JYOTI RESINS & ADHESIVES LTD.

EURO Wood Adhesive

13th August, 2026

To,
The Manager,
BSE Limited,
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

Script Code: 514448

Dear Sir/Madam,

Subject – Transcript of Q1 & FY 2026-2027 Post Earnings Conference Call

We hereby submit the Transcript of Q1 & FY 2026-2027 Post Earnings Conference Call held on Tuesday, 11th August, 2026.

This is for your information and records.

Thanking You,

Yours Faithfully

For, Jyoti Resins and Adhesives Limited

Utkarsh Patel Digitally signed by Utkarsh Patel Date: 2026.08.13 12:41:54 +05'30'

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Jyoti Resins & Adhesives Ltd

Q1 FY27

POST EARNINGS CONFERENCE CALL

August 11, 2026

5:00 PM IST

Management Team

Mr. Utkarsh J. Patel - Managing Director

Mr. Samit Shah - Chief Operating Officer

Call Coordinator

KAPTIFY

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q1 FY27 Post Earnings Conference Call of Jyoti Residence and Adhesives Limited. Today on the call from the management, we have with us, Mr. Utkarsh Patel, Managing Director and Mr. Samit Shah, Chief Operating Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to give us their opening remarks, briefing us about the business and performance highlights for the period ended June 2026, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Utkarsh J Patel: Ladies and gentlemen, I welcome you all to this concall for quarter one FY27. At the outset, quarter one started on a very tough note in terms of global uncertainties and unrest in West Asia, which led to the sharp spikes in crude prices and freight rates, subsequently impacting our key raw material price, which also appreciated sharply. Since we are light on inventory of raw materials as well as finished goods, we had to take the impact of the sharp rise in the raw materials price.

The price increases happened gradually in May and June, and this will help normalize margins at 23% to 25% levels in quarter two. Revenue growth stood at 17%, of which nearly 10% was contributed by volumes while the balance was led by price increases. Despite a dynamic operating environment and volatility in key raw material prices, the company has continued to demonstrate resilience, disciplined execution and a clear growth orientation.

Our performance in the quarter reflects the strength of our Euro brand, our deep distribution's reach and the trust we enjoy among carpenters and channel partners across India. During the quarter, we continued to strengthen our market position in the wood adhesive segment. Our business model remains anchored on three core pillars, brand-led demand creation, strong carpenter engagement, efficient manufacturing and distribution execution.

One of the most important developments for our future growth is the ongoing capacity expansion program. We are progressing towards increasing our manufacturing capacity from 2,000 ton per month to 3,500 ton per month, which we believe will support the next phase of volume growth and market share expansion. This expansion is being undertaken with a long-term perspective and is aligned with our broader aspiration of building a significantly larger adhesive franchise over the coming years.

This is also in line with our foray into UP and now entry into Jharkhand markets. We are also opening one more state in quarter two, details of which we will share in next quarter. We are also encouraged by the continued expansion of our carpenter network and our increasing penetration in both existing and new markets. The response to the Euro brand remains encouraging, and we believe that sustained investment in brand-building, distribution, and customer relationships will continue to strengthen our competitive position. Our registered carpenter base has increased to 210,000 carpenters.

Importantly, we continue to maintain a strong balance sheet with zero debt, healthy cash generation, and robust return ratios. This financial strength provides us the flexibility to invest in growth while maintaining prudent capital allocation and shareholder focus. As we look ahead, our priorities remain unchanged. Drive volume growth, expand market reach, improve operating efficiencies, maintain healthy margins, and create long-term value for all stakeholders.

We remain confident about the structural growth opportunity in the Indian wood adhesives market, supported by housing demand, furniture manufacturing, interior renovations and increasing formalization of the industry.

With that, I would now be open to take questions and answers.

Question-and-Answer

Moderator: Thank you, sir, for your opening remarks. All those who wish to ask a question may use the option of raise hand. In case you are unable to raise just drop your question in Q&A box, and we'll ask on your behalf. Sir, we will take the first question from Ritika Sheth. Ritika, you can go ahead.

Ritika Sheth: Hello, congratulations for a decent set of top line. But there have been consistent concerns regarding the progress of our planned vision. So, considering your investor presentation, slide number 15, which states the capacity expansion, tons per month, by FY29, we plan to execute the capacity expansion from 2,000 tons in totality to 3,500 tons, right, overall. So, in that, the capacity utilization we anticipate is 60% to 70% considering. So, what is the total revenue figure you have planned before we go ahead with the Greenfield expansion? That is first question.

And what are the margins which you anticipate here by FY29? So, the reason why I am very sceptical in asking you this question is because we had to plan the raw material and input cost inventory planning much beforehand, which we failed to do so for the quarter. So how do we plan to forecast to do that in the next 18 months considering the worst-case scenario that the geopolitical crisis continues and stability does not arise? So, kindly please share some and throw some light on the same. Thank you.

Utkarsh J Patel: That's a very good question. So, answer to your first question is, you are very right that about 10% almost growth we have taken from quarter 1 y-o-y. So, now, about the concern about the growth plan expansion. So, as you know that about almost 60% now, we are utilizing our capacity. So that was the vision we have created. That's why we are now moving to the 3,500 ton per month capacity. And it was mentioned into quarter 2 FY27. So almost 80% work has done and within one or two months, we will be ready with this capacity. So that can generate almost INR 600 crores to INR 650 crores of revenue from here.

And for the next phase, what Greenfield facility we are going to do, so, that was for the longer-term plan that were unable for the INR 1,000 crore of revenue vision. So, that will be done by the party and it will be possible with the internal accruals. So, INR 45 crores to INR 50 crore initial CapEx and mainly that 50% will be the land part and 50% will be the constructions and remaining parts, machineries and everything. So, initially we will build the additional 1,500 tonnes per month capacity into that Greenfield and phase wise we will add as per the requirement. So yes, we will be ready for that.

And regarding raw material procurement, yes, you are right that we are at 30 days of inventory right now as per our revenue generations. But now we have also improved into that part and for the quarter 2, we have done the contract for the 90 days with our raw material suppliers, importers. But because of that situation was very critical at the time and we tried our best to make the contract for the 90 days. But as you know that the situation was very unstable into the March and April. So, that was a sudden rise and these geopolitical issues and war issues, we were not able to get the deal from the suppliers and that effect our EBITDA for the quarter 1. But now we are very much confident about that for the 22% to 25% EBITDA margin we have guided and we will be able to maintain that. So, this is how our plan is.

Ritika Sheth: Thank you, Utkarsh bhai. Well, but just one question here that, so the revenue which you guided INR 600 crores to INR 650 crores that will be for FY27 balance meaning Q2, Q3, Q4, right?

Utkarsh J Patel: No, we have guided that CapEx what we have done 3,500 tonnes per month. So, that can generate INR 600 crore of revenue for the existing plant for the Brownfield.

Ritika Sheth: Next financial onwards or from when? Because that capacity will be on from next month, right?

Utkarsh J Patel: Next month, right? So, that can generate the INR 600 crores to INR 650 crores of revenue from existing plant. So, our CapEx is done for the INR 650 crores.

Ritika Sheth: Okay, okay. And did we actually take stringent supplier contracts for raw material costs immediately or I mean, so, how do you foresee the FY27 EBITDA margin should do? I mean, will we end on a 23% to 25% EBITDA margin level or because of this one quarter being hampered the overall EBITDA margin for FY27 will be dented?

Utkarsh J Patel: I think it will be effect obviously, Q1 EBITDA is now 14.4% around. So, it will affect all over four quarters. But we will try our best that how can we maintain above our 22% to 25% EBITDA guidance for the longer term. See, this is very exceptional situations and it was beyond the control, because if you see the effect of this 14.4% EBITDA is because of the mainly 6% to 7% because of the raw material prices. So, our gross margins is affected because of these situations. Otherwise, remaining 3% to 4% we have invested as an example, we have do sales promotion into quarter 1 very aggressively for the dealer segment.

So, we have done almost 54 dealer meets, 54 territories we covered into the quarter 1 and that almost INR 2.5 crore invested into that. So, that is – INR 4.5 crore invested into that. So, that is the effect for that also.

Ritika Sheth: Okay, perfect. And what are the EBITDA margins for the emerging states versus the core 6 states, which we are already penetrated more than 30%? What are the margins fluctuated because we would be giving incentives, more incentives to the carpenters in the growing states, right? So, what will be the difference in margins?

Utkarsh J Patel: Yeah, that is vary to vary, it is very micro what you are asking for the data, because now we are into the most 100 cities and almost 65 territories we are operating. So, it is micro to micro. But yes, of course, in a newer states, we have the attractive margins for the carpenters and for the dealers also to penetrate more and to make the network. So, initially 2 - 3 years is always the situation that we need to set our product and create the more pool about that. But all our guidance is we are very confident about the 22% to 25% of EBITDA what we have also earlier mentioned, already maintained last 4 - 5 years.

Ritika Sheth: Sure, thank you.

Utkarsh J Patel: Thank you.

Ritika Sheth: All the best.

Moderator: Thank you. Sir, we take the next question from Smith Gala. Smith, you can go ahead please.

Smith Gala: Yeah, thank you for the opportunity. So, my first question will be, well, I understand the raw material prices were elevated and which took a major impact on a gross margin. I have noticed a sequential increase in the employee expenses as well from INR 9 crores to INR 11 crores or 25% odd increase. So, what were the reasons and will these expenses remain elevated in the coming period? Secondly, we have taken price increase from around mid-May onwards and crude prices since then have pulled off a bit. Yes, still higher than the normalized levels, but the price increases have been also taken. So, can we see one quarter of above normal margins of 23% - 25% like 28% - 29% margins for one quarter, quarter 2? That is my first question.

Utkarsh J Patel: Yeah. Yes, you are very right. Employee cost has increased because we have hired new talents also and now, we have increased our sales force from 520 to 562 people. So, for the newer territories also, for the existing territory also. So, we are driving our growth very aggressively and we are covering both part sales and marketing and promotions and everything. As I mentioned that 54 dealer meets actually it was in quarter 1, but actually it was in only 45 days. So, that was done between the 16th April to 30th May. So, that was done by our entire team and the aggressive efforts going on. So, we want to cover and going more deeper to cover all the markets.

So, we are hiring new talents. We are hiring for the business administrations, business operations side also. So, these all efforts are going on and that is the reason that -- plus also the appraisals part also coming into the April. So, that's why this employee cost is increased. But we are very much confident that we'll be in control of around 11% to 13% of around what are the mainly industry standard for the employee cost. So that is also a good part that we are in control regarding that.

And yes, because of the raw material crisis, EBITDA is impacted. And for now, it is a little bit cooling period for the raw material, but not as that original level that arrived yet. So, it is too early to say that we can maintain the 28% - 29% EBITDA in quarter 2 or not. But our effort is mainly for the growth part. And the main thing is important is though we have increased it or taken the price rise into the April and May month. So, that is also a good part that though we have increased the price, we able to maintain that 10% of volume growth.

It means that our brand is acceptable, our relationship, our distribution network, whatever it is working in a good direction. So, that can I assure that we are always thinking about the customer first. So, it is too early to say that we can rather maintain the 28% EBITDA into quarter 2. But as I said that about a longer term, we are confident about the 22% to 25% EBITDA margin.

Smith Gala: Okay. So, the next question while I understand this employee expenses are a steady state run rate where there are no chances of these being cooling down from here. This is what I understand. Next, there was you covered that INR 4.5 crores were invested into dealer meets in the quarter 1. So, I understand we do generally do dealer meets, but they were elevated in the quarter 1. So, what are the generalized expenses in the dealer meets we carry on in quarter 1 in a normal quarter?

Utkarsh J Patel: See, last year, actually, we have done almost 30 dealer meets and the expense was almost investment was almost INR 2 crores around. And this time, it is additionally INR 2.5 crores we had. So, this is how we do but it depends upon vary to vary upon the market situations and everything. But as we are now focusing on more with our channel partners for the dealers, for the carpenters. So, all the efforts are going together.

Smith Gala: Okay. And final question from my side, we were targeting around 20% of the revenue growth out of -- can you split between how what, what quantum of that will come from volume and what will come from price big because this guidance was after Q4 considering the geopolitical situation because not considering the price hike. So, can we expect a better revenue growth considering the price right now?

Utkarsh J Patel: Yeah, see, we always believe for the volume growth, we need to more focus for the volume growth only. And it is too early to say because as the situation was very unstable, and that's why this price rise has taken for the market leaders also and for us also. But maybe the situation come back to normal after quarter 2, we don't know exactly right now the situations about that and we depend upon the market situation, maybe we need to take a call to reduce the realization value also. But it is too early to say that. But right now, if we can see that 70% of growth is from the revenue. So, 10% is from the volume. So, 7% is from the price rise. So, maybe it can continue for the quarter 2 also. After that, it depends upon the market situations.

But yeah, we can say that we aim for always more than 15% - 20% of volume growth. And I hope there is a quarter 1 because of due to the situations also, we were able to do this growth. So, it's a very positive sign for the coming quarters.

Smith Gala: Okay, thank you. That was all from my side.

Utkarsh J Patel: Thank you.

Moderator: Thank you, Smith. We'll take the next question from Pawan Kumar. Pawan, you can go ahead please.

Pawan Kumar: Sir, can you just put out the carpenter points number and also for the year, what are advertising expenses and sales and commission expenses expected to be separately?

Utkarsh J Patel: So, that is already mentioned separately. So, sales promotion expense is already mentioned separately.

Pawan Kumar: And for the year, I said FY27, what do we expect?

Utkarsh J Patel: For the sales promotion expense, you are saying that?

Pawan Kumar: Yes, yes.

Utkarsh J Patel: It is almost, last year it was around INR 45 crore to INR 50 crore around. So, maybe it can be depends upon what volume we can create. And that can be considered as a 10% plus for this year.

Pawan Kumar: So, you are saying INR 45 crores to INR 50 crores means 10% additional on that, correct?

Utkarsh J Patel: Yeah, that is sales promotion expense means it covers the loyalty program, the redemptions, the carpenters, that is covering to that program. And for advertising and branding, we have targeted for the 6% to 7% of the revenue. That covers trade marketing, the carpenter meets, dealer meets, the branding, the mass communication that is covering to that.

Pawan Kumar: So, that is 6% to 7% of the revenue, correct?

Utkarsh J Patel: Right, right. We aim for that. So, right now, currently, we reach to the 4% around. And after this quarter 2 -- see quarter 3 and quarter 4 is the month where the market is very much open to maintain these activities regarding carpenters and dealers and everything. So, that is always the month that we can put more efforts into this brand communications and trade marketing also. But all over if we consider for the yearly wise, then yes, we are targeting for 6% to 7% further from the revenue.

Pawan Kumar: Okay. And what about the carpenter points for this particular quarter?

Utkarsh J Patel: See, I always mentioned that it depends upon the market to market because in your territory, we are passing almost 12% to 13% to the carpenter points. And for the older and mature market, we are passing almost 7% to 8%. So, it is between 7% to 13%. So, averagely, it is maintained 11% - 12% around. And for the dealer, it is also the same.

Pawan Kumar: Okay. And what about like this carpenter sales that you add in the revenues, like what percentage would be that be for this quarter? Like you had some amount of sales in the top line, right? For the carpenter.

Utkarsh J Patel: Okay, you are asking about the difference between the redemptions and the ratio. So, it is around INR4 crore.

Pawan Kumar: Okay. Okay. That's fine.

Moderator: Thank you, Pawan. Sir, we'll take the next question from Saket Saraogi. Saket, you can go ahead.

Saket Saraogi: Like, what was the prices of the key raw material in March and what is it now after? Like, till when it, till what point it had gone and till now, what is the price?

Utkarsh J Patel: So, see, for this white glue adhesives the key raw material is VAM, vinyl acetate monomer. So, it is averagely INR 75 to INR 78 around per kg. And that in March, last 10 days, it went up to the INR 170, INR 180. And it was also remaining to April month also. So, after that, that set back to INR 150, INR 135. So, it is very volatile every week, every two, three days that was a commodity product. But right now, it is set to almost INR 100 per kg.

Saket Saraogi: So, from March till now, the price hike we have taken. So, what percentage would be the price hike we have taken?

Utkarsh J Patel: So, it was a half price almost we have taken because it was taken into the mid of May month. So, almost 4% was taken into the April and 11% was taken into the May. But we can consider that was taken from the mid of the quarter. So, almost, I think 7% of price rise we have taken right now.

Saket Saraogi: Like, from March till now?

Utkarsh J Patel: For the quarter, for the quarter one, I am saying.

Saket Saraogi: Okay. So, for quarter two, we have not taken any increase for?

Utkarsh J Patel: No, quarter two, we have not taken any increase. It was remain same as we have increased into the mid May month. So, right now, it is continuous.

Saket Saraogi: So, have we seen any adverse impact because of this price increase in the sales after May maybe?

Utkarsh J Patel: Actually, it was impacted on that particular days where the situation was not normal. And yes, of course, customers were waiting for the price decrease also. They have put some projects onto the hold. And I think, I believe that was the scenario all over across the India regarding the building constructions. But after June month, we got the traction. And July, we are saying that it's a good month versus demand wise. And maybe the project was very much onto the hold within this one month. So, that was the demand was created again. And right now, I think situation is normal. So, people has accepted that. So, that is a good part what I am trying to explain that when your brand is acceptable, when your all over operations are acceptable, then that is only situation where a customer accept the new price or this incredible price hikes. So, that was expected. And we got that 10% volume growth. So, that was a very good sign for us.

Saket Saraogi: So, the volume growth we have got in this quarter, was it like that people, everybody knew that the crude prices have shot up. So, maybe the price of the product will increase in future. So, people have bought in advance before the price hike we took. So, was it that the growth was front-ended and later part with the growth was lower?

Utkarsh J Patel: No, it was there. You are very right, but it was into the March month actually. Because when I think 15th March, the situation was unstable and the price almost goes up. So, yes, of course, last 15 days, March month people has bought that inventory and procured their margins. But in April and May month, I'm telling you about the -- after 15th of May, the price has already increased. So, after that, it is not the situation where they can take this call. It is already increased. But though, what I explained that July month was that where all the sites are going very well and the demands are coming back to the routine. So, this is I think the situation happens to all companies right now.

Saket Saraogi: So, you told in the current quarter, we have taken 54 dealer meets, right? And last year it was 30. So, for this year, taking almost doubling this dealer meets, what has driven us to do like this? Because we haven't added many major new states. We are already in the current states where we are. So, why doubling this dealer meets? What will it help us in?

Utkarsh J Patel: Yeah. So, it was the network and it was the drive we have taken and what network or what investment we have done into our team, the channel partners. So, this time we decided that we'll go aggressively. And as I mentioned that we have made the budget for the 6% to 7%. So, we decided to go aggressively and to connect the more retailers, to make the strong relationship with them, to make the visibility of the brand. So, all the territories, even smaller territories we cover.

So last year in April, May month, we have not that much of team or well-established experienced people and what investment we have done into the training and the inductions and everything. So, it's all to put together. We can say it's a drive we have decided and that we were able to cover that in a very short period.

Saket Saraogi: It's a last question like the 2,000 tonnes per month capacity we have, the capacity based on the presentation. So, what is the utilization as of like last quarter?

Utkarsh J Patel: This quarter one you are saying that? Yes. So, this quarter one is almost, 65% to 70% of total.

Saket Saraogi: Okay. So, the next capacity which we are putting up will come live in this quarter. So, our capacity will become 3,500 tonnes per month.

Utkarsh J Patel: Yes.

Saket Saraogi: So, by when we expect to utilize this capacity 3,500 tonnes per month?

Utkarsh J Patel: See, as I mentioned that capacity, CapEx what we have done into the brownfield. So, that gives us the 3,500 tonnes per month. So, it can generate the INR 650 crores of revenue with the existing plan. So, we want to be very well prepared because as this is asset-light model and we have not invested much. But see in this B2B, B2C model, this four, five months are the months where the sales goes very much up. As an example, in March month, we have done 2,400 tons per month. So, we need to be very well prepared about the -- averagely, we are doing 1,300 tons per month. But still, we need to prepare about that.

So, that's why we have advanced build our capacity to maintain this four, five months sales. So, we cannot lose the sales into that particular months. So, yeah, we can aim for three years growth plan is INR 500 crore top line we want to achieve. So, we are aiming that at least within three to four years, we can able to generate this revenue and we can fulfil our 100% capacity for the existing plant.

Saket Saraogi: No, sir. I am confused. You told that three, four years revenue target is INR 500 crores.

Utkarsh J Patel: Yeah, right.

Saket Saraogi: Like total, as of now, we are INR 360 crore on current quarter run rate.

Utkarsh J Patel: Okay. Current quarter, you are saying, okay.

Saket Saraogi: It was almost INR 90 crores. So, like that, by that it will do INR 360 crore if that is taken as base. So, in three, four years, we are targeting INR 500 crores. The growth is hardly, sir, 5%, 7%, 8%, 9% maximum, sir.

Utkarsh J Patel: Right. So, right now, see, I am assuming about because this quarter is because of the revenue price has also increased also, the realization value also. So, I am considering that maybe the realization value come back to the normal and so about the volume growth if I consider, then we can count for the three years of INR 500 crores. So, in earlier conversations, also an earlier call, we have guided for the next three years, INR 500 crores. So, if you consider about them, then it is a 15% to 20% of volume growth rate. So, now, this is the additional benefit if the realization will be the same or we do not know the exact situation what will happen.

Samit Shah: I will just add into what MD sir is saying. So, we are getting future ready, basically, and hence this investment, brownfield expansion and all. So, that is what we have been doing. We are in the transformation phase and you might have seen since quarter four, like we have been growing our volumes all across. We are coming with the new territories, onboarding new talents all across. So, there is a huge amount of development and groundwork is going on as we speak. Right? And hence, despite all odds or despite adverse conditions also, we have been able to garner decent amount of volume growth backed by price growth also. And overall, that's why our revenue growth is in the line of 17% quarter and quarter. I mean, over the last, I mean, Q1 last year versus this year.

So, this complete transformation journey is going on. And to be future ready, this investment has gone in all across. And it is going to have huge benefits in the coming few quarters, is what I can add in what MD sir has already said.

Saket Saraogi: Okay, sir. Thank you so much.

Moderator: Thank you, Saket. Sir, we will take the next question from Vidish Asher. Vidish, you can go ahead, please.

Vidish Asher: Sir, congratulations on a good set of numbers. Sir, I would like to say congratulations on having good volume growth. However, we are still -- we had aimed for about 15%, 20% of volume growth. So, I would like to understand, first of all, where does the volume growth come from, from our matured, strong states or from the newer states? And if you could give the mix. And sir, how much are we expected to benefit from the price increase in the current quarter?

Utkarsh J Patel: Yes, of course, the volume growth is coming from the both together, I think. Because the volume is more bigger into the existing five mature states. But that is also a very huge gap and more opportunity lies into capture this volume also. As I mentioned that if we in Karnataka, we are at 15% of market share. So still, it is a very long journey to go to cover this volume. Plus, we are expanding the newer states. So, we are focusing on to the east side, West Bengal is there, the Telangana is there, North India is there. So, we are targeting both territories to grow together. So, that will become from the both mature states also and newer states also.

Vidish Asher: Okay. So, and so, what has been the response from the newer states? Has it been as expected or below? Could you give us some light on that?

Utkarsh J Patel: It is, I think, as expected, as I mentioned that it is a B2C model and retail network is very time-taken models that we need to penetrate and we need to set our network into the existing the newer states where the existing brand is already there since last 10 years, 15 years, 20 years. So, we are breaking that code and we are hiring talents. We are setting our network. So, we were able to get the channel partners. We entered into the Jharkhand also. We entered into the North India, the deeper also.

So, these all are the parts that we expected about the placements of the products. We introduced ourselves. We said to be adding the people. So, I think that is in line what we are targeting. So, it's a good response, basically. In UP, it's a very good response for our product.

Vidish Asher: Okay. Sir, good to hear that. Good luck.

Utkarsh J Patel: Thank you.

Moderator: Thank you, Vidish. So, we'll take the next question from Indresh Malik. Indresh, you can go ahead, please.

Indresh Malik: Yeah. Thank you for the opportunity. Yeah. Utkarsh bhai, what was the trade receivables balance on 30th June? Hello.

Utkarsh J Patel: INR 150 crores.

Indresh Malik: INR 150 crores.

Utkarsh J Patel: Exact number I don't have right now, but I think it is INR 145 crores to INR 150 crores around.

Indresh Malik: And has it improved in the last 41 days in the Q2?

Utkarsh J Patel: It is improved. See, that is the main focus area for us. And we are trying our best to set back to the normal to the 120 days around. So, that is our first goal to achieve that. But as I mentioned that we are as a directly to the retailers, not by the distributors. So right now, it is going a little high for the newer states or newer developing area what we are focusing on.

So, this is the reason. But we are setting up the good network and good training and inductions program where can we train our people to maintain these days and make -- not in the cost of the spoiling any relationship with the dealers. So, I think within one or two quarters, we will be in a very good condition to maintain these ratios for the debtor side.

Indresh Malik: Right. So, most of the things have been asked. So, I will ask you in February, you said you will get a big four auditor and a buyback both were considered. So, what are the decisions now?

Utkarsh J Patel: No, no, no. I have not said that we'll do that. But I have said that we'll look into this matter. And I think the big four is a little early for us to say that. And as our auditor is, as I mentioned, that they are the Ecovis company, the Germany, good top five auditors. So, they are the partner into India. And they are also, R Kabra is also very good auditors as you can see the profile also. And remaining the buybacks, see I always mentioned about that right now what the competitions are going to face and plus what we are into the expansion stage. So, company will require to deploy this point into the market expansion and it is better condition right now.

So, we have discussed internally for the buyback also, but the conclusion is not come yet right now. So, we are more likely to invest into the expansion into the market and companies growth. Right now the conclusion.

Indresh Malik: And what about the NSE listing?

Utkarsh J Patel: NSE listing is in process. Within this quarter, I think you will have the NSE listing.

Indresh Malik: Okay. Thank you, Utkarsh bhai. All the best.

Utkarsh J Patel: Thank you.

Moderator: Thank you, Indresh. We'll take the next question from Dishant Shah. Dishant, you can go ahead.

Dishant Shah: Hello, Utkarsh bhai. I hope you are doing well. And hello, everyone. Thank you for this opportunity. Utkarsh bhai, I have a very macro question. And I think I have never read about this in any of the materials that I could find on the company. My question is that a lot of companies are and even the government is promoting exports from India. Right. And I myself am an exporter to Latin America and Africa of industrial products. And I have visited a few of these countries and see the hardware markets over there. I just wanted to ask that, do you have any plans in the next, let's say, two or three financial years to explore foreign markets, especially the emerging markets of Africa or South America? Thank you.

Utkarsh J Patel: Yes, of course, it is a very good opportunity what you are coming from. And I understand what you are saying that. But right now, our target is to achieve at least INR 500 crore of top line because, see, we are investing into the existing territories, existing domestic market. We are building the team over here. We are recruiting new talents for the going more deeper. So, it is still -- it's too far to think about to enter the different markets. So, we are more mostly focusing to that. Yes, we are -- we have added more into OEM segments. Now we are focusing on to the OEMs, the modular kitchens, modular furniture market also.

So right now, we are generating the revenue of almost 6% from our total revenue for the OEMs market. But going forward, I think 10% to 12% will go in this from our revenue. So, we are building the team into the OEMs also. We are going more for the Bangalore, for the Telangana, for the Delhi, for the OEM market also. So, we want to remain into this market for at least next three years for that. After that, maybe we have the team and everything is set over here, we can think about that, but not before three years.

Dishant Shah: All right. So basically, what I what I meant was not as an OEM, but launching our brand as Euro, right, in these foreign markets. That was that was -- that is where I was coming from, actually.

Utkarsh J Patel: Yeah, but as I mentioned, it's better that we all investments that we are doing over here. As an example, 54 dealer meets, we invested INR 4.5 crore. So, it is better to leverage them and capitalize that investment right now from here and to at least stable and maintain this 25% of EBITDA as our business is generating the cash. So anyhow, when the opportunity, we look for that. So, after two, three years, maybe we can think about that. But I don't think so it is -- a right now. It will be a too early step for us. And I think the focus will be diversified also. So, I don't want to do that for my team also. So, it is better to focus into the domestic market. And the opportunity is now ocean is that INR 8,000 crore of market is there. So at least INR 1,000 crore of target, we need to go for 20 percent of market share from the existing territory, we should have right now.

Dishant Shah: All right. All right. Thank you. Thank you so much.

Utkarsh J Patel: Thank you.

Moderator: Sir, we'll take a few questions from Q&A box. This question was asked by Arjun Shah. Sir his first question is, what is the amount we hold currently approximately, which is unpaid to carpenters, unpaid benefits.

Utkarsh J Patel: That is around INR 90 crores.

Moderator: Okay. And the second question is, how much has our carpenter network grown over the last three years?

Utkarsh J Patel: So, it was earlier almost 1,70,000 carpenters we have registered. If I talk about the last three years, maybe it was 1,50,000 below. But right now, it is 2,10,000 carpenters we have registered into our loyalty program. So, within last quarter, I think we have increased 10,000 carpenters around.

Moderator: Sir we'll take the next question from Ritika Sheth. Ritika, you can go ahead.

Ritika Sheth: Thank you, management, for giving me an opportunity once again. So, I just had a confusion about the INR 500 crore top line target vision. So, is it by end of financial year '29 or financial year '30? Three years means from this financial year or from next financial year? Thank you.

Utkarsh J Patel: For the '29, we can consider for the INR 500 crore revenue.

Ritika Sheth: So, by end of financial year '29, INR500 crore top line is the target, right?

Utkarsh J Patel: Yes, kind of. We are aiming for that and we are hoping for the best for that. And so, if we consider about 15% to 20% of volume growth, that is achievable. So, we can consider that.

Ritika Sheth: Correct. So INR500 crore top line with 23% to 25% EBITDA margins. That's the target by end of FY29.

Utkarsh J Patel: Yes.

Ritika Sheth: Perfect. Thank you so much, Utkarsh bhai. All the very best.

Utkarsh J Patel: Thank you.

Moderator: Sir, we'll take the next question from Saurabh Rathore. Saurabh, you can go ahead, please.

Saurabh Rathore: Hi, thank you very much for the opportunity. Good afternoon, Utkarsh bhai. I just wanted to understand a bit about the nature of receivables for the business. I see that both in FY25 and FY26 revenue went up by INR 30 crores and so did the receivables by a similar number. So just wanted to understand what is the nature of receivables here?

Utkarsh J Patel: See, what our moat is, as I explained that we are direct to retailers and from last 10 years, we have taken the decisions about not going the traditional distribution module. So, we have created these 54 branches across these 15 states and companies doing the stock transfer to these branches and we are doing the billing to the direct retailers. So, our debtors are spread across these 13,000 retailers what we are doing the business with them. So, this INR 150 crore rupees are spread to these 13,000 retailers. So, as you can see that about the last 15, 20 years what business we have generated, we have not lost any money into having this bad debt. It is always below 0.5%.

So, we are into the journey that we are more focusing aggressively to making the strong push of our product to the retailers, making the strong relation with the newer markets, new retailers. So that is what challenging we are facing right now. But yes, of course, when the products are very well accepted and when the demand can generate and we can maintain our good relations and good product demand into the market, then we were able to decrease these ratios. In a newer market, it goes a little high, but in existing mature markets, we are able to maintain within 90-100 days.

So, we are aiming to do this. First, we are aiming to at least maintain for the 120 to 130 days, which are right now above 150 days. So, we are aiming to do that. I hope within two quarters, we will be able to maintain this.

Saurabh Rathore: Perfect, got it. What is typically the number of days of inventory that is held at a retailer's store?

Utkarsh J Patel: That depends upon the market, but yeah, that is very much depends.

Saurabh Rathore: But broadly, like what would that number look like?

Utkarsh J Patel: It's vary to vary because there are very different kind of volume, few counters are very, we can consider A-plus counters. Because not much inventory, because right now we have the availability of all states, all 100 territories, we have the depots available. So, it is easily maintained daily. Twice we do the delivery, most of the territories. So, it's not much. Bulk packing, they are not keeping much stock actually for the 50 to 60 kg. For the smaller SKUs, they are keeping the stocks.

Saurabh Rathore: But then your credit terms with the retailers would be very lax, right? If they are able to turn the inventory around so quickly, and we are collecting after 120 - 130 days aspirationally, then the credit terms are pretty good for the retailer, right?

Utkarsh J Patel: Yeah, we can see that we can consider, of course, that little, it is little higher side, which is actually not needed. But see, as an example, this is a trade in March month, dealers are always thinking like their volume is going to hit into the loyalty program. The 31st March is there. Then also this year, the price rise and the uncertainty of the market. So, they want to procure the materials. So, these are the stage where they invest more and they give the more orders, more volume. So that times, because of this more inventory, that goes to the more days actually to the companies. But I think it is covering to the within 15 or 20 days or one month after that. So, it is manageable.

Saurabh Rathore: 15 – 20 days or a one month after the sales are done.

Utkarsh J Patel: Not sales are done. But if the condition example, if the condition is the 90 days into the regular conditions. So sometimes because of the situation is good to the one month more and the retail ask at least 20 days or 30 days more rather than these 90 days. But it is manageable. Then after one month or at least more than one and a half months. Beyond that, that is not needed actually.

Saurabh Rathore: Got it. And what is generally the retailer margin? I know it will depend on territory to territory, but still broad number, broad sense of.

Utkarsh J Patel: Yeah. So, it is 7% to 13% we are passing.

Saurabh Rathore: 7% to 13% margins.

Utkarsh J Patel: Yes.

Saurabh Rathore: Utkarsh bhai, my next question is about how do you the territories of states where you want to expand, right? You are in an expansion phase. So, what all, what all things are -- what all parameters went into deciding where to expand geographically?

Utkarsh J Patel: So, I saw, of course, the number of the populations where the more infrastructure real estate is growing. And now see as an India story, now tier 2, tier 3s are the more focused territories. So, if we talk about the Bihar, if we talk about the Jharkhand, the UP, there are, these are the states where the growth is coming from.

Saurabh Rathore: I believe all the territories, if we talk about the Mumbai, if we talk about the Ahmedabad, if we talk about the Rajkot, Surat, these all most developments are going into these bigger cities. So, except the tourist place, if we talk about the Jammu, Kashmir or Goa, I think, or Assam side, I think remaining all states are growing. So, what 15 states we are -- we have entered that all are the going, well-growing states actually.

Saurabh Rathore: Got it. Got it, got it. And any commentary on competition? Jivanjor, Bondtite, etc. Like, how are they doing versus you? Like, how do you look at competition in general when you're thinking about a new geography? So, some flavour on that would be very useful.

Utkarsh J Patel: I believe it is going very nicer way. I believe it is not any wrong decisions for any companies, I believe. Because as we say that the market leaders has taken the step to increase the price also and they have maintained their EBITDA also. So, I think there is not much, much kind of any war or anything going to happen. I think what the distributions, what the efforts, whoever do for the long-term policy strategies, they will make their market share. And it's a very positive sign for us also. Last three, four years, maybe the competition going aggressive, though we are able to maintain this growth. So that is a very positive sign for us.

Saurabh Rathore: Yes, that is. That is. No, congratulations on that, sir. I will go back to the queue. I'll leave the queue. Thank you very much, Utkarsh bhai.

Utkarsh J Patel: Thank you. Thank you.

Moderator: Thank you, Saurabh. We'll take the next question from Saket Saraogi. Saket, you can go ahead, please.

Saket Saraogi: Sir my question was in continuation, like Samit sir was talking about the upfront investments we have done, like in the brand promotion, like dealer meets and all. And we see the benefits coming in future. If we see the last six, seven years of our company, from COVID till 2023, there was exponential growth in our sales. And after that, for three years, virtually there was no growth in spite of our company pushing up for these dealer meets and everything. So now that suppose again, we are pushing aggressively for dealer meets and all. So, what is the difference that we see today and in the last three years that in spite of all the efforts, there was no sales growth virtually, hardly any sales growth. And now again, we are putting so much effort for dealer meet and all in anticipation that it will bear fruits in future. So, what is the reason for the last three years, there was no growth and now again, we see that the growth could come going forward?

Utkarsh J Patel: See, actually, if you see about that only one year was that where we consolidated the '23-'24 where we were same revenue INR 258 crores, INR 260 crore. But after that, we have taken INR 285 crores and then we have INR 314 crores. And right now, if we consider the quarter one phase, it is about INR 360 crore around. So, we have taken almost 9% to 10% of growth. But yes, you are very right that about what we were expected about the 15%, 20% growth in '23-'24, we were not able to achieve that much. But I think that was the consolidation we needed at that time and what changes or what we improvement we have done into the organization that is a very drastically changed.

See, in a team wise, in a channel partners, the corrections, the improvements, the market expansions, the branding, the activities, we onboarded the Mr. Pankaj Tripathi also, we are the first and this is brand we have taken the this type of brand ambassador also. So, these all our activities are ongoing. And Samit bhai you can guide more for this question actually.

Samit Shah: Sure, sure, sure. So Saket ji, as I mentioned earlier also that we are into completely 2.0 that is transformation journey basically. So, what happened that we studied the last 4-5 years as you rightly said that there was some marginal growth on certain years and as MD sir also rightly mentioned that we consolidated for few years and all? So now here on the journey is to the next level and hence, as I told earlier also in this call only that we are getting future ready. And for that we are laying strong foundations across all departments, be it tech, be it HR, be it SOPs, policies, admin, marketing, sales, geographical expansion plant capacity expansion, storage capacity expansion. So everywhere we are like we are getting future ready and investing for the coming phase of the company.

So, you might see that quarter 4 onwards there is a despite you know, there is I mean competition is always there. Despite any odd or anything also we have grown. We are also growing geographically. We are adding new talent to our portfolio and going for a complete transformation journey from here on. So that is what we have been driving so far.

Utkarsh J Patel: Last year quarter 2 and quarter 4 was also about the double-digit growth. Quarter 2 was 16%, quarter 4 was 20%.

Samit Shah: So above 15%, 16% -- 15% to 20% is what we have been driving. And I think that is what we are hoping that with the kind of transformation journey we have been working on. So, we are confident that we can achieve the desired numbers in coming few quarters and couple of years is what MDs have also mentioned. So, we are right now laying down a strong foundation for a robust growth in coming quarters and years.

Saket Saraogi: Sir, if you don't mind asking like suppose like from March '20 to '23, we had almost tripled our sales more than that 3.5 times this year, right? And after that in last three years, it's only 20% increase from INR 260 crores to INR 315 crores. So, like what had happened? What had gone wrong that this kind of growth we had earlier this 50%, 60% growth and after that only 5%, 6% CAGR growth. What went wrong all of a sudden? Like I wanted to know if you could give some light on that.

Utkarsh J Patel: I think nothing was gone wrong actually. But as I mentioned that the consolidation was needed because see size was also different. In 2020, we were doing INR 100 crores of revenue. Then we take a jump off to INR 181 crore. So that was 80% growth. That was a very exceptional growth what we have done. And that was the reason that we expanded to the newer territories and we went aggressive. And what 15 years we have invested, we leveraged them, we capitalized them that. So, it is a different number right now.

At that time when we do INR 100 crores of revenue, the outstanding receivable was around INR 30 crore, INR 40 crore. Right now, the receivables are around INR 150 crore. The revenue went to the INR 314 crore. So, it is a different game now and the competitions are there. The different companies looking for to enter these categories as you are aware about that. So though because of these parameters also we have come out from these all the situations and last as I mentioned that if we see about the last four quarters, so two quarters were there where we grew up by above 15%, quarter 4 was 20%.

So, that is a sign we are doing something into the right directions. We are able to maintain our company debt free. We are sitting on the INR 160 crore of cash for the future expansions for future growth. The brownfield is done. The asset light model, INR 7 crore we have invested in the brownfield and now the company is ready for the generating INR 650 crore rupees of revenue. So, these are the very positive signs but we need to understand this model is the distribution and network model.

Samit Shah: And it's an execution heavy model actually.

Utkarsh J Patel: Execution heavy model and see the leader has invested 65 years into their journey. So, it's a very long journey what they have invested and we are still 20 years what we have invested. So, we are expecting next 10 years we are expecting very much growth what foundations we have built and what investment we have done into our journey. So, we hope so that you understand about this distribution network.

Saket Saraogi: Thank you. Thank you so much.

Utkarsh J Patel: Thank you.

Moderator: We'll take the next question from Arjun. Arjun you can go ahead.

Arjun: Yeah. Hi. Firstly, I really want to say that it's very commendable what your team has done with the benefit plan that you have and just holding that in interest-free money on our books. I think it's not something that a lot of businesses can do. So very, very commendable. But secondly, my question is regarding working capital. I think one of the earlier participants also asked. So that is I feel like one of the key concerns where in this quarter, I think the inventories also went up, which you said was the reason you wanted to stockpile. But the receivables, how long do you think before they come down to a more comfortable level? That is what I wanted to ask.

Utkarsh J Patel: Yeah. So, we are aiming for the next two quarters and we have more focus now for these investments. How can we, we are also looking for the channel financing things also. And see, you are very right bad debt should be concern, and we are also concerned about that. But we have breathed this business from so many years, 20 years already we have invested and as we see that, that bad debt is not going for above 1%, above 0.5% actually. So, we have maintained that we have maintained and generated this PAT also last three, four years. So that is doable. Not doing, not giving any excuse. It is not correct.

Of course, we should go down about debt. And we are trying our best to, but we don't want to lose any trust of our retailers or of our new markets. So, we are going little slow and monitoring the things and maintaining the relationship. And we are explaining and we are giving the more training to our sales executives to maintain the relationship also without spoiling the relation to maintain the debtor days also. So we are into that journey, but it is not, I think a correct step will be there if we go for the sudden, sudden and immediate basis for this. So, I think we require two to three quarters to maintain and to get down this debtor cycles. So, this is how we are doing.

Arjun: But just hypothetically by the end of, let's say this year or next year, do you see the debtor days coming down to something like 120 days or would it still be higher or would it be lower possibly?

Utkarsh J Patel: See, we are aiming for at least 120 days. That would be the cycle as we are to the direct retailers, not above that. But as I mentioned that for the newer markets, we have started for the Jharkhand, North India, we have started for the Patiala, Chandigarh, Haryana, Hisar. In UP we are focusing now eight cities. We are penetrating more than 1,500 counters placements are done into the UP. So, these are the placements and new sales generating to the dealer.

So, it is not the right time that we can push about the immediate payments or very rigid into the payment terms. So, we are going a little slower and we are maintaining the good long-term relationship with them to penetrate more. But yes, we can aim for the next two, three quarters to maintain these 120 days of debtor cycles.

Arjun: Okay. And sir, just one last question. Do you have any example of any state where debtor days when we initially entered debtor days were around 150 and they have -- we have successfully brought them down over time?

Utkarsh J Patel: Actually, all the states.

Arjun: Okay.

Utkarsh J Patel: All the states, because if we talk about the Gujarat, if we talk about the Rajasthan, MP, Maharashtra, see earlier two, three years is always painful for any company regarding the EBITDA front, regarding the debtor cycles, because see you are new for the UP. Example, if we are going the UP, nobody knows about the Euro, though we are a very, very established brand into the Gujarat, but we have invested more than 18 years into the Gujarat to set this market. So UP, we need to set this, the team, the network, the distribution network, the relationship with the dealer.

So, these are taking the times and the beauty of this business is what investment is done, that is for the longer years. So that is the moat, what can give us the motivation to do these investments. Actually, it's a B2C, B2D model. So, patience is the I think, key factors to, for the growth journey for the longer years.

Arjun: Understood. All right. Thank you and all the best.

Moderator: Thank you. Thank you. Sir, since there are no further questions, would you like to give any closing comments?

Utkarsh J Patel: So, yes, thank you very much for trusting us and we are trying our hard and we are optimistic about the India growth story, India market. What we have invested into the newer markets and existing markets. So, we are hoping best that we're able to generate the growth story for the coming years. So, we needed your support, your guidance, your feedback. So, thank you very much for trusting us. And yeah, thank you very much.

Moderator: Thank you. Thank you to the management team for your valuable time. And thank you to all the participants for joining on the call. This brings us to the end of today's conference call. You all may disconnect now. Thank you.

Utkarsh J Patel: Thank you.