajariaceramics.com/storage/pdf/transcript-of-con-call-jul31-2026.pdf

Kindly take the above on your record.

Thanking you,

For Kajaria Ceramics Limited

Vinit Kumar
Digitally signed by Vinit Kumar
Date: 2026.08.03 17:32:27 +05'30'

Vinit Kumar
General Counsel & Company Secretary

Encl.: As above

"Kajaria Ceramics Limited

Q1 FY27 Earnings Conference Call"

July 31, 2026

MANAGEMENT: **MR. ASHOK KAJARIA -- CHAIRMAN – KAJARIA CERAMICS LIMITED**
MR. CHETAN KAJARIA – VICE CHAIRMAN – KAJARIA CERAMICS LIMITED
MR. RISHI KAJARIA – MANAGING DIRECTOR – KAJARIA CERAMICS LIMITED
MR. SANJEEV AGARWAL – CHIEF FINANCIAL OFFICER – KAJARIA CERAMICS LIMITED

MODERATOR: **MR. PRANAV MEHTA – EQUIRUS SECURITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Kajaria Ceramics Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pranav Mehta from Equirus Securities Private Limited. Thank you, and over to you, sir.

Pranav Mehta: Yes. Thank you, Sumit. Good evening, everyone, and thank you for joining this call. From the management side, we have Mr. Ashok Kajaria, Chairman; Mr. Chetan Kajaria, Vice Chairman; Mr. Rishi Kajaria, MD; and Mr. Sanjeev Agarwal, CFO. I will hand over the call to Mr. Ashok for the initial remarks, post which we will have a question-and-answer session.

Yes sir, over to you.

Management: Thank you, Pranav. Good evening, everyone. It gives me great pleasure to welcome you to the Quarter 1,, FY27 Earnings Conference Call of Kajaria Ceramics Limited. Joining me on this conference call is the senior management team of Kajaria Ceramics.

In spite of the recent geopolitical disruption in the Middle East, coupled with a more favorable demand/supply environment for the ceramic tile industry in Morbi, we remain optimistic about our business outlook for the year FY27. The performance in Quarter 1, F'27 has broadly validated our expectations and provides a strong foundation for the year ahead.

In Quarter 1, F '27, we achieved a 6% year-to-year volume growth in spite of a soft April. However, consolidated revenue grew by 20% to INR1,328 crores compared to the corresponding quarter last year, mainly due to increase in selling prices because of fuel impact.

EBITDA margin for the quarter stood at 19.60%. Apart from a brownfield expansion of 10 million square meters of our Srikalahasti manufacturing facility announced last quarter, we have also decided to put up a further 11 million square meters line at our Gailpur, Rajasthan facility that will deliver cost-effective, high-quality products.

Beyond tiles, two verticals are evolving from adjacencies into pillars. Kerovit, our Bathware brand, is scaling with purpose. The decision to acquire the remaining 15% stake from Aravali Investment Holdings is an unambiguous statement of long-term commitment to building a market-leading bathroom solutions brand.

Our Adhesives business is on track to grow at a much faster pace. As the price differential between national branded players and their informal counterparts have narrowed and consumer preference is expected to shift decisively towards branded products, a secular tailwind that positions Kajaria favorably going forward.

Looking ahead, we remain confident that the company is well positioned to sustain quality growth and create long-term value for all stakeholders.

Let me review this quarter's segment-wise financial performance. Tiles segment revenue grew by 18% year-to-year at INR1,162 crores in Quarter 1, '27 compared to INR986 crores in Quarter 1, F '26. Bathware segment registered a 33% growth in revenue, reaching INR122 crores in Quarter 1, F '27 compared to INR91 crores in Quarter 1, F '26. Revenue from Adhesives grew to INR45 crores in Quarter 1, F '27 as compared to INR25 crores in Quarter 1, F '26.

EBITDA improved in FY27 to 19.60% as compared to 16.72% in Quarter 1, F '26. Profit before share of profit loss from JV, exceptional items and tax grew to INR230 crores in Quarter 1, F '27 as compared to INR149 crores in Quarter 1, F '26. PAT for the quarter grew to INR169 crores in Quarter 1, F '27 as compared to INR109 crores in Quarter 1, F '26.

As of 30th of June '26, the working capital cycle also improved by 5 days to 46 days compared to 51 days on 31st of March '26. And we will continue to focus on a lean working capital cycle going forward.

With this, I take this opportunity, thanking you for joining us today. Over to moderator, please.

Moderator: The first question is from the line of Praveen from PL Capital.

Praveen: Many congratulations for a very good set of numbers. My first question is related to the pricing. As you also highlighted, there is a price hike and overall 11% of increase in the realization. So can you give us some more color on that? How much is -- actually in the segment-wise, the price hike you have taken? And the way forward also, where you are seeing these price hikes to continue at?

Management: See, two things have happened after the war on 28th of February. The prices of gas at Morbi went up drastically because GSPC is the only supplier. In as far as Kajaria is concerned, we have 3 plants in Morbi. We have 3 plants in North and 2 plants in South. In North, we are taking the gas from Delhi.

In South, we are taking gas from 2 CGD companies, one is Syngas and the other is another CGD company. What has happened in Morbi, the gas prices went up from literally about INR48 to INR86 to INR88 per SCM, whereas in North, the price hike was approximately about 10% to 12%?

As a result, the cost increase in Morbi was much more than what has happened in North. In Morbi, they have increased the prices by almost 40% to 45%. In North and South from our plants, which we are manufacturing, we have raised prices by anywhere between 10% to 11%. As a result, the gap has come down drastically.

So that's the current situation. What -- as we all know, gas market is very volatile with the war still on. One day, there is no war. Second day, the war is on. And the situation is very, very volatile. Looking at that, we'll keep watching and see what happens. But the situation as of today is very positive as far as Kajaria is concerned because of the multi-location plants that we have.

Praveen: Perfect, sir. Sir, second question related to that, is the volume, 6% of growth in the volume we have seen. And still, there is a lot of volatility in terms of the gas supply and all we are seeing. So where you are seeing this volume growth to be in the next 9 months?

Management: If you recall, last 2 quarters, we have not given any volume guidance. But this year, with a lot of confidence, we are saying next 9 months, we'll have a double-digit growth. Double-digit volume growth.

Praveen: Okay. That's good to hear, sir. Last question is related to the capex because two capex announcements happened for INR210 crores and INR165 crores. And also, there is a renewable acquisition of INR12 crores. So can you give a '27 and '28 capex, how much is going to be out of INR387 crores of our total capex of all these? And also the maintenance capex, if you can give?

Management: This year, we are looking at a capex of roughly INR400 crores because part of the capex which we are doing in 2 plants partly will come here, partly will come next year. This year, the capex plan is roughly about INR400 crores.

Praveen: Okay. Okay. So there is some maintenance capex included in this?

Management: All included. All included. All included.

Moderator: The next question is from the line of Keshav Lahoti from HDFC Securities.

Keshav Lahoti: Sir, it's heartening to see you giving double-digit volume growth guidance, after a long given-some guidance. Just want to firstly understand from where this confidence is coming, what are you -- what insights you're getting it from? And secondly, July also, we have seen a similar trend?

Management: This is Rishi Kajaria. So why -- so as we said, our April was a little soft. But May and June, we did have a good volume growth, and the same trend continues in July. So at one side, we are strengthening our complete distribution strength. And also another lever for growth which we have now really working -- started working on is projects, which will give us that additional volume.

I will not -- just to give you the information that we have just had a major breakthrough with two of the very, very big builders of India, where we are getting a lion's share. So looking at the distribution strength of ours and this additional lever of projects, we feel that we are bound to do a double-digit growth this year. That gives us the confidence.

Keshav Lahoti: Understood. Got it. And secondly, how are the margins looking this year? And this quarter, you have already hit the INR250 crore EBITDA mark. Possibly, can we hit the INR1,000 crore mark this year?

And by when the promoter will be taking the promoter remuneration, which a few quarters you take a call, you don't want to take it?

Management: So we are looking at an EBITDA margin about 18% to 19% for the entire year. First quarter, we already got 19.6%. So we are quite confident we'll look at those numbers for the entire year. We are looking at INR1,000 crores plus EBITDA overall.

Keshav Lahoti: Got it. Just a small clarification. By EBITDA, you include other income or not? And secondly, as you hit the INR1,000 crores mark possibly this year or maybe next year, promoters will start withdrawing the remuneration?

Management: It is too early to say. Other income is not part of EBITDA. It's operating EBITDA. And promoters in the last con call have already clarified that they are not going to take salary for this financial year.

Moderator: The next question is from the line of Sneha from Nuvama.

Sneha: A couple of questions from my end. Firstly, I wanted to gauge how is the demand on ground. You said that April was weak and May and June recovered. Could you help us with the understanding where was it -- maybe region-wise breakup Tier 1, Tier 2, Tier 3? Or was it a broader slowdown? And what are the reasons according to you? And are we seeing a pickup back again in the current month?

Management: See, April was soft for three reasons. And we all are aware why it was soft. One, there was the total shutdown of Morbi in the month of April, number one. The Morbi manufacturing closed on 5th of March and was literally closed till 15th of April. Some plants started only -- 10% of the plants started in the month of April, mid-April, 16th of April. So Morbi, there was a total shutdown, number one.

Number two, in the month of March, all the dealers across India lifted something, more quantities for a simple reason that they knew that the prices will go up from 1st of April. And third, there was a labor shortage across the country for two reasons. One was the elections in the country.

And secondly, there was an LPG shortage. So they all went back to their destination and said let this problem ease out and we'll come back again. So these are the reasons. Already in the month of May and June things have started positively, and so is in the month of July, which is just about to close. So demand at the local -- at the normal level in the domestic market is very, very -- looking very optimistic.

Sneha: That's great to hear. Second question is regarding capex. We have seen a renewed capex. You are putting up additional capex in your own facilities. Where is softness coming up from?

Because earlier the thought was largely to take it from JV route from Morbi or even outsourcing. What is the kind of margin differential, let's say, between your own plants and JV and which model is working better and why?

Management: Chetan here. So we have two capexs coming up, which we announced. First is the Srikalahasti expansion in South at a cost of INR210 crores, which we announced in the last Board meeting. And second is the expansion at Bhiwadi factory in Rajasthan at a cost of INR165 crores, which will happen in this financial year and spill over to, by April '27, it will be completed. So these are the two major capexs we are looking at for increasing our sales. What was the second question, Sneha?

Sneha: I just wanted to understand why sudden renewed capex interest? What sort of margin difference do we make between the Morbi manufacturing as well as the South or the North manufacturing?

Management: Sneha, the thing is that this time, this is a new technology. This is the latest plant we are putting both at Srikalahasti and Gailpur, where the capex is much lower, what we used to do earlier. So the turnover which we'll be getting from the both the capex will be more than 2x. And the opex -- and it will be not only the capex-efficient, but also the opex-efficient. The cost of production will also be lower.

So incrementally, they will be highly ROC accretive, and we'll get much more margin what we are getting with our existing manufacturing facility.

Sneha: This was quite helpful. Thanks a lot.

Management: Sneha, one more thing that -- the decision of putting up the plant and outsourcing is also based on the geography. So we are finding good demand in North. To cater to the northern demand, we have to put up -- we are putting up the plant. And this plant, we are putting up 10, 11 million plant for INR165 crores, which will give us a turnover of more than INR400 crores to INR450 crores, which are better margin.

So outsourcing, we will use as a tool to utilize our full capacity. But going forward, as we have to grow, we aim to grow in double digits. So it will help in meeting the sourcing requirement from these two plants.

Moderator: The next question is from the line of Disha from Trinetra Asset Managers.

Disha: Just a couple of questions from my side. How is the demand tracking across the retail channels versus the institutional sales? And is there any real estate-linked demand that you are seeing currently as a key growth driver? And is there any sign, estimation or softness in this current quarter?

Management: So as I mentioned before, the demand is coming from both retail as well as institutional. Our focus was less on institutional earlier, but now we are focusing on both the segments together to get a better growth volume. So we are strengthening our distribution and dealer network, as well as we are being aggressive in projects to gather more market share.

Disha: Got it, sir. Just one more question, that what's the current export contribution to revenue? And is there any change in the strategy? Given that there is a global trade uncertainty and tariff uncertainty this year. So is there any going to be shift to the concentration to domestic?

Management: We are a domestic consumption story. We don't want to go to exports. Our exports are less than 1% of our overall turnover. And we are very bullish on the Indian market, and we want to focus all our energy and effort here. So we are not looking at the export market at all.

Moderator: The next question is from the line of Sagar from Marine Research.

Sagar: My first question is, the Board has approved additional 11 MSM capacity expansion at Gailpur. Could you help us understand the key drivers behind this investment? Is this expansion based on the strong demand visibility in the next few years? Or is the company positioning itself ahead of the next housing and real estate upside?

Management: So the driver is the market demand from the North and Eastern markets, which Gailpur plant caters to. Due to the price increase of gas prices in Morbi, which is a cluster, the price differential from Kajaria and the Morbi price has decreased. So this has given rise to an increased demand for our products in the Northern and Eastern markets. Seeing that demand scenario, we decided to put up an expansion in our Rajasthan plant.

Sagar: Okay. The next, could you share the number of dealers added during the quarter?

Management: Pardon?

Management: No, no, it's confidential. It is not -- number of dealers added in the quarter, yes, overall, we have 1,800 dealers approximately. Out of this, 450 dealers are exclusive. As we go along in the year, with this change, we are expecting another 100 dealers to add out of which this time 50 will be exclusive. We are focusing more on exclusive Kajaria dealers.

Sagar: Yes. And how should we think about the dealer productivity over the next 3, 4 years? Do you expect growth to come primarily from adding dealers or increasing sales for existing dealers?

Management: See, automatically with the addition of the demand, see, one thing you are not able to get right now, the difference between Kajaria and Morbi has minimized. What was being sold from Morbi to a Morbi dealer and Kajaria dealer has minimized. If the gap earlier was 40%, today it has come down to 20%, number one.

Number two, there are three kinds of customers in the country. One is a guy who is going for branded only. He will buy Kajaria, Somani or Johnson. There is a guy who says, I want Sasta, cheap. He will buy a Morbi product. There was another set of people who are saying, where do I go? Where do I go, to branded or I go to Morbi?

Difference being many still prefer a branded because you make a house once in 5 years, 10 years, 20 years. So they will go for branded. As a result, our sales have started going up, which we have seen as a result, which is resulting in what we are talking about. And as a result, we felt it is the right time to go for such a market expansion, number one.

Number two, as you might have heard just now, we are -- in Gailpur, we are talking about an increase of 11 million square meters at INR165 crores. If I take you back -- 2 years back, 5 million square meters used to cost INR150 crores. So this is a big change which is happening with the latest technology that we are putting up in the plant.

Sagar: In the Nepal side, tiles market estimated around INR200 crores and INR500 crores -- what is your expectation for the next 5 years for the markets that Kajaria is targeting in Nepal?

Management: Please come in the queue again. Let other people ask the question. You already asked a question.

Moderator: The next question is from the line of Pankaj from IKIGAI Asset Manager.

Pankaj: Congratulations on good set of results. My first question is that, when I look at the last 3 years, the sales growth for us has been an inspiring 3%, 4%. I see a very renewed confidence in the commentary of growth. If I were to visualize the size and scale of the company, Ashok ji, it will be great if you can give a slightly medium-term outlook where you see the size and scale?

And my second question is, when I was looking at social media a few weeks back, I think you guys had a sales meet and where you could see INR6,000 crores number on the top line for this year, or I don't know, next year.

So some granularity on what is giving the confidence of growth and how the size and scale of the company will look like in the next 3 years. Last 3 years has not been great. What are the big changes internally, externally you are seeing, which is giving us the growth confidence? It will be really helpful.

Management: Thank you very much. I take you back to April '25, when the big change happened at Kajaria. What happened? We did a job of unification. We had 3 different verticals, ceramics, polished vitrified tiles and glazed vitrified tiles, and we combined it to one.

So what happened last financial year was there was a lot of cost cutting at various heads, but volume didn't come because there was a lot of corrections to be made. The volume -- real volume growth came in the quarter 4, when we grew at about 11%.

As a result, what happened, two things happened. One, the organization became much leaner than it was. A lot of people went because there were 3 verticals operating. So instead of 3 verticals, now there is only 1 vertical that is tiles. And it has now started yielding results. So that is the confidence which we got, number one.

And the confidence is not that what we got, the confidence we got is the sales, resulting in larger sales. As I said just now, in the month of April, it was soft because of 3 reasons. In the month of May, June and now July, which is also just the fag-end of July, things have started improving, we are seeing a double-digit growth. So looking at that, we see that next 3 years is going to be very, very positive for Kajaria, and that is why these expansions are coming.

Pankaj: Okay. And on the external front, Morbi was very competitive all throughout. But what is happening around? In terms of pricing, do you see a structural change there where the shift from unorganized to organized has started to happen? Anything which is also acting as a tailwind there? Can you help us on that front as well?

Management: We will wait and see. You see, the gas market is very volatile today. One day, there is a war, next day, there is no war. You have to understand this thing that in Morbi, there is only one gas supplier that is GSPC, which is partly importing on spot and partly taking gas from GAIL and Indian Oil. Here, we are getting gas from GAIL, which is a much, much bigger player as far as gas is concerned, and then CGD companies in South.

So right now, that situation, how it will come, who will -- how they will become more organized and all that, it's too early to say because right now, they are in trouble as it is because they do not know whether gas -- what gas prices will be tomorrow, whereas there is some certainty from GAIL side on the gas.

Pankaj: That's helpful. And last question was that when I look at the market feedback at the ground level, the demand for slabs has been going up at a much faster pace. In the initial time, we had missed that opportunity.

How do you see that going forward for us in terms of our capacity, capturing market share there where somewhere Simpolo has done a great job? So from a slab perspective, how do you see our opportunity and that becoming a large portion of our product mix? That will be my last question.

Management: I fully agree with you. That is why we are putting up these 2 large capacities. See, your question is a very valid question that Kajaria missed out. We do agree. But this is why we are putting up these large 2 capacities to meet the requirement of bigger sizes. And a state-of-the-art plant, both are state-of-the-art plants.

Moderator: The next question is from the line of Ritesh from Investec India.

Ritesh: Sir, my first question is just wanted to understand why is the difference in capex intensity between the 2 plants that you have indicated?

Management: The capex, the difference is because in Gailpur, the shed is already there. So that's why the cost is less. It is exactly the same plants which we are putting in both the factories. But in Srikalahasti, we are putting up a brand-new shed. We have to make a 8.5 lakh square feet new shed, whereas in Gailpur, it is an extension of the existing shed. So that is the difference of the capex.

Ritesh: That would be almost like INR45 crores?

Management: Yes. So in Srikalahasti, we're spending almost about INR80 crores on the shed, INR80 crores to INR90 crores. And in Gailpur, we'll be spending about INR40 crores to INR50 crores on the shed.

Ritesh: Okay. My second question is just a continuation of what Pankaj was asking you. If you could highlight basically, what is the technology or any different type of tiles or sizes that we are looking at this particular expansion? Is it the historical SACMI and Continua lines? Or is it something else that we are looking at it from a technology standpoint, which will actually help us on differentiating the product incrementally?

Management: So I tell you, the biggest differentiating factor is the volume. Earlier, as you just mentioned, a 5 million to 6 million square meter plant used to cost about INR150 crores, INR160 crores. Now in INR370 crores, we'll get almost 22 million square meters.

So we are focusing on capacity as the Number 1 point. And with that, we'll have the flexibility whatever machinery we buy, whether it is SACMI, whether it is Chinese, we will have a mix of combination of both. We'll produce the best quality tiles where we have an option of all the sizes.

Ritesh: But is there anything different from a printer or a kiln standpoint which will differentiate our products versus what we have currently? Or is it just scale basically that we are referring to over here?

Management: No, so what's happened is the kiln size has increased. Earlier, we used to put a 200-meter kiln. This time, we are putting a 340-meter kiln. That's one. With either a Continua+ press or a hydraulic press, number of presses that doesn't make a difference.

So based on that, our technical team is working on all those things. But our first priority is to go for a higher volume capacity. And that is the way we get a very good cost where we can get a much better share in the market.

Ritesh: Sure. And my last question is, would it be possible for you to quantify rupees per SCM for North, West and South? I think for Q1, we are given numbers of INR55, INR47 and INR49.6, please correct me if I'm wrong. If you could help us with the numbers for Q1? And likewise, what it is on a spot basis?

Management: You are talking about the gas, right?

Ritesh: Yes, sir.

Management: Fuel price -- average fuel price is around INR71 in this quarter. And the West was the costliest, Morbi, as we were -- our plant for Morbi, that was around INR85. And rest, South and North are much lower than the West.

Ritesh: Sir, would it be possible for you to quantify corresponding to INR55 in North in Q4? How much was it in Q1?

Management: Okay. It's INR64, around INR64. For South, it is around INR72, INR73.

Ritesh: And sir, on spot basis, how much would it be?

Management: I mean, this is too much detail -- spot.

Management: Spot is about INR85.

Ritesh: Spot on a blended basis, corresponding to INR71, it is INR85. Is that right?

Management: The spot is INR85. You see, gas is not that simple. Gas is a combination. When you talk about gas in North, it's a combination of various gas that we get from there, number one. In Morbi, it's still GSPC. In Kalahasti, again, it is a combination of various gases which Syngas gives. So it's not that simple that just give you the price. It's a combination of various gases which go into the final number.

Ritesh: Sir, what I was trying to understand is if we look at the indicated increase, basically, what is the price increase required after Q1, given the gas prices if they are higher versus Q1?

Management: No, there is no -- see, first of all, please understand, gas prices are very volatile. I cannot give you that what will happen tomorrow, nobody knows. Even GAIL people do not know what will happen tomorrow because now, the entire parameters are decided by Ministry of Petroleum depending on how the war takes place. So whatever it is today, we are ready to share. What will happen tomorrow, nobody knows. So we should leave it at that as current.

Moderator: The next question is from the line of Dhananjay from Centrum Broking.

Dhananjay: So what is the status of Morbi export as of now on a monthly basis?

Management: See, exports have come down in the first 3 months of the year due to this war, Gulf war. A lot of exports have been going to America, to Russia, to U.K., to Gulf, all these -- where the freight rates have gone up by almost 1.5x to 2x. As a result, exports have come down. Average exports in the first 3 months is about INR3,000 crores, INR1,000 crores each month. So this year, instead of INR16,000 crores of '25, '26. As of today, the run rate is lower. The run rate is INR1,000 crores per month.

Dhananjay: In terms of outsourcing, we are going to achieve 35%, 40% numbers for us?

Management: You talked about exports just now, right?

Dhananjay: Yes, yes. I'm talking about outsourcing for us, Kajaria.

Management: Yes.

Dhananjay: So we were at 29%, 30% number in terms of outsourcing, and we are targeting to reach close to 40% in the next 12 months or so?

Management: Yes. This year -- last year, we sold about 118 million square meters of tiles. This year, we are looking at about 130 million square meters of tiles. That's why I said the growth plus this, as I said, the growth will be double digit plus for the next 9 months. In the first quarter, which we shared just now, we have grown at 6% volume growth.

So if you look at those numbers overall, our manufacturing capacity this year is not going up. Whatever we are doing, we are doing for next financial year. So looking at that, we have to do more outsourcing to meet that requirement of sales. That is for this year. Next year, the percentage will go down when the manufacturing facility will come.

Dhananjay: And thirdly, one -- I mean, one understanding I wanted to share. I mean, if you look at the real estate launches data, '19 and '20, there was a huge jump in terms of launches. And I think our numbers got impacted because of that. In 2023 -- we had a very sharp jump in revenue in '22 and '23.

And likewise, if I see, we have seen '24, '25, there is a 60%, 70% jump in launches in real estate. So can we assume that those launches is going to -- I mean, in terms of tile demand is now coming up, and that is why you are seeing good demand from institutional side?

Management: See, let us not confuse ourselves with all this data. I have already shared a lot of data that why our demand is going up. The first part is unification, which I said very strongly.

Secondly, the price difference between Morbi and Kajaria. Or let's say, Morbi and Somani or Morbi and Johnson, which is because they have multi-location plants just like Kajaria. So with that, we are looking at a positive scenario. What real estate launches and all that, you will confuse the issue. So there's no use of talking about that.

Management: Also, just to clarify a point, when a project is launched, to the point the tile gets used, it's a 4- to 5-year cycle. So even if the real estate projects got launched in '24-'25, '25-'26, this is not the time that the tile will get used in those launches. So our growth position has nothing to do with the launches. Those are independent of those real estate launches.

Management: And as already said in the meeting, we are also breaking on projects, which earlier, Kajaria was leading due to various reasons. Now we are also embarking on retail as well as projects. So with these breakthroughs, definitely, we are looking at a very positive scenario going forward.

Dhananjay: Okay. So what may be the share of insti and retail? Any idea?

Management: It's too early to talk. Let us do a few things, it's too early to talk. Everything can't be replied in 1 day, no?

Moderator: The next question is from the line of Anu Parekh from Anand Rathi Investments.

Anu Parekh: My first question is, you said that the incremental demand in FY27 will be met from outsourcing. And is the price gap between Kajaria...

Management: We cannot hear you clearly.

Anu Parekh: Yes. So we said that the incremental demand will be met through outsourcing for FY27 and with the price gap between the company and Morbi players having narrowed down, so is it still lucrative for us to outsource?

Management: We have no choice really this year because of the production constraint, we will outsource from Morbi, that is the only option. And once the plants come online, onstream in the next financial year in the first quarter, then our dependence on Morbi will be drastically reduced and we will have 22 million of capacity in-house.

Anu Parekh: Okay. Understood, sir. And sir, last question is what would be the share of ceramic PVT and GVT in terms of both volume and value for Q1 FY27?

Management: No, it's a very irrelevant question because you are making everything, you're selling everything, right? So we honestly don't calculate how much ceramic we sold or how much PVT we sold or how much GVT we sold. We are selling our complete volume of tiles. And whatever the market demands, we make that and sell. But overall, just for your information, GVT tiles are sold more in the country now. PVT is sold less, and ceramic tiles are mostly used for wall -- more for wall.

Moderator: The next question is from the line of Ashish from Motilal Oswal.

Ashish: I have two questions. One is on the pricing side. So you mentioned that the price hike was more driven by the increase in fuel cost which we saw during April and May month. And there was a big difference in the cost increase in the Morbi region and the rest of India.

So my question is that the 11% kind of realization growth which we are seeing on a Q-o-Q and Y-o-Y basis, was this uniform across the country? My assumption is that we have a unified price on a pan-India basis. But just for a clarification. And if that is the case, then what is the price gap narrowed vis-a-vis Morbi as on today? The second question is, is it safe to assume that in FY27, we will have a 20% plus kind of revenue growth driven by about 10% growth in volume and 10% from value?

Management: Correct. Your first question, the price is not unified and uniform. It varies from geography to geography. As was said earlier, we have 3 plants in North, 2 in South. There's a price increase of roughly 12% to 13%.

And Morbi, in our plant, the price was much higher due to the price of gas, there was -- increased by much more. So the price is not uniform. It varies from geography to geography. Again earlier, as was said, the price differential between Kajaria and Morbi was 40%, which has come below 20% as of now. I hope that answers your first two questions?

Ashish: Yes.

Management: And also that -- we are confident of achieving a double-digit growth with a 20% value growth.

Moderator: The next question is from the line of Anubhav from Cosma Ventures.

Anubhav: Sir, I just had one question. Just a follow-up on the previous question. Sir, the blended price hikes you would have taken since the war broke out. So sir, is it today, sustaining at that level? What is that number? And where would it stand for players in Morbi? I understand the situation is quite volatile. Just the update as of today.

Management: So yes, the price is sustaining as of now because the situation is quite volatile as of now, also the oil and gas prices. And it was average 13% to 14%, the price hike which we took.

Management: See, you have to differentiate the Morbi products and our non-Morbi products. Because Morbi product, the inflation is more, we are just adding our similar margin and selling in the market. So Morbi, we cannot give you any average realization. Our own non-Morbi plant, we have taken a price increase of around 10%. So that seems to be sustainable as of now.

Morbi price may fluctuate. If the prices may go down, our prices will also go down. If their prices go up, then our prices may also go up. So there is no average -- weighted average price we can tell you now because situation is dynamic. But we will be having the same margin for the Morbi product, whatever even we were buying at INR20 and selling at -- or now we are buying at INR30, we are having the same margin. But on revenue, it looks high, but the margin percentage would remain the same. So our margin will not impact -- should not change with the increase or decrease of the Morbi price.

Anubhav: Just wanted to get a sense on the geographical mix, like how is the split for Tier 1, Tier 2, Tier 3? And which particular geography where we are seeing higher price?

Management: So the split is like this: North is 35%; South is 30%; East is 20%; West is 15%. Tier 1 sell 15%, metro sells 15%, Tier 1 and 2 are 30% each and Tier 3 is roughly 15%. That's our geographical split.

See, the good part, what is happening is the entire India is growing. So the work -- there's so much work everywhere to be done. We were in Maharashtra recently. We are opening showrooms there, all dealer showrooms. Wherever you go in India, there's so much of work to be done. So we are very, very bullish about the entire situation.

And if we keep on doing our job well, where on one side, we keep on strengthening our retail network, what I mean by that is opening the dealer showrooms in the remotest parts of India. And on the other side, the additional lever which we are talking about where we are being aggressive in projects. With a combination of both of them, we are very confident of achieving our numbers both in terms of volume and value.

Anubhav: Okay. And sir, just like you mentioned about adding dealers, just on the design part, what's our strategy? Because that is also one USP which we can develop. And so any particular thought there, like how we can expand our SKU and the designs and stand out in the market?

Management: So what we do is when the dealer -- say, let's say, for example, a place like Ahmednagar, place like Kolhapur, Amravati, right? All these places, when the dealer wants to make a showroom. So we work with the dealer, give them all the design. Our person goes there, makes the showroom, helps them in designing the showroom. See, in a person's life, the guy makes -- buys tiles 2 or 3 times in his entire life.

Right? In our -- "Jo Dikhta Hai, Woh Bikta Hai", so our design philosophy is to make the showroom so good for our dealers that when a customer comes, he's completely bowled over, he doesn't look at anything else.

Anubhav: Okay. And any strategy, like how many experience centers we have currently and want to expand? I personally visited and obviously, it's great, but I mean...

Management: We have our experience centers in all the major towns, about 24, 25 of them. We don't -- we put about 1 or 2 experience centers every year. But our focus is on strengthening our dealer network and giving them the best product designs, right? We do a lot of R&D in our factories to make sure that we are always keeping up and making sure that our dealer shows those designs for the end customer.

Anubhav: Okay. And sir, next on the sanitaryware and faucet. I mean, we had around 30% growth. So how much -- could you just quantify like how much was volume-driven and how much was because of the price hike there?

Management: It's a mix of both. I think we increased the price about 15%, 16%, and the rest was volume growth. But looking for this entire year, we are definitely looking at about 35% to 40% value growth, which will be a combination of both price increase and volume growth.

Anubhav: Okay. And any color on the margins? Because now that we have crossed a critical scale and I think we crossed INR500 crores mark here.

Management: For Kerovit, the Bathware division, this will still be a little tough year. Tiles will have good margin, but Bathware will still be a little tough because we're still correcting a lot of things. We just hired a new Chief Business Officer also in April, and we're still restructuring a lot of our areas. So I would say this is a year where, yes, we'll do our growth, but we'll also have to do a lot of corrections. Next year, we'll look at a much better number, both in terms of value and in terms of profits.

Anubhav: Okay. And any color on the margins, so it's just close to breakeven or something?

Management: I would not like to give any margin guidance on sanitaryware and faucet side this year. Blended for the company, we're talking around 18%, 19%.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

Management: Thank you, Pranav. I think a good set of questions have come. And on behalf of our entire management and myself, I thank all of them for being with us in this investor conference, and thank you once again. Thanks a lot.

Moderator: On behalf of Kajaria Ceramics Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.