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New Delhi: 26.05.2026

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Stock Code - 530365

National Stock Exchange of India Ltd.
Exchange Plaza,
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Stock Code: ORIENTBELL

Sub: Transcript of Post Earnings Call for Q4 12M FY26 held on 19th May, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed transcript of Earnings Call held on 19th May, 2026 post announcement of audited financial results of the Company for the quarter and year ended March 31, 2026.

The transcript of the Post Earnings Call Q4 12M FY26 is also available on company's website at www.orientbell.com under below path:

Investor Relations Section> Disclosures under Regulation 46 of SEBI (LODR) Regulations> Transcripts of Post Earnings/Quarterly Calls.

Kindly take the same on record.

Yours faithfully,
For Orient Bell Limited

Yogesh Mendiratta
Company Secretary & Head - Legal
Encl.: as above

Orient Bell Limited



“Orient Bell Limited
Q4 & FY26 Earnings Conference Call”

May 19, 2026



**MANAGEMENT: MR. ADITYA GUPTA – CHIEF EXECUTIVE OFFICER –
ORIENT BELL LIMITED
MR. ANUJ ARORA – CHIEF FINANCIAL OFFICER –
ORIENT BELL LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to the Orient Bell Limited Q4 and FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen only mode. 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 and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Suyash Samant from Stellar IR Advisors. Thank you, and over to you, sir.

Suyash Samant:

Thank you. Good afternoon, everyone, and thanks for joining us today. We have with us today the senior management of Orient Bell Limited, Mr. Aditya Gupta, Chief Executive Officer and Mr. Anuj Arora, Chief Financial Officer, who will represent Orient Bell Limited on the call. The management will be sharing the key operating and financial highlights for the quarter and full year ended 31st, March 2026, followed by a question-and-answer session.

Please note, this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today. These statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

I now hand over the conference to Mr. Aditya Gupta, sir. Thank you. And over to you, sir.

Aditya Gupta:

Thank you. Good evening, ladies and gentlemen, and welcome to our Q4 and FY '26 earnings call. All of you are aware of the current industry situation, especially in Morbi. So I will focus more on OBL. Over the last few quarters, we have remained focused on demand generation, premiumization and strengthening brand visibility, while simultaneously digitizing our internal processes to deliver on the vision of simplifying tile buying and selling.

Technology and digital initiatives continue to remain a key differentiator for OBL. The company has consistently strengthened its digital capabilities through technology-led customer engagement, dealer enablement and back-end integration initiatives. Investments in our digital platforms, online catalog visibility, visualization tools and lead management systems are helping improve conversion ratios, customer experience and distribution efficiency across markets.

These initiatives are now getting huge traction from consumers, both dealers and individual end consumers. For example, dealers are adding 50,000 new designs every month of our tiles using our AI-enabled room visualization tools. Our website continues to be amongst the most popular and our online lead-generation initiative is now contributing to sale for 350-plus dealers every month. These unique differentiators are helping us deliver our sell-out proposition to dealers as opposed to the industry norm of our rate-driven sale.

On the business performance front, the momentum witnessed, since Q2 continues to get stronger. Q4 volumes grew by 7%, while revenues increased by 7.5% year-on-year. For FY '26, volumes grew by 4.4% and revenues increased by 3.1% over FY '25.

From an industry perspective, the current U.S.-Iran war is driving structural changes which are advantageous for organized and multi-locational players. As a pure-play branded tiles company with manufacturing facilities spread across India and comparatively low dependence on Morbi, OBL is well positioned to benefit.

While the immediate future is filled with uncertainty and volatility, especially around gas pricing and the long-term impact it would have on demand, we feel that in India, long-term industry tailwinds are favorable, supported by sustained housing demand, government infrastructure spending and renovation demand. Our strong balance sheet and success in cost management enables us to manage any volatility which might be seen in the short-term.

To summarize, we believe the strategic initiatives undertaken over the last few years across the value chain have started delivering meaningful differentiation and operational efficiencies, thus creating a strong foundation for sustainable and profitable growth going forward. Thank you.

Moderator:

Sir, do we open the floor for questions?

Anuj Arora:

This is Anuj, and thanks for joining us today. As Aditya highlighted, the company delivered sequential revenue growth during the quarter, supported by improved product mix, continued premiumization and focused execution across markets. Profitability continued to outpace revenue growth, driven by operating leverages, manufacturing efficiencies and disciplined cost management initiatives undertaken over the last few quarters.

On a consolidated basis, Q4 FY '26 EBITDA increased by a robust 66% year-on-year to INR16.4 crores with EBITDA margin expansion of 270 basis points. While PBT rose meaningfully to INR8.4 crores compared to INR3.6 crores in the corresponding quarter last year.

For the full year, EBITDA stood at INR42.5 crores, reflecting a 38% year-on-year increase with EBITDA expansion of 160 basis points. PBT also improved significantly to INR16.4 crores from INR3.8 crores in FY '25. This is after absorbing one-time cost of INR1.3 crores towards complying with the new labor code.

As utilization levels continue to improve, the benefit of operating leverages are becoming increasingly visible in the business. Nearly 60% of the incremental revenue in FY '26 flowed through the bottom line. Importantly, as we operate at 60%, 65% of the capacity utilization, we continue to have adequate available capacity to support future growth without any significant incremental capex. The company also maintained a strong focus on cash flow and working capital discipline during the quarter.

Cycle controls over receivables helped us reduce DSO by nine days to 48 days. Overall, cash conversion cycle improved to 20 days from 26 days last year. From a balance sheet perspective, the company remains debt free, supported by a strong cash position and liquid investments. This provides significant flexibility to support future growth opportunities.

Overall, the continued improvement in revenue, margins, cash flow and balance sheet gives us confidence that the business is well positioned for a sustainable and profitable growth going forward.

With this, I'll request moderator to open the floor for Q&A.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Your first question comes from the line of Ashvath from Arihant Capital Markets Limited. Please go ahead.

Ashvath: Thank you for the opportunity. And congratulations for the good set of numbers. My first question is on margin front, do we see margins to sustain at around Q4 levels in coming quarters, given the issue with gas price in the country? That's my first question. And on the volume growth front, what kind of volumes are we seeing ahead? And have we taken any price hikes? And what kind of price hikes are we expecting? That is, it.

Anuj Arora: So on the margins front, Ashvath, you must be basically from quarter-on-quarter you will be witnessing increase in margins. So the trajectory is likely to continue is what we feel. Quarter-on-quarter basis, I think last quarter was somewhere around 6%. This is 7.7%. And we feel that this trajectory will continue.

Aditya Gupta: Ashvath, on the volumes front with price increases from the second week of March, a step-by-step we have been taking price increases. Cumulatively in the March and April put together, we have taken almost 20% price increase, which was placed, I would say, about 15%, 16% was taken in the month of March and 5%, to 6% was taken in the month of April.

Ashvath: Sorry to interrupt. Sir, you were sounding a little bit distinct and there was a bit of an edgy sound also, which was disturbing.

Aditya Gupta: So, Ashvath, I'll repeat. On price increases, we were, I think, the first company to start taking price increases around 10th of March. We have taken increases in multiple stages. So on a cumulative basis, almost 20% price increase has been taken in March and April put together.

Ashvath: Okay, sir. I couldn't -- I probably not hear what kind of price hikes are we expecting ahead?

Aditya Gupta: So it all depends on what the gas price is going to be. And we will wait and see how gas prices go up. Also Ashvath, we also expect certain secondary cost pushes which will become more obvious with diesel prices going up and gas is also impacting a lot of our raw materials also. So we see a gradual push upwards over the next few months. And watching it very closely, as I said in my opening remarks, I think due to energy pricing are a bit volatile. So keeping our eyes peeled to ensure our momentum on volume and on margin will kind of safe guarded.

Ashvath: Thank you, sir. My next question is what kind of gas prices are we looking at right now? Could you help us with the breakdown?.

Anuj Arora: So Ashvath gas prices are formula linked and that formula keeps on changing every few days. So it started with 80% formula, I am sure you are aware of, which has gone down to 55% at a normal rate and valid 45% at spot rate, 6% was eased during April, its kind of very, very volatile. But in general, approximately 30% increase is what we have seen on the overall basis in the gas prices.

Ashvath: Noted, sir. Could you help us with the INR per SCM for Q4 blended?

- Anuj Arora:** Q4 INR will be somewhere around INR45 average.
- Ashvath:** Okay. Sir, another question, if I may. I just wanted to understand, since we have paid off our debt and we are sitting at some level of cash at this point. Are we looking at some form of capex going ahead? Or what is our next move forward?
- Anuj Arora :** So, Ashvath, as of now, we have sufficient capacity, like I mentioned in my opening remarks as well. So there will be capex, basically for maintenance. But as of now, during the current year, we don't need any additional capex in FY '27 for capacities.
- Ashvath:** Noted, sir. And one last question. On the marketing spends, are we -- what kind of percentage basis are we looking at to allocate towards marketing?
- Aditya Gupta :** So I think last year, FY '26, we did about 3.5%,.
- Anuj Arora :** 3.6%, sir.
- Aditya Gupta :** 3.6%, Ashvath. And this is an area that we will continue to invest. And I think 3.6% will kind of creep upwards maybe closer to 4%. We have not decided yet. But directionally, we are very clear like FY '26 was more in FY '25, we are very clear that this is an area to invest. So it would directionally keep moving up.
- Ashvath:** Okay. Thank you, sir. Thank you for answering my questions.
- Moderator:** Thank you. Your next question comes from the line of Apurva Sharma from Raas Capital. Please go ahead.
- Apurva Sharma:** I am audible?
- Aditya Gupta:** Yes.
- Apurva Sharma:** Yes. Congratulations, sir for such an encouraging set of results. It seems like operating leverage has started to kick-in, in a big way. I have a few questions, sir, starting with you mentioned about capacity utilization to the tune of 60%, 65%. Is that right?
- Anuj Arora:** Correct.
- Apurva Sharma:** Sir, so in last one year, our marketing spend has been upwards of 3%, 3.5%. We have increased our sales mix from the ceramic to GVT. And with the launch of your anti-static tile as well and your adhesives, when do we see a collective capacity going upwards of 80%? The real estate cycle also seems to be in our favor.
- Aditya Gupta:** Mr. Apurva, we have consistently stayed away from giving future guidance's and all. So I would request if we can focus more on FY '26. But I think this year, even more than the previous years, there is a lot of uncertainty in how the market is going to pan out because of competitive – because of gas pricing and most of gas availability.

There was a time just 10 weeks back, where we were actually sitting and thinking of which lines should be shut up, should be shut down lines because the gas allocation has been reduced to 50% and all. So I think talking of capacity utilization for FY '27 is not something which is in our control now. I think let me tell you this, quarter four capacity utilization was better than what quarter three was. And if status quo continues, then we expect this number to get better. Status quo in terms of gas availability.

Apurva Sharma: So sir, my another question was since because of this energy crisis, a lot of unorganized players have shut down their capacities, that is maybe across Morbi and many other places in India. Now when we see this transition of the organized market share increasing in next one to two years, how do we plan on capitalizing this? Does it still have to be that 40%, 45% of our revenue will still come from the OBTB or do we have a more aggressive strategy here to get the market?

Aditya Gupta: So, Apurva, I think you're right. We expect players like us to benefit strongly with the disturbances in Morbi because of our balance sheet, because of our cash position and our focus for the last few years on selling out from a dealer godown as opposed to selling in. I think we are better placed to capitalize on this development. In terms of OBTX and all, I think it would definitely -- it could go up. I haven't done those numbers segment-wise from exactly where it is and how much of it will come from OBTX or non-OBTX. But with stronger retail footprint, I think that number should definitely get better.

Apurva Sharma: All right. Sir, the antimicrobial tile and your anti-static tile, have you – have Orient Bell started getting a reasonable traction on these products lately because the data centers are so much in your headlines in last six, seven months. Have we received any good, good orders or any interest from these companies?

Aditya Gupta: So Apurva, there have been some orders on anti-static tiles and all, but the contribution is still a very, very small portion of the overall. So it is a nice branding this thing. We are getting some orders, but really not enough to move the top line.

Apurva Sharma: All right. All right, sir. I'll wait for my queue. I'll ask my questions then. Thank you so much and wish you all the best.

Aditya Gupta: Thank you.

Moderator: Thank you. The next question comes from the line of Deepak Pruthi with Wealth with Wisdom. Please go ahead.

Deepak Pruthi: Hi. Congratulations on a great set of numbers. Just wanted to understand from you how is the overall demand scenario looking like for building material? So has it kind of turnaround considering pipe companies have also delivered good numbers, tile companies all of them have delivered good numbers. And overall electrical buyer and all these companies have also started using good numbers. So, is it kind of in your view kind of turnaround or with the demand has been coming from household and builders?

Aditya Gupta: I think I've been saying that with the rapid pace of urbanization and a lot of support, a lot of spend capex by the government also, things for the building and construction industry overall,

are positive. We have had some issues largely related to oversupply in the Morbi cluster. But I think this particular crisis has cut down that oversupply to a level which we can easily manage.

So I think the long-term thing looks positive. But I also foresee that in the short-term, there could be some ups and downs. For example, bond rates are going up internally, interest rates in India could also go up. The Prime Minister has already spoken about the need for austerity and how it plays out on the consumption side, we will know over the next one month or so.

So I think there might be some short-term blips for a quarter or so up and down. But the long-term story in terms of building and construction demand, I think it stays strong. And coming to tiles specifically, because of the adverse impact on Morbi, I think the supply-demand overhang for tiles would also get corrected, which is a big positive for the industry.

Deepak Pruthi: Okay. Just a ballpark figure in terms of how much would have the industry grown in terms of tonnage organized and unorganized put together? So has the organized sector grown on the back of unorganized sector not getting enough raw material supplies or the entire industry has grown?

Aditya Gupta: See, I think the unorganized sector has not done too well in FY '26 also, because exports have been flat. Exports in FY '26 would be slightly lower than FY '25 and I think -- I say not lower, same size in FY '25 and lower than what FY '24 was. So anomaly sector has not done too well. For the first 11 months of the year, there has been a steady price -- selling price erosion also. So while volumes were still better, but the revenue piece took a bigger hit.

Your next question was in terms of the organized players, I think different players have behaved differently. See the figures of, say, fourth quarter could be an aberration. Some companies might have done better than the normal run rate, some could have done worse, depending on how big their dependence on Morbi was.

But generally, I see that I think at least I can speak for myself, can't speak for the industry. January and February were also great months for us. So it was not that we started growing in the month of March. And if I shared the information with you, say, in the first week of March, we would have been equally positive about our quarter four outcome because a good March came on the back of a nice January and February.

Deepak Pruthi: Understood. Understood. Sir, one last question. So in terms of segments, what would be the contribution coming from institutional vis-à-vis retail segment? And which segment has grown the most in the last quarter?

Aditya Gupta: So for us retail has, I don't have the numbers off hands but retail has grown much better for us. The enterprise business actually has not done too well for us in FY '26.

Deepak Pruthi: Okay. And what would be the contribution coming from retail vis-à-vis institutional overall revenue?

Anuj Arora: So retail is somewhere around 78% in this year and balance is institutional.

Deepak Pruthi: Thank you. Thank you and all the best.

- Anuj Arora:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Tanmay Roy, an individual investor. Please go ahead.
- Tanmay Roy:** Hello. Hi. Thanks for the opportunity. So my first question is, sir, actually, I was seeing that our power and fuel cost, which has gone up by 34% year-on-year and then our input cost is also up around 24% and all, but wherein, our revenue growth is only 7%. So how do you see if the same pressure persists, are you going to manage our margins in the next coming quarters, considering that because demand supply also is...
- Anuj Arora:** Tanmay, these are two separate sets of data that we are talking about. So the power & Fuel fuel that we are looking at is basically as a percentage, you need to look at it not as a percentage of sales but as a percentage of production. In the last quarter, our production has gone up by 20%, 25% if I remember correctly.
- So on an overall basis, like I mentioned initially that in quarter four, power and fuel cost, the fuel cost, which was somewhere around 43, 44, in the quarter three, it was at 44, 45, 45.5 in quarter four. So as such, the increase that you see is mainly on account of production increase.
- Tanmay Roy:** Okay. So you are saying that the pressure from the Iran war, which is still -- I'm thinking that it will actually be shown in the Q1 results. So you are saying that has already been absorbed in this quarter also, if this cost increase is what you are saying is linked to the production increase?
- Anuj Arora:** So cost increase started from 9th of March. So there was a part of that, which was basically in quarter three, quarter four and the balance will come up in Q1 because we have already covered, because we have already taken price increases during March, as well as in April.
- Tanmay Roy:** Okay. So based on the current input cost and the increase, we don't need any further price increase if that persists?
- Anuj Arora:** Yes. If the gas prices stays where they are, if they move up, then yes, we'll have to take another increase...
- Tanmay Roy:** Okay. So how is our sir, inventory level right now? So are we -- I mean, are we seeing -- in case if something comes up again to gas price -- gas, we are not getting properly and you have to hold our production, how long we can serve our customers?
- Anuj Arora:** So there is no problem in terms of availability as such. It's just that the pricing will change -- if the allocation change, the pricing will change. But as such, because we being a multi-location player, we haven't faced any availability related problems...
- Aditya Gupta:** So we have to pay a stiff price if you consume more than what the government has given as a quota. And so to answer your question, we are comfortable on inventory. I think we are maintaining our inventory levels to what it was in quarter four. And I think unlike Morbi and all, we have sufficient stocks for the near term. And we keep we continue producing. As

somebody has said, capacity utilization this April, May has been better than what it was in quarter 4.

Tanmay Roy: Okay. Yes. So that's fine. Thank you, sir. So one last question. So from May 5, there are supposed to be some units supposed to be opened in Morbi. Any quantifiable number which we can see like how much has been reopened and how the production is going here in Morbi?

Aditya Gupta : So they are open from 1st of May onwards, I think 500-plus units have opened in Morbi. Most of the GVT units have opened. The percentage of units who are doing ceramics is lesser. They have -- most of the units are struggling not because of gas availability, but they're struggling because of labour availability, and labour has been a big challenge. The output from the kiln is coming out, but polishing and packing where a lot of manual labour is needed, that is taking a hit. So people are not able to actually sell in the market to that extent.

Tanmay Roy: So in that case, sir, if demand continues the same, any price increase can be absorbed by the end customer, right, if that's true?

Aditya Gupta: That's what we also expect. The customer is trying to shop around, check whether they are getting something cheaper from a competitor. So all that shopping around is currently on, but it is far from perfect kind of a situation supplies -- we had run down from more than half of March, no production, full April, no production. So stocks at the design level in Morbi have really run down.

So, to kind of get that whole assortment of design available, it does take time. We are lucky that way because we have bulk of our sales originates from outside of Morbi cluster, from our three factories which are located outside of Morbi. So we have had a better availability -- stock availability situation. Does it -- Tanmay, does it answer your question?

Moderator: Sorry to interrupt, sir. The line for Tanmay, sir, has been dropped from the queue. We'll move on to our next question. Our next question comes from the line of Ashvath from Arihant Capital Markets Limited. Please go ahead.

Ashvath: Thank you. Thank you for the follow-up. So, my question is on the dealer inventory. I just wanted to understand, sir, what kind of traction are we looking at there? And are we getting new ordering activity from the dealer end?

Aditya Gupta: So Ashvath, dealers have turned cautious. They don't want to get stuck with the high price inventory because many of them are hoping that prices might come down. So they are kind of reducing their stocks. That is where our focus of sellout is kind of helping because our teams are going to dealer and talking to them, telling them that, look, in the last 6 months, this is the -- your total sales, this is the percentage of secondary sale orders that we have generated and given to you, which is all documented and digitally available.

So why don't you give me another order? And I'm helping you out -- helping you to sell out. So that will continue. But my sense is that, a, there is a working capital squeeze at the dealer end because of this 20% increase, that same square meter of tile is costing him 20% more than previously. So there's a bit of a working capital squeeze there. And he also wants to wait and

watch in terms of our projects, for example, not just dealers, large projects they are in a wait-and-watch mode.

Right through April, they were in wait-and-watch mode. Should I buy right now, or wait until May? Morbi will reopen then, we'll see what happens after that. So all that is playing around. I think it will start settling down because there really is no alternative to tile. Now if prices go down, they will go down for everybody, not just for me, but for the whole industry. So everybody will take their prices down. And they can't substitute tile with some other surface. Matter of time, some shops -- yes. Please.

Ashvath: Okay. And another question is on the impact that we could see in Q1 because of gas. My question is on what -- to what extent can we pass on this impact? And will this also pan beyond Q1 to Q2 in any front because of the inflation in gas?

Aditya Gupta: So Ashvath, is your question, what percentage of the cost increase we will be able to pass on to the consumer? Is that the question?

Ashvath: Correct, correct.

Aditya Gupta: So as of now, we have passed on all the cost increase to the consumer.

Ashvath: Okay. And will this continue over Q2 as well in case the price remains elevated?

Aditya Gupta: I think so. I think so. See, recently, there have been some talks since yesterday that in Morbi cluster, Gujarat gas is increasing June pricing has indicated that June price will be about INR5 per cubic meter more than what May was. I think there was a very small diesel price increase today. There was a diesel price increase a few days back. So all of these things, I think are adding up. So a downward movement of prices and all doesn't look very probable in the next few months, definitely not in quarter 1.

Ashvath: Okay. And sir, if you could just help us understand what kind of utilization split do we have in our non-vitrified versus our vitrified at this point, ballpark?

Aditya Gupta: So our vitrified, own manufacturing vitrified is on capacity utilization, I don't have the exact numbers. But the capacity utilization on the vitrified piece is much higher than the ceramic line.

Ashvath: If you could help us quantify that, sir, ballpark number, the difference in between the vitrified and the non-vitrified?

Anuj Arora: We don't have a direct number to it. But I think vitrified should be somewhere around 80%.

Ashvath: And the non-vitrified would be around?

Aditya Gupta: Maybe even more than that, maybe even quarter 4 might be more maybe 90%. I don't know. Actually we'll have to work that number out. I haven't seen it separately.

Ashvath: Okay. Sir, and another question was on our new Adhesive front. What kind of traction are we looking at there? And when do we plan to launch the Adhesive brand all in scale?

- Aditya Gupta:** What question I didn't get? What was the question?
- Ashvath:** I'll repeat. On our Adhesives segment that we have introduced lately, which is on its pilot stage...
- Aditya Gupta:** So we have started -- so this year is the first full year. I think we have -- it has been a learning curve for us. So this year, step by step, we'll be kind of expanding. And again, with all this volatility and all, we have not given that much attention to adhesives in the last 1 or 2 months that we would have given.
- Otherwise, they also, there has been some pricing cost push challenges and all. But we are slowly getting -- opening it up to more and more of our dealers and setting up multi-location tie-ups. So, this is something which we are quite gung-ho about, and we expect to get some decent volumes from there in FY '27.
- Ashvath:** Okay. And has it been introduced to our OBTX outlets? Is it widely available for people who want to -- for realtors who want to purchase it or develop it?
- Aditya Gupta:** Ashvath, your question was not clear.
- Ashvath:** My question was, is it available on the open market for developers for people to purchase it for the consumer to purchase it at this point or at what stage of..
- Aditya Gupta:** It is there in select geographies. We have also added a lot of products in the last 2, 3 months. We have added epoxy. We have added grouts and all -- we added spatula all these things are not there 2, 3 months back. So all that work is happening. So that is kind of moving out. But geographically, it is still pockets of North India where we are available, pockets of North and East India. So that is something which we will keep on expanding.
- Ashvath:** Okay. Just one more question for modeling purposes. You did mention some maintenance capex that would be occurring for '27. I just wanted to understand what kind of number would that be?
- Anuj Arora:** Again, Ashvath, your voice is not very audible.
- Ashvath:** Is it better?
- Anuj Arora:** Yes, Ashvath.
- Ashvath:** Yes. My question was on the maintenance capex. If you could help us quantify what kind of number we're looking at for modeling purposes only?
- Anuj Arora:** So basically, I think this year, we have done some INR6 crores, INR7 crores of capex. Next year also, it should be in the range of INR10 crores plus/minus INR4, INR5 crores.
- Ashvath:** Okay. Understood. Thank you, sir. Thank you for taking my questions.
- Moderator:** Thank you. The next question comes from the line of Apurva Sharma from Raas Capital. Please go ahead.

- Apurva Sharma:** Hi. I'm audible?
- Aditya Gupta:** Yes.
- Moderator:** Yes, sir.
- Apurva Sharma:** So just last two questions, if you can indulge me. Number one, we have taken a price hike of the first person asked about the price hike. It was not really audible. Can you just again guide me as to what the price hike has been so far?
- Anuj Arora:** So we have taken a price hike of 20% over March and April, put together.
- Apurva Sharma:** Okay. Sir, in meanwhile, for the month of April itself, the gas prices in North have again risen by more than 12% from 55.5 SCM to 62.5. So does that indicate that there is also going to be another very small price hike going forward?
- Anuj Arora:** So we have -- so I mentioned that we have taken both in March as well as April. So the price increase -- the cost increase in March in April in terms of gas prices is already covered in our price increase.
- Apurva Sharma:** Okay. And sir, going forward, whenever the situation -- the energy crisis situation melows down, for the sake of my understanding, these realizations that we are seeing right now post hike, these prices remain in the market for at least 6 to 9 months?
- Aditya Gupta:** No, not that long. I think they will start readjusting in a period of, say, 3 months, 4 months, they will readjust.
- Apurva Sharma:** So this is basically a one-off event where because of this extreme situation, we have gotten this realization.
- Aditya Gupta:** Yes, you can think of it this way. But I think it will not change very soon. And secondly, it's a bit of a blow to players who don't have a strong balance sheet because now they have to get a lot of working capital in place to buy gas, while they were earlier relying on some other fuel and all of that. So I think net-net, it will -- things can change, but it will leave us better off than what we were before this crisis happened.
- Apurva Sharma:** Okay. That's great. This just leads to my last question, sir. We have seen our peer, they have shifted already to 30% of their power to biofuels. Do we have -- going forward, do we have any plans in respect to the same phasing out to biofuels? Because in that case, our SCM then suddenly drops down to 20%, 25%, which is a significant savings.
- Aditya Gupta:** Apurva, I don't even know when we shifted. I think it must have been 6, 7, 8 years back that we shifted to biofuels in our plant. It's quite some time back. So it is not something new for us. We had -- in our spray dryers, we have been using biofuels in Sikandrabad for at least 7, 8 years that I've been around.
- Apurva Sharma:** Okay. My bad, sir. Thank you so much, sir.

- Aditya Gupta:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Rakesh Kumar, an Individual Investor. Please go ahead.
- Rakesh Kumar:** Hello? Am I audible?
- Anuj Arora:** Yes.
- Moderator:** Yes, sir.
- Rakesh Kumar:** Yes. Hi. So firstly, congratulations on a good set of numbers. I just wanted to get a quick sense on -- means, can you give an elaboration on the price hikes taken recently? And how do you see this playing out over the long term? So are these sustainable? How do you see the demand shaping up given the price hikes?
- Anuj Arora:** You're talking about sustainability of price hikes.
- Rakesh Kumar:** Correct, correct. So how do you see this playing out over the long term?
- Aditya Gupta:** So Rakesh, a, as I said earlier, there's no substitute for tiles for flooring also internationally, that's number one. Secondly, tiles over the last 2, 3 years, the pricing of tiles has only dropped. So to that extent, if there is a bit of a shock when prices go up by 20%, 25%, 30%. But if you look at it over a 3-year period, the tile price would have only gone up in line with the inflation. So I don't really see an issue there.
- The move question is how will fuel prices behave in the future? I think if fuel prices were to change, either go down or go up, accordingly, the tile pricing will move up or move down. Because what I'm hearing is that whatever calculation Morbi cluster had done for the month of May that this is going to be the incremental cost push.
- I think many of them are now seeing that the actual cost of manufacturing in May is higher than what they had envisaged. Plus on top of that, there is a diesel price nudge and then there's a possibility of INR5, INR6 of Gujarat gas going up, which is again for 5%, 6% a day. So I don't know near future if things are going to come down. But whenever pricing of gas, cost of gas comes down, then these tile pricing will also follow suit and will get adjusted downwards.
- Rakesh Kumar:** Got it. Got it. So sir, similarly, I mean, as you're seeing this Morbi's operational slowdown, so we saw a good strong volume growth in Q4. So how can we see the trajectory going forward in the next few quarters? So do you see the Morbi production coming back strongly? What's your view on that?
- Anuj Arora:** So like we mentioned earlier that we don't give future guidance. So we would like to stick to FY '26 only. What will happen in the future, nobody knows. How gas prices will behave, how the demand will turn up, nobody knows. So I think let's stick to FY '26 only.
- Rakesh Kumar:** Okay. Cool. Thank you. Thank you, sir. Thank you for your answers.

- Moderator:** Thank you. The next question comes from the line of Saket, an Investor. Please go ahead.
- Saket:** Hello? Hello?
- Anuj Arora:** Yes, Saket.
- Saket:** Yes. Sir, actually, I had a broader question. Like I've been tracking the sector for quite some time now. And for the last 10 years also, if you see for our company also and for many other companies, the sales growth hasn't been like 10%, 15% CAGR also for many companies. So now for this quarter, particularly, we have seen a significant increase in the prices, right? And you also mentioned like for the last 3 years, the prices have been falling.
- Now in the industry where we were not able to keep the prices even to protect the margin or improve it over the period, suddenly we have taken this kind of price increases. So what is the ongoing reaction of people like offtake of the product? Or is there any like demand slowdown? Because other players in the industry talking that still there is a significant demand increase, like -- so how do we see for our company?
- Aditya Gupta:** So, Saket, if you are a consumer and you are renovating your house, tile comes in at the back end of your renovation project. And you can't leave your home undone project unfinished just because tiles have become more expensive than what they were a month back. And secondly, what substitute do you have of tiles? You could definitely downgrade. You could use a cheaper tile. You could use a different kind of tile, a ceramic tile or a nano this thing. Those choices are available to you as a consumer to downgrade.
- But you have a choice to say, look, I've got an unfinished house and all and for 3 months, 6 months, I'm going to wait till the tile price comes down and only then will I finish the work. So that doesn't happen. Even in large projects, they have a capability and a capacity to kind of hold on their purchase. They will run down the existing inventory, but that will be a month or 2 months at all, they will negotiate to the best possible figure. But existing projects have to be completed. You can't leave a project half done just because the pricing has gone up.
- Anuj Arora:** On an overall basis, tile is not more than 1% to 2% of the overall project cost. And holding construction will cost more than the cost increase in terms of tiles because the cost of production will increase in terms of interest and all. So it doesn't make sense basically to hold construction just to wait and watch when prices will go down.
- Saket:** Right, sir. So one more question I had, sir. Just starting, you commented that from last quarter, we have seen an improvement in the margins. And you told that the project will be maintained in the future quarters. So what I want to ask was that you want to say that the current quarter margin will be sustained or will still improve the margins going forward also?
- Aditya Gupta:** So Saket, first quarter is normally a much leaner quarter compared to the fourth quarter in terms of sales in our industry across players and across years. So there is a lot of extra operating leverage which comes into play in fourth quarter because of a lesser turnover is not so available in quarter 1. So if you see historically, so that's why I don't want to talk to you about quarter-on-quarter kind of a number.

But as Anuj said earlier, we see a much better year-on-year growth, which we have delivered for the last 3 quarters on margin this year. We expect that it would continue because as mentioned a couple of times, whatever price cost push has happened, we have compensated for that in our March and April price increases. So we have not taken any hit because of that.

Saket: Sir, I wasn't asking for next quarter or for next financial year also. So we are seeing this last quarter overall margin maintaining for the next...

Aditya Gupta: This financial year, we are optimistic compared to last financial year, we expect to do better.

Saket: Okay. Sir, any sales kind of like guidance, if you have any -- what kind of growth we are expecting this year?

Aditya Gupta: No, we don't -- as mentioned earlier also, we don't give any future guidance, on numbers.

Saket: So, what is the capacity utilization we are having in our plants?

Anuj Arora: I mentioned it earlier, it's currently around 65% in quarter 4.

Saket: Okay. Thank you, sir.

Moderator: Thank you. The next question comes from Shubham, an Individual Investor. Please go ahead.

Shubham: Yes. Hi. Am I audible?

Anuj Arora: Yes.

Shubham: Yes. Hi. First of all, congratulations on a good set of numbers. So I just wanted to understand what is the exceptional item that we have in this quarter, somewhere around INR1.28 crores?

Anuj Arora: So that is on account of the new labour code which has come up. So you have to basically provide for the retirement at the rate of 50% of the total salary. So that is the expectation of the business.

Shubham: Okay. And second thing on our other expenses. If you see Y-on-Y, there is an absolute dip of 5 percentage. So what line items were -- does it include? Like where did we see a drop in absolute numbers?

Anuj Arora: You're talking about which number?

Shubham: So other expenses, if we see current quarter, it is around INR31.84 crores. And Y-on-Y, so for quarter ended on 31st March, it was INR3.66 crores. So there's drop of 5.4 absolute drop. So if we can have like which line item does it include?

Anuj Arora: So you're talking about results.

Shubham: Sorry.

Anuj Arora: You're talking about investor presentation or you're talking about results?

- Shubham:** Results, results.
- Anuj Arora:** So this quarter, it is INR31.8 crores versus INR33.6 crores is what you mean?
- Shubham:** Yes.
- Anuj Arora:** Okay. I think the reduction is not specific to any particular this thing. It has been on an overall basis, there has been reduction. While we talk about, so there has been some reduction in terms of travel and all.
- Shubham:** In terms of?
- Anuj Arora:** Travel expense.
- Shubham:** Okay.
- Anuj Arora:** Design cost.
- Shubham:** Okay. And do we see the current trend going forward as well? Like are we expecting some further drop in other expenses?
- Anuj Arora:** On an overall basis, if you see, you're looking at only the current quarter. But if you look at the overall year, so we are at a similar level as compared to last year in terms of other expenses. That also includes marketing expense wherein we will actually add on investment as Aditya mentioned and look at areas to.
- Shubham:** Okay. Got it. And we paid significant amount of debt this quarter. So what is the future debt levels that we are eyeing at? Like are we going to have 0 debt on the books or...
- Anuj Arora:** We have been repaying it. We haven't paid anything in this quarter, which is extra than what is required for the net debt we have mentioned is because we have surplus cash and liquid investment. That's the reason there is a negative debt of INR29 crores in our books.
- Shubham:** Got it. Got it. Yes, that's it from my side. And good luck for the future. Thank you.
- Anuj Arora:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Aditya Gupta for closing remarks.
- Aditya Gupta:** Thank you, everybody. Thank you for your interest in Orient Bell. Look forward to meeting you next quarter. Bye.
- Anuj Arora:** Thank you so much.
- Moderator:** Thank you. On behalf of Orient Bell Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines.