CARYSIL
Lifestyle Sinks & Built-in Appliances

CARYSIL LIMITED

Head Office
Survey No. 312, Navagam,
Vartej 364 060
Bhavnagar, (Gujarat) India
Ph :+91-278-2540218
E-mail: investors@carysil.com
www.carysil.com

November 09, 2026

To,
BSE LIMITED
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code: 524091

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1
'G' Block, Bandra – Kurla Complex
Bandra East,
Mumbai 400 051
Trading Symbol: CARYSIL

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Conference call held on November 05, 2026.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the transcript of Q2 FY2027 Earnings Conference Call for the Un-audited Financial Results for the quarter ended September 30, 2026 held on **Thursday, November 05, 2026**

Thanking you,
Yours faithfully,

For **CARYSIL LTD.**

REENA TEJAS SHAH
Digitally signed by REENA TEJAS SHAH
Date: 2026.11.09 16:12:59 +05'30'

REENA SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: a/a

Regd. Office:
A-702, 7th Floor,
Kanakia Wall Street, Chakala
Andheri Kurla Road,
Andheri (East), Mumbai - 400093.
Ph.: +91 022 41902000
CIN: L26914MH1987PLC042283

“Carysil Limited

Q2 and H1 FY27 Earnings Conference Call”

November 05, 2026

MANAGEMENT: **MR. CHIRAG PAREKH – CHAIRMAN AND MANAGING DIRECTOR – CARYSIL LIMITED**
MR. ANAND SHARMA – EXECUTIVE DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER – CARYSIL LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Carysil Limited Q2 and H1 FY27 Earnings Conference Call, hosted by Go India Advisors. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chirag Parekh. Thank you, and over to you, sir.

Chirag Parekh: Yeah. Good evening, ladies and gentlemen, and thank you for joining Carysil Limited's quarter 2 and FY27 earnings conference call. I extend my warm festive wishes to all of you and your families. Our results and investor presentation are available on the stock exchanges and on our website.

Joining me today is Mr. Anand Sharma, Executive Director and Group CFO, along with GIA, Investor Data Advisors. **Quarter 2 performance**Despite a challenging global environment, pleased to share that Carysil delivered its highest ever second quarter revenue of INR275.7 crores, a growth of 14.6% over last year. Our core business, sink business, continues to be our main growth engine.

The quartz sink volumes grew about 10% to 217K units, and the quartz sinks contributed about 54% of our revenue. Stainless steel volume also grew by 8% to 47K units. Together, our sinks contribute 65% of our revenue. Our faucet volume grew by 8%, kitchen appliances 12%, and surfaces 23% on our revenue this quarter. With this wider portfolio, Carysil is steadily becoming a complete kitchen solution provider for our customer.

Capacity expansion. Our granite sink plant is running at a 92% utilization, stainless steel plant running at a 91% capacity utilization in quarter 2 FY27, which is close to optimum level. In addition, 250,000 units of annual capacity of quartz sinks and 150,000 in steel sinks due by the end of FY27 comes at the right time. In line with Make in India, we are also doubling our faucet and kitchen appliances capacities to 100,000 units. Each is to reduce our dependence on imports. This too is on track for end of FY27.

International business. Our long-standing partners IKEA, Lowe's, Home Depot, and Howdens, Hafele continue to be a large share of their business. We've extended our partnership with Home Depot Canada and US, starting working with Hafele in Australia, New Zealand, Thailand, and Indonesia. And received our first Amazon buy, Amazon USA.

In the UK, Carysil Products Limited recorded its highest ever half revenue of GBP6.2 million. Our surfaces business saw a softer demand to GBP5.8 million as against GBP7 million of last

year. In the US, the United Granite grew its revenue to $5.6 million from $5 million, approximately a 10% plus growth.

Domestic business has been one of our biggest opportunities and our growth engines. Indian consumers are increasingly choosing premium brand and design-led kitchen products. So our business grew by 30% in the first half, and India contributed 21% of our revenue versus 19% last year.

Expanding our presence through galleries, brand store experience centers, B2B vertical with developers, and also online platforms like Amazon and Flipkart. To build our brand further, we have signed renowned actor Mr. Bobby Deol as our brand ambassador for FY27 and '28. We remain on track to achieve our INR500 crores domestic revenue over the next three years.

Innovation and outlook. We are preparing global launch of our nanotechnology-based sinks in 2027, starting with Europe and US. This is a small silk smooth finish of a granite sink with other additives other than quartz. This is approximately 25% of the global revenue of the other competitors. By entering into this segment, we'll be able to increase our market share in the luxury segment globally.

Also, the value addition is approximately 20% more than the current Granite sinks. We are maintaining our FY27 guidance of 15% revenue growth with an EBITDA margin of the guidance given, 18% to 20%. We still remain at the upper side of our margin guidance. Our priorities are clear; growing core categories, completing capacity expansion on time, and improving profitability to allocating with discipline.

We also like to give news that there has been a big win by Democrats in United States. So we see now a strong momentum of orders coming from United States. We're already seeing some immediate trips by our customers to our factory as early in next week. So we are very confident there will be a huge momentum now coming from United States, not just for granite sinks but also for stainless steel sinks.

Now I would like to hand over to Executive Director and Group CFO, Mr. Anand Sharma. Over to you, Anand.

Anand Sharma: Thank you, sir. Good evening, ladies and gentlemen. Let me take you through the consolidated performance for Q2 FY27. Revenue from operation INR275.7 crores, it is increased by 14.6% Y-on-Y basis and 5.2% Q-on-Q basis. Total income INR278 crores, up by 13.9%. Gross profit INR149.7 crores, which is 16.8% higher.

Gross margin also improved by 133 basis points to 53.9%. EBITDA grew to INR54.1 crores, up by 9.3%. Margin for quarter 2 FY27 was 19.4% compared to Q2 FY26 20.3% and Q1 FY27 21.2%. This margin decrease is on account of higher raw material cost and sea freight. Profit before tax and profit after tax both has increased by 10.3% and 5.8%. EPS is INR9.97 as compared to quarter 2 FY26, INR9.56.

Half year basis consolidated performance. Revenue from operation INR537.9 crores, up by 15%. Total income INR542.8 crores, up by 15.2%. Gross profit INR294.9 crores, up by 19%. Gross margin also improved by 174 basis points to 54.3%. EBITDA INR110.1 crores, up by 17.6%, margin by 42 basis points to 20.3%.

Profit before tax INR82.2 crores, up by 23.3%. Profit after tax INR61.1 crores, up by 21.3%. EPS increased to INR21.02 as compared to last year first half, INR17.59. With this, we can now open the floor for question-and-answer. Thank you. Over to you, operator.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question comes from the line of Resha Mehta with GreenEdge Wealth. Please go ahead.

Resha Mehta: Yes, sir. Thank you. Congratulations for a decent show. First, I just wanted to check whether we've lost out on any export revenues for want of container availability. Was that a challenge, or high freight were a challenge? Any disturbance and loss of revenue on that front?

Chirag Parekh: So I think we clocked the highest revenue, Resha, in terms of export and for India. Yes, there has been tremendous challenges as far as the availability of containers are concerned, the higher freight charges, but we've been able to fairly weather across this strong headwinds and we've still been able to put on a great performance. So nothing -- we probably would have slipped about few containers here and there, but nothing significant.

Resha Mehta: Got it. And on the growth by across products, I see that Surfaces has degrown in terms of revenues, while Kitchen Appliances revenue growth has also been flat. So if you could comment on these two specific product segments, that's why in this quarter it was subdued. And what are our expectations going ahead?

Chirag Parekh: Yeah. So as far as the Surfaces are concerned, I think this whole strategy like focusing on more exotic stones and which is one of a kind, I think that's really worked. Somehow even in spite of very high inflation in United States, the Quartz, the granite things, I would say more natural exotic stones have been continued to do fairly well.

And which was and we targeted more premium customers. So that strategy has really worked. As you would have seen that the appliances sale has also grown by 10%, on quarter-on-quarter-on-quarter. There is one piece of whole new appliances which we are planning to -- which we unfortunately could not launch it before Diwali this year, we'll be able to now launch it in 2027.

And this is in line with our Bobby Deol new launch which we are doing, by end of this year. So, we are quite hopeful that this new premium product will fetch a lot of attention and traction in the market. And second thing is we've also now been very careful of this BIS certification. So most of our, appliances now, the total almost 70% to 80% of the appliances are manufactured by us in-house.

And we are now almost cutting down on imports as much as 70% to 80% at our level. So there has been a supply chain issue as far as the assembling and manufacturing the appliances are concerned, because the first year, we started doing it. And I think as of now, quarter-on-quarter

will definitely improve. And I think it should be all set for 2027 because by March, the BIS, you will not be able to import anything post March '27.

Resha Mehta: So, okay, I could reconcile your statement with Kitchen Appliances because the growth there was 1%. So probably because of the BIS disturbance, the growth has been muted. But Surfaces, I think you were saying that we did well in some natural premium. But if I look at the revenues, that has degrown by 3%. So that's what my question was, that why has Surfaces degrown?

Chirag Parekh: No. UK, that is right, UK. So anyway, UK is right now very soft and that's why you would have seen the Surfaces -- I think a small drop of 3%. How much is it?

Resha Mehta: In terms of revenues, yes, because I think when you look at Surfaces as a product, the revenue degrowth is 3%. But if I look at Carysil Surfaces, the UK subsidiary, that has degrown by 25%. So again, the degrowth here has accelerated. So any near-term, visibility in terms of at least arresting the degrowth?

Chirag Parekh: Yeah. So I think as you said, the UK is now -- has been -- is passing through a bit of rough time. we have just appointed a new head for the Surfaces. He would be now taking charge from next month, and he's been asked only to drive the business of the Surfaces. So I think we want to get the Surfaces back on track.

There are a lot of opportunities, but we just wanted someone to focus on so after Mr. Julian Annison left the company last year, we were looking to find a replacement, somebody who focuses on the Surfaces in the UK. So I think we are quite hopeful in the coming quarter you will see an increase in the soft skills.

Resha Mehta: But, at the same time, sir, if I look at Carysil Products, which is also, based in UK, right, UK-based subsidiary, that has grown at 11%. So, again, of course there are macro headwinds in the UK, but why would Carysil Products have done well?

Chirag Parekh: That is the thing. See, there are two very different segments of the market. One is Surfaces, which goes into new Kitchens and one is both kitchen sinks and faucets are used for more replacement market. So across the world you would have seen the kitchen sink business even at the worst time they are doing, performing very well. Well, so we'll just try to go mostly to the newer kitchens which have been built less now. So that's the major difference.

Resha Mehta: And so lastly on the United Granite revenues, right, so that has also slowed to, just 4% growth. You did talk about Carysil Surfaces in UK, but United Granite has also slowed down its growth in terms of just 4%.

Chirag Parekh: 10% growth. The revenue grew from 5% to 5 million to 5.6 million…

Anand Sharma: In first half.

Chirag Parekh: In the first half.

Resha Mehta: Yeah, I was talking about Q2. Q1 has been handsome growth. Yeah, but Q2 has slowed down.

Anand Sharma: Yeah. So Q1 had a better growth, Q2 a little slow growth, but overall in the first 6 months it's grown by more than 10%.

Resha Mehta: Okay. And since, we are so buoyant about, new partnerships and with new customers, new OEM partners, would you think that maybe 15% revenue growth is conservative and we may like to revise it at some point of time, maybe say in Q3 or thereabouts?

Chirag Parekh: Yeah. I think, I mean, very honestly, I've never seen this kind of optimism or positivity coming from the demand. I mean, it's kind of reconfirming and validating our future growth story has been a tremendous interest in our company across the world, and mostly now from Europe and the United States. I think there are some big deals which is on the edge.

And I think if these kind of big deals are being realized, and what we hear from our US customers, and they're all coming to see us, there must be something going on right now. So I think if something of this realizes, I think, we will be able to -- we will probably see an upside about 15%. Yeah.

Resha Mehta: Got it. All right. Sure. Thank you. Best wishes to Anand sir.

Chirag Parekh: Yeah. As of now it is -- we are being conservative on, we don't want to overpromise on anything, but yes, the great opportunities. Thank you.

Resha Mehta: Sure. Thank you.

Anand Sharma: Thank you.

Moderator: Thank you. The next question comes from the line of Vaidik Bafna with Monarch Networth Capital. Please go ahead.

Vaidik Bafna: Hello, sir. Congratulations on this good set of numbers despite of these challenging headwinds which we faced during the quarter. But now, sir, as we see that now since the US election outcome has been out and we see that this is a great positive for us, so do we expect any kind of political changes or any kind of industrial changes which can happen and which shall benefit, Carysil the most? Do we expect anything like that?

Chirag Parekh: I think, the best thing has come out of this whole election is the positivity towards India, especially when there was this tariff looming on our head for a while now. And I think this definitely will go on a back burner. This is obviously , I think will boost a lot of our current customer confidence in United States that goes across Karran to Lowe's to Home Depot to Menards to MSI to Ferguson across and to Kraus.

Our United States clients pretty excited about the outcome. What has come, people have planned their visits to come and see us. There has been a lot of fresh inquiries in granite and in stainless steel sinks, which has been floated to us now in large numbers. And also secondly, I think, there is an also an opportunity where there is a lot of supply chain issue from Europe to the United States.

So I think we would be kind of, reaping the benefits out of this. One was this looming sword on our head was about this tariff, which nobody knew where it was going. And I'm not saying that it's going away, but it is 100%. We are very confident that this will now -- this will definitely help us reach a trade deal with India.

So I think we all are looking very positive at this point of time, and we can I think our business with the United States will be more bullish in coming future and also one important thing is I want to mention is this nano technology products which I mention which will fetch another about 20% value addition which is about 25% of the luxury kitchen sink business in the world, we are launching it in KBIS show in United States in Las Vegas on first week of February.

So we are launching new models with material filler system, and I think that is also quite exciting for us. Secondly, we are also launching first time our new premium stainless steel kitchen sinks that also at the show. So I think overall we look very excited with this outcome of the results.

Vaidik Bafna: Got it, sir. So, sir, we expect the things to change as fast as it could, so this should benefit us. And sir, apart from this, can you clarify more on the Amazon US order which you had mentioned earlier in the call. You -- we have received the first order, right?

Chirag Parekh: Yes. We received the first order from Amazon US, and which would obviously with the election again, there's - everybody's a bit of kind of conservative as far as ordering goods because of tariffs. I think this will also bring a lot of positivity in Amazon side too, and which will also help us to increase to improve our business with Amazon in 2027.

Vaidik Bafna: Okay. And sir, this order would be, Quartz and stainless steel both?

Chirag Parekh: Sorry?

Anand Sharma: He's saying stainless steel or both.

Chirag Parekh: Quartz and stainless, right now I mean, right now I would say this for granite sinks, we would be getting our first new stainless steel sinks order by end of this year from different customers in United States. So we see some good momentum coming on steel side also in the United States next year.

Vaidik Bafna: Okay, sir. Got it. And sir, one last final question, sir. As we saw in the notice sent on the exchange regarding, resignation of the CFO, so have we found any new CFO or anyone who can join in?

Chirag Parekh: Yeah. So I think, I want to clarify, good opportunity. I think me and Anand has shared a great relationship, but as you know that the Carysil is looking for Carysil 2.0, this whole new phase of growth, and where I would like to have the all the CXO level people as close to me, working very close to me. Anand has been tremendous contributor to the company many years.

We share a great relationship, but there are also personal challenges with him, so we cannot enforce this anyone. So it's always tough to find as competent as Anand, but fingers crossed. I think we have already shortlisted the candidates, and we should be appointing anytime soon, so it is not going to be long till you have a new CFO. Thank you.

Vaidik Bafna: Okay, sir. Got it, sir. Thank you, sir.

Moderator: Thank you. The next question comes from the line of Sanjay Ladha with Bastion Research. Please go ahead.

Sanjay Ladha: Yeah. Hi, sir. Thank you for the opportunity. So I just wanted to know in the Q2, what I wanted to know is the cost of raw material side is perfectly fine and it is pretty much controlled, and therefore we see gross profit margin increase. But, when I come down at the EBITDA level, the employee cost and other expense has been increasing rapidly. So if you can clarify on those level and specifically for a Q2 perspective.

Chirag Parekh: No. So I think one thing is very clear that company is on a rapid expansion mode and we are enhancing our capacity. We need to train people ahead of time, so there is overlapping of employee cost, one. And second is that we do our own expansion phase. We've also hired a lot of new people, more on -- like we hired a CTO, we hired a lot of project heads, a lot of engineers.

So there's also a lot of new team which is coming into place. And this is basically to take care of this extra capacity which is going to be realized by March '27. So once the capacity and sales is in place, the employee cost will be diluted to that extent. So we don't see, as far as percentage of the employee cost rising in 2027 in terms of percentage to revenue.

Sanjay Ladha: Okay. So my second question would be, we are increasing our, Quartz sink capacity and which will be live in early FY '27 and still saying we have already done the capacity. And my question is, since we are in talks with so much new customer, and the existing customers are also, increasing their capacity and increasing their footprint with you, so how do we see the capacity ramp-up?

Because this would be pretty much for your perspective point of view. Then again we will go for a new capex, or how do we see?

Chirag Parekh: , I think let me put this into pieces -- into two pieces. So I think there's a capacity, what we are investing in infrastructure is for half a million sinks, where we are going to invest on the first phase of investment 250,000 sinks as far as molds and machinery is concerned. Anything which we want to move to another 250,000 sinks, it will take about four months' time for the company, which is good enough, with time the new customer would give it to us.

As far as the current capacity is concerned and the challenges that we have, like for example, last month we did our highest sales and we kind of ran over 100% capacity just for 1 month, is because we had kind of huge orders, we had to put -- we had put up a great incentive scheme with our workers, and we also improved our production cycles at the manufacturing level. So which has helped us to kind of outdo, performance last month.

So if any of this rush orders come, something before the capacity come in place, I think we have our team in place. Like you said, the employee cost has risen, because we have a lot of employees. We are backing us up if you have to increase the capacity, work overtime till the

new capacity comes up. As we all know, supply chain is the biggest issue at this point of time globally, and we do not want to let this opportunity go.

Sanjay Ladha: Sir, only another question would be, since what we are seeing and what we are hearing in various other management across the industries, we are seeing that freight cost has been increasing rapidly in the quarter and in coming period of time as well.

Chirag Parekh: Yeah.

Sanjay Ladha: So how do you see that, and is that pressure full along? And including this, we are talking about 18% to 20% margin of EBITDA level, is that would be maintained because of the globally pressure going for -- going on?

Chirag Parekh: Yeah. Good question. I think this margin, unfortunately, we probably have missed our target margin in Q2. That's what I come to here. But if you're looking at the current global situation, I think our company has done very well. Our team has performed very well because it is unprecedented freight cost and the disruption in supply chain which is going inside the world.

Now the quarter two, I think probably is the worst ever challenging quarter we ever had, where we had the highest cost or challenges in terms of every input cost of whatever it is freight to anything. So I think this margin of 18% to 20%. Already we did how much? 19%, 20%? Standalone was 21%**Anand Sharma:** Standalone was 21%, right.

Chirag Parekh: 21%. So, already on the standalone, we already doing 20. Yes, UK and US was quite flat, so that's why it has kind of on consolidation diluted the margin. But on the consolidation also, 19.4%. So only my answer to you is moving forward, right now we see a trend of cooling down. We've seen the raw material prices going down, we see the freight gradually going down. So I think I can only see any improvement in margin moving forward.

Sanjay Ladha: Okay. Thank you so much for answering my question. Thank you.

Chirag Parekh: Yeah.

Moderator: Thank you. The next question comes from the line of Bala Murali Krishna with Oman Investment Advisors. Please go ahead.

Bala Murali Krishna: Hi, good evening. Congrats on good set of numbers. So, my first question is regarding the stainless steel. , but the volumes of this quarter are not reflecting. So, could you just clarify a little? And even if in the Q3, eventually some volume addition, what would be the volume extent, approximately?

Chirag Parekh: He's saying the capacity has been increased, the volumes have not come. But in the quarter two, in the stainless-steel thing, it has been flat at 91%. Yeah, so I think, quarter-on -quarter we'll be able to maintain the sales, if they're not improvement. But like I said, that there is a new inquiry for stainless moving forward. You'll see production in the coming quarters. But as far as the fundamentals, I think we are still very strong. Stainless steel is doing well. And this new

technology where we are going to press the sinks with 15 radius and 25 radius, which will only happen in quarter 4.

Bala Murali Krishna: Okay, understood. So, secondly, on the, some deals which agreements we discussed in the last quarter, like Australia, New Zealand, they landed from Canada also. So, what is the progress on it? Have those deals been materialized and have you started any dispatch to these countries?

Chirag Parekh: Sure. I'm having a bit difficulty understanding you, so if you can go slow and a bit louder, please.

Bala Murali Krishna: Yeah, then last quarter we discussed about some agreements with Australia and New Zealand retail customers and also some Canada customers. So, what -- is there any progress there, and have you started any dispatches to them?

Chirag Parekh: So, we have signed a good deal, I would say a great deal, with Hafele, New Zealand and Australia, and we have got our first orders in this quarter, and, which would be dispatched by next month. And, this coming quarters, I think the deal was about anywhere around 25,000 to 30,000 sinks a year. And I think we expect to be on track next year. But if your question is, have we received the orders? Yes, we have received the orders also from Canada and also from New Zealand, Australia.

Bala Murali Krishna: Good, good, sir. So lastly, on this long-term capex, in earlier presentation we indicated that we want to move the quartz sinks capacity to 1.5 million by FY30-FY31, and also in similar line, Stainless Steel to 500,000. So, given the current trajectory, so we are adding 0.25 million Sink. So do you think -- I feel these figures would be a little bit conservative. Maybe there is a lot of scope to add capacity by that time. So, I would like to know what is your thoughts on this one, sir?

Chirag Parekh: Yeah, so I think we are on track with what we are doing. Obviously, we will see on how quarter on quarter shapes up and what are the other new deals kind of shapes up. We are very excited to see the quarter, the next quarter, I think because there are some very interesting deals Which can take place, and then we can probably significantly move the trajectory to the positive side.

But as of now, the 1.25, and I think on the long term 1.5 million Granite and 0.5, I think, sink is okay. And then when further things improve, we will see to enhance the capacity. But if your question is, do we have the further capacity to enhance I think we have a huge infrastructure and land, whether we can further enhance the capacity right now.

Bala Murali Krishna: Yeah, good sir. So, and lastly, sir, and yes.

Chirag Parekh: Yeah, please go ahead.

Bala Murali Krishna: Yeah, maybe this by this month's end we will go to that Muscat showroom for a visit, sir. Maybe we can share this information with the team.

Chirag Parekh: Yeah, so yeah, sure.

Bala Murali Krishna: Yeah, you were saying something.

Chirag Parekh: No, I'm saying is, you see, and I've been saying this again, there's 4 billion sinks in the market. Supply chain is a problem around the world, and whichever company is able to do at a great cost and a great supplies on time, which is going to be a leader. So, you never know what things get disrupted in western part since all our competition is coming from the western part.

So, you are absolutely right. I think we should be geared up if something goes wrong. We have heard that one of the Italian companies has shut or will be closing down. So, you never know if something like this happens, then we may get a, quite a huge momentum I mean, quite momentum in terms of the orders.

And the same thing is happening on the stainless-steel side. The freight cost is so incredible coming from the Far East and supplying to Europe and to the United States that people are now -- I've never seen such a flow of inquiries also for the stainless-steel side. So, things look pretty interesting.

I think we need to just keep a good watch and yeah, and we should be ready to enhance the capacity if some kind of this things change dramatically. You never know how fast things can change in this global scenario.

Bala Murali Krishna: Yes, sir. That's good, sir. And good luck to Anand Sharma, sir. So, he has been with the company for many years, and I wish him best of luck to him. Thank you.

Management: Thank you so much.

Moderator: Thank you. The next question comes from the line of Sagar Jethwani with PhillipCapital. Please go ahead.

Sagar Jethwani: Yeah, thanks for the opportunity. I have a couple of questions. First on, what was the impact of sea freight cost rise and RM inflation each on the EBITDA margins? Could break that down, and also any pricing action that we have taken during the quarter, or are we going to take any pricing action going forward to combat the RM inflation? That is question number one.

Chirag Parekh: Yeah, so I think to put both sea freight and raw material cost inside, I think the impact is about 1.5%. Yeah, 1.5% to 2%. With that, and that's why probably we missed our margin target. And your second question was on the price. Yes, I think we already have increased 5% price, but if something goes wrong, further than this, if some inflation -- if some inventory cost comes in terms of freight or in terms of best part is all our exports to the major customers are all FOB basis.

So, since it's on FOB basis, there's not much impact on us. And also, if there is an increase in the raw material cost further than this that will be passed on to the customers. But we'll have worked on -- fundamentally, we'll ensure that the margin guidance is not is that we are able to stick to the guidance -- upper side of our margin guidance.

Sagar Jethwani: Yeah, this pricing side that we have taken, it was effective from when?

Chirag Parekh: We did it from last month.

Sagar Jethwani: Okay, so next quarter we'll have a full quarter impact?

Chirag Parekh: Yeah,

Sagar Jethwani: Positive impact?

Chirag Parekh: Yes, sir.

Sagar Jethwani: Okay. And second question is on the India, business expansion. So, what's the expansion strategy in India? Are we going expanding region-wise, state-wise, or is it that we are tapping specific cities and towns across India given that we have a premium positioning, premium and luxury positioning? So, what's your expansion strategy here?

Chirag Parekh: Yeah, so I think if you like if we have hired PwC for my leadership one and two restructuring process which is on. One thing I think come out very clearly is that if you want to kind of growth we are looking from India, and I very honestly, I think we are underperforming as a brand and as a company in India, and that's why I kind of put a growth touching to INR500 crores. So, India is going to be our growth engine, and if you want to go to INR500 crores, there are a few things we need to do, but I cannot touch the few important things.

First is that you need a good sales leadership team. So, one leader is not enough to drive this whole India business. So, we are basically going to split this whole into e-comm business, B2B business, and B2C business. Further, when you go to leadership too, we are going to split it in terms of categories: sinks and faucets one, and appliances into two. So there is an accountability, and ownership for each of this.

We would be strongly governing by the KPIs for all the team members till the ASM level and try to give them targets -- try to give it and have a very strong monitoring control, which we honestly don't have right now. Third is right now this whole exercise is going to take place, and we feel that there are the top 8 to 10 centers where Carysil is doing well. We see that territory itself having a lot of growth opportunities.

So, we plan to expand our team around all these 8 t to 10 regions across India. And at the same time, we are also trying to look at what are the gaps in the market which the company needs to do. I think so we are on a track right now to shape this up. I think by end of -- you'll be able to hear this news in the next 30 days to 60 days about our new team and new structure and what we plan to do.

Sagar Jethwani: Yeah, thanks for all that clarity. Last bit on the advertisement and the branding expenses, how should we look at it going forward given our fast-paced expansion in India specifically? Given that we have a brand ambassador now in place, also we plan to add another few brand ambassadors as per our last conversation. So, your comments on ad and, the branding expenses maybe for next year, that should be helpful.

Chirag Parekh: Yes, I think this is one important factor I forgot. I think this whole brand store expansion. So on the brand store expansion, we only have 20 brand stores. across India which most of our peers

are more than 150 to 200 brand stores. I think this is very one about a large chunk in the 27 about INR25crores to INR30 crores we have to invest as a company to grow to the revenue of build road tour INR500 crores. I think sorry about that point, I forgot.

And as far as the marketing, since the brand ambassador, I think one thing is very clear. We internally spoke about this, that we need a very clear 5% pure advertising expenses if you want to build a brand in India, not with just inputs, but purely on terms of advertising and branding. And, remember Bobby Deol, we are going to spread across, the TVCs. We are going to be on social media.

We're going to see the billboards in major cities where Carysil as a brand is a leader. A lot of promotion with Bobby around. So, I think you'll see that the company is now going to spend as high as 5% only on advertising as far as this. The second question would be yours. How much will be the dilute my margins? What we're going to do is we are going to minimize the discount of 5% which we are giving to just to bring to more of a push strategy.

So, we are going to stop doing that 5% of extra discount which we are giving to the distributors, and that 5% we are going to use for brand building. So, try to see that our margins are not disturbed. Yeah.

Sagar Jethwani: Yeah. and that way the economies of scale should also help in improving the margins, in fact, right? In addition to the discounting rollback.

Chirag Parekh: Correct.

Sagar Jethwani: Understood.

Chirag Parekh: I guess this whole thing of Bobby Deol, and obviously I know him also personally, also a great guy. But the impact -- a lot of questions were asked that why did you hire a male brand ambassador versus a female. So, I think this whole concept of getting a male, a man inside a kitchen cooking for females -- most of the chefs are men in the world.

One of the best chefs in the world. Bobby has such a great impact, what I see recently, and I think this is really going to build the brand to the next level. It's going to catch a lot of eyeballs. Yeah, so we are quite excited to do something different than the industry. Yeah.

Sagar Jethwani: Yeah, thank you for answering all my questions. All the best.

Chirag Parekh: Yeah. Thank you.

Moderator: Thank you. The next question comes from the line of Nipurn Khemka with CD Equisearch. Please go ahead.

Nipurn Khemka: Yeah, hi sir, good evening. So, my first question was, do you think there is a sufficient pull of gravity for attracting top talent to Bhavnagar? A city with size a tenth of Ahmedabad and the population less than a million.

Chirag Parekh: You see, I think your question has come to me. How come I've been able to settle in Bhavnagar, right? Such a breadbasket. What attracts Bhavnagar is the Carysil, the amount of momentum, the infrastructure what we have. I think if you are -- have you Been to our factory before?

Nipurn Khemka: No.

Chirag Parekh: Okay, good. So you should come and you'll realize that this is probably the best place to stay. Second is if somebody wants to really be made a quality life, getting away from this hustle and bustle, a lot of inflation costs, a lot of weather problems, right? Bombay also crossed 300 AQI recently, right, in terms of -- I came from Bombay and I fell sick because of the weather.

So, for example then my CTO I hired is from Bombay and yesterday he called me saying, sir, I want to move with my wife to Bhavnagar, I'm not able to tolerate the weather. Secondly, he said the quality of the life I get in Bhavnagar I was astonished to see. Third is the working culture at Carysil, the new headquarters coming up. It really excites me, a lot of sports complex, team building. So, I think this is a lot of other good things which you have.

We are not completely 100%. You need to be here. We give a lot of like a week, like five days, 10 days, you want to work outside our factory, that is also fine. We don't want that 100% somebody needs to be based here. So, we also very flexible sometimes in a bit of hybrid working style, but most of my time level you need to spend with the chairman of the, of the company. Now whether I'll be in Bombay, you can spend there. If I'm in Bhavnagar, you need to spend here.

Nipurn Khemka: Understood. And sir…

Chirag Parekh: But you'll be shocked when you see the new CXO levels joining us and from which companies they are coming and joining me. That means there must be something good that we must be doing. Yeah,

Nipurn Khemka: Definitely.

Chirag Parekh: Yeah.

Nipurn Khemka: And sir, secondly, have you considered bulking up your inventory of raw materials in the last 6 months because of this disruption? And at the time when free trades have also closed.

Chirag Parekh: Anyway, what is your question on inventory building?

Nipurn Khemka: Yeah, inventory of raw materials.

Chirag Parekh: The inventory, yes, we did build a bit of inventory raw material, and that's why we have, as far as the inventory is, a bit higher on quarter 2. Yes,

Nipurn Khemka: But in quarter 2, if I see, I believe it was mostly largely same as FY26.

Chirag Parekh: Anand, you want to…

Anand Sharma: I think we have already booked material for next 3 months to 4 months because of the pricing what we are getting. So, what we discussed earlier, that we are booking in advance so that we have a fair pricing available to us. We have not built more stock. From material, we have a normal stock. In terms of import items, we have some, yeah, contract.

Nipurn Khemka: Okay. So, but if, let's say, in the future if this situation repeats again, so wouldn't it be wise to build up some raw materials, like extra raw materials reserved for this situation?

Anand Sharma: So there is a lot of volatility happening, and our main raw material MMA, PMMA, has a link with the crude and its prices going up and down. So, we don't want to stuck to one price. Any up and down, it's even out in the next 6 months or 3 months. So up to 3 months-4 months we can take a position, but more than 3 months-4 months there is no visibility. So, we don't want to disturb that kind of…

Nipurn Khemka Understood. Okay. Thank you, sir. Thank you.

Anand Sharma: Welcome,

Moderator: Thank you. The next question comes from the line of Rushabh Shah with Systematix. Please go ahead.

Rushabh Shah: Hi. So my question is regarding the kitchen appliances and the faucets where we are doubling our capacity, which will be done by the end of FY27. So, we'll be reaping the benefits in FY28. I just wanted to know what sort of asset turnover or the additional revenue that we are planning on, and what would be the target utilization for the same?

Anand Sharma: Yeah, so this, is very asset-light model because it's more assembling than manufacturing. So, the turnover will be 5x to 6x of the capex what we are doing. And on utilization, it will gradually increase. Utilization we are targeting for next year 80 to 85 percentage.

Rushabh Shah: Okay. Thank you.

Anand Sharma: Welcome.

Moderator: Thank you, ladies and gentlemen. Due to time constraint, that was the last question for today. I now hand the conference over to the management for closing comments.

Chirag Parekh: Thank you very much for joining this call. We hope that we're able to clarify all your queries. However, if you have further queries, you may reach out to GIA Investor Advisor right to the company. Have a great Diwali and a Happy New Year.

Moderator: Thank you, sir. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.