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**May 27, 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 May 21, 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 Q4 FY2026 Earnings Conference Call for the Audited Financial Results for the quarter and year ended March 31, 2026 held on **Thursday, May 21, 2026**

Thanking you,  
Yours faithfully,

For **CARYSIL LTD.**

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SHAH

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**REENA SHAH**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**

Encl.: a/a

# CARYSIL

“Carysil Limited  
Q4 and FY26 Earnings Conference Call”  
May 21, 2026

CARYSIL



GO INDIA ADVISORS



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

**Moderator:** Ladies and gentlemen, good day, and welcome to Carysil Limited Q4 and FY26 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, opinion and expectation of the company as on date of this call. These statements are not the guarantee 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:** Thank you. Good evening, ladies and gentlemen. Thank you for joining us for the Carysil limited quarter 4 FY26 earnings conference call. I trust you had an opportunity to review our financial results and investor presentation, both of which are available in the company's website and stock exchanges. Joining me on this call is Mr. Anand Sharma, Executive Director and Group CFO, along with GIA, our Investor Relations advisers.

FY26 marks an important inflection point in company's evolution as the company continues its transition from a Quartz Sink manufacturer to one-stop integrated kitchen and bathroom solution. Company expanding its global presence. And Carysil started its journey decades ago, it began with a simple vision to build a world-class Indian manufacturing company capable of competing with the best globally -- from humble beginnings with limited resources and immense conviction.

The company has built on the pillars of hard work, integrity, resilience and long-term thinking. The company established a presence of 50-plus countries with a diversified product portfolio, respectable manufacturing capabilities and long-standing customer relations across key markets. This foundation built over decades of disciplined execution and focusing on delivering quality products embedded with German DNA.

I'm pleased to share that despite the heavy headwinds marked by geopolitical uncertainties, trade volatility, inflationary pressures, tariff-related disruptions, Carysil delivered one of the strongest operating performance to date during FY26, backed by total income growth of 14%, EBITDA growth of 31% and PAT growth of 54%, while PAT margins after MI improved by approximately 274 basis points year-on-year.

**India and global manufacturing opportunity:**

India today stands at a pivotal stage of economic evolution, supported by its ongoing policy reforms, improving infrastructure, making India focus. The company has emerged as a credible global manufacturing export hub for our customers based in U.K., U.S., Europe, Australia and creating a very meaningful long-term opportunities for exports.

India has entered FTA deal with major economies like U.K., Europe, Australia, New Zealand and in process of finalizing FTA with USA and also entered SEPA with Middle East countries. India is poised to change the world order and provide credible option of global chain supply.

**Operational stability and margin outlook:**

Despite industry-wide inflationary pressure across gas, electricity and raw material during FY26, Carysil maintained stability and uninterrupted operations across all facilities without any major production disruptions. Stable labour availability supported by deep employee community engagement continue to remain a key operational strength.

Carysil's differentiated positioning and customer relationship effective pass-through of cost resulting in healthy margin expansion during the year. Increasing automation, operating leverage and growing contribution from higher-value categories will structurally support profitability. Additionally, the growing business with marquee global customers like Lowe's, IKEA and our new entrant Home Depot and other leading international retail partners expected to improve scale efficiencies and overall business quality over the long term.

**Business highlights:**

**Quartz Sink business:** The Quartz Sink business continued to deliver a healthy performance in FY26, supported by resilient export demand and improving domestic traction with volumes growing by approximately 21%. And to cater to rising demand, Carysil continues investments in mould development, automation, product innovation and capacity expansion of 250000 Quartz sink expected to become operational in quarter Q4-FY27, While the company remains focused on Quartz Sink. The company continues to gradually expand its presence across other kitchen adjacent categories.

**Stainless Steel Sink:** Stainless Steel Sink business continues to emerge as a key growth driver during the year with value growing by approximately 20%, supported by strong OEM demand and exports and stronger domestic opportunities. I am also pleased to share that Carysilnox Limited, our subsidiary company, has commenced additional stainless-steel sink manufacturing capacity of 70,000 units per annum effective today, increasing the total annual capacity from 180,000 units to 250,000 units.per year. To support long-term growth, the company has also acquired adjacent land for the future expansion and diversification to meet the demands of the big OEM players like Kohler, Hafele, GROHE, etc..

**Built-in Appliances:** Built-in Appliances business gained encouraging traction by premiumizing trends, the import substitution opportunities, rising modular kitchen penetration and growing OEM interest. Also, the company has been able to have a breakthrough on the electronic modern trade retail chains. Under Phase I Carysil has commenced a pilot manufacturing of hoods and hobs. In Phase 2 we will expand full fledged into hobs and ovens, food waste disposal and other built-in solutions. The company will be investing in very sophisticated and highly advanced manufacturing technologies, glass cutting, forming, color coating. It also plans to witness a growing interest of OEM, large global OEM players increasing domestic manufacturing opportunities arising out of BIS related regulation in India.

**Faucet business:** The Faucet business is also shaping as a quite important growth category. Like I said last time, every kitchen sink needs a faucet . Carysil has commenced manufacturing of stainless steel kitchen faucets as well as brass faucets, along with the powder coating color

solution. And the last launch was our water RO solution where you can have a drinking water where my Mantra is "Every Indian should drink from Carysil faucet". We have that dream. The portfolio is aligned and evolved export standards across Europe, U.S. and other countries. We're already getting some encouraging responses from our global customers.

On the export front, demand visibility improved steadily during FY26 across key international markets following positive trade developments globally, U.S, Europe, Middle East, etcetera, important growth regions of the company. Looking ahead, we are focusing on the market opportunities like Far East to boost our broader strategy to deepen its global footprint to diversify our export base.

We also see a large opportunity in Germany and neighborhood countries in Europe. And we feel that we have not yet penetrated. We have still a lot to penetrate hence we have hired a new business development manager based out of Germany. His job is to develop new customers in Germany to start with.

The Middle East business continues to perform in spite of the geopolitical situations not quite well. We're also expanding our branded stores across the Gulf region. We have a second store opening in UAE coming soon very shortly. The company is also strengthening its presence in Europe, Southeast Asia, Australia and other key Asia Pacific markets and other emerging markets through distributor and strategic partnerships.

Increasing traction from large-format retailer institutional customers further reinforces management confidence on the export opportunity. The company's international subsidiaries witnessed to do healthy momentum in FY26. Carysil Corporation USA achieved an operational breakeven during the year by improving scale and stronger customer traction while improving strong margins. FZ LLC of our UAE based company continued its performance by healthy demand expanding presence across Middle East region.

#### **India business and online expansion:**

The India business delivered healthy growth, supported by improving retail demand, OEM traction, new product launches, deeper market penetration and distributor expansion by broadening our sales team. Carysil continues to strengthen its domestic franchisee to investment in dealer expansion experience center, brand stores, modern trade, digital-first and consuming initiatives with FOFO model, Franchise Owned Franchise Operated.

The company also launched dedicated B2B vertical, which was completely absent, which is going to target the top architects and builder institutions in India to scale up our sales in the B2B institutional market. Now the most encouraging development is to see the strong traction in online business, which contributed approximately INR5 crores during FY26 and is expected to scale meaningfully as consumer preference increasingly shift towards digital home.

The company has strengthened digital e-com to launch Carysil-led brand called Carissa for B2C model. With an expanding portfolio of faucet and other kitchen categories. Carysil witnessing cross-selling opportunities across India, distribution network is expected to strengthen customer engagement and improve wallet share and support long-term scale growth.

One point I forgot to mention that on the company online, we have been able to crack upon the major Alpha distribution with the largest e-com marketplace in India. And we see the e-com sales running into 2x, 3x for the current year.

**Carysil 2.0, building the future Innovaxpo '26**

FY27 Beginning is Carysil's next phase with a clear strategic vision of making the largest kitchen hub in India, a dream of Make in India. Carysil building capabilities across Sinks, appliances, faucets and smart kitchen solutions with automation, quality, design and brand building. Company also sees strengthening its international business in key markets. The response to newly launched product in Innovaxpo '26 and recent customer interact has been highly encouraging and reinforces management confidence in the strategy going.

The company continues to invest across manufacturing, automation, development in AI, digital capabilities, distribution expansion, international market guided by a long-term aspiration of building a \$1 billion kitchen business. Carysil believes foundation with this vision is steadily taking shape for disciplined execution and sustained investment across business.

Now with multiple growth engines, expanding simultaneously across exports, India, distribution, OEM partnership alliances, new products like faucets, new channels, new digital channels. Carysil believes it has entered clearly the next phase of structurally stronger and more diversified growth.

FY27 is expected to be a very important and a crucial year of execution, capacity expansion and capability building. Now I would like to hand over the call to Mr. Anand Sharma, Executive Director and Group CFO, who will take you through the financial performance in greater detail. Thank you.

**Anand Sharma:**

Good evening, everyone. Let me take you through the company's consolidated financial performance for the quarter and full year ended FY26.

**Quarter 4 FY26 performance:**

Consolidated total income for quarter 4 FY26 stood at INR237 crores as compared to INR205 crores in Q4 FY25, registering growth of 16%. EBITDA for the quarter stood at INR48 crores as against INR36 crores in corresponding last year quarter, reflecting growth of 33%. EBITDA margin for quarter 4 FY26 stood at 20.3%, up by 277 basis points.

Profit after tax and minority interest for the quarter stood at INR27 crores as compared to INR19 crores of Q4 FY25, growth of 42%. During the quarter, Quartz Sink sales volume stood at 195.5K, stainless steel volume stood at 44.6K while kitchen appliances and other volumes stood at 8.5K. Faucet recorded sales volume of 10.2K units.

**FY26 performance:**

In FY26, consolidated total income stood at INR932 crores as against INR820 crores in FY25 delivering growth of 14%. EBITDA for FY26 stood at INR185 crores as compared to INR142

crores in FY25, reflecting strong growth of 30%, while EBITDA margin improved to 19.9% as compared to 17.3% previous year. Profit after tax and MI interest for FY26 stood by INR98 crores as against INR64 crores in FY25 registering healthy growth of 53%. The improvement in profitability was driven by healthy operating leverage, improved product mix, higher contribution from value-added products and continued focus on operational efficiency across businesses. From the balance sheet perspective, gross debt stood at INR270 crores as on 31 March 2026, while cash and bank balance stood at INR59 crores.

During FY26, company incurred total capex of INR68 crores towards plant and machinery, capacity enhancement, automation initiative, and other infrastructure-led investment to support future growth. With this, we conclude the financial performance update. We will now open the floor for question and answer. Over to you, operator.

- Moderator:** The first question come from the line of Naman Parmar from Niveshaay Investments.
- Naman Parmar:** Yes. Thank you so much for the opportunity and congratulations on great set of number. So firstly, I wanted to understand on the U.K. market specifically. So how has been the demand scenario on that market side? And if you can break up the capacity on the U.K. market because in U.K. market also if you are manufacturing then you also would be selling that to the U.S. or the other region, right? So how much of the total capacity situated in the U.K. market?
- Chirag Parekh:** I'll answer the second question first. So the U.K. manufacturing is completely dedicated for the U.K. market only. That's one. Number 2 is -- you see the U.K., there is no doubt U.K. market is tough right now, but we've been doing, I think, quite well. Our team is on it. What we had a visit of our CEO last month, in the Innovaxpo.
- And I think what is interesting part is while U.K. is facing challenges, whatever the result, what we are giving right now is at the worst crisis the U.K. can pass, it seems very clearly that U.K. is bottomed out. We are so resilient due to our low-cost model. Most of the products are being exported from India to U.K. that we feel that the opportunities are very large.
- So for example, we have developed about 15 new customers in the last 3 quarters, which are big changes in the U.K. market where Europe will not able to sustain at a low price competition. So the things are tough, challenging, but the market, we are increasing our market share, and that's how we are sustaining in U.K. at this point of time.
- Naman Parmar:** Okay. And what is the capacity in the U.K. market?
- Chirag Parekh:** Capacity in sense?
- Naman Parmar:** For the Quartz Sink and the Stainless Steel...
- Chirag Parekh:** No, we are not manufacturing anything over there. We are only manufacturing solid surfaces. We're not doing anything there...
- Naman Parmar:** And lastly, on the Indian market, like if we see like there has been a very good penetration from 16% of the revenue. It has come a bit higher to 20% of the revenue. So like you mentioned about

the e-commerce deal So how has been the distribution network has been getting span out over? And what's your outlook for the Indian market going forward?

**Chirag Parekh:** I'll just touch you a broader picture. So I think it's very clear we want to touch our INR500 crores sale within 5 years in India. As India, I think we are as a brand and as our product portfolio, I think we are underperforming. I think we have actually not kind of shift our gears in India. This is the first time we are shifting our gears in India.

So I think on a longer run, if you are to achieve a turnover of INR500 crores within the next less than 5 years, we will have to grow at a rate of 30%, 40% year-on-year. And the company with all the expansion and what the new product launches with the new team, we will be at it to see that we are now able to have a substantial market share in India.

**Moderator:** Our next question comes from the line of Vaidik Bafna from Monarch Networth Capital Limited.

**Vaidik Bafna:** Congratulations, sir, on a good set of numbers. Sir, my first question is on the forex side. What kind of forex gains have been recorded in the quarter? And how much of it has been impacted in our revenue and margins?

**Anand Sharma:** So Vaidik, we have INR2.5 crores gain in the quarter 4 on the forex side. And what was the next question, sorry?

**Vaidik Bafna:** How has it impacted the margin? How has that impacted our margins and revenue?

**Anand Sharma:** So margin it's like less than 1%, 0.5%.

**Vaidik Bafna:** And on the top line impact.

**Anand Sharma:** Top line impact is this only because whatever gain coming that is reflected in the exchange gain, whatever billing happened, that is all the same price, which is on the date of the sales.

**Chirag Parekh:** What he is asking what the incremental you got because of forex

**Anand Sharma:** INR2.5 crore

**Chirag Parekh:** So I think I can answer that. So I think the forex -- the rupee has depreciated roughly about at 5% to 6%. I think that will be the sales gain what we have got.

**Vaidik Bafna:** Okay, sir. Got it. And sir, now second thing is on the Quartz Sink capacity, which is expected to come in this year. So by when should we expect this to come? And how much utilization do we see that we can achieve over here?

**Chirag Parekh:** We said it's going to be commissioned. So we already started the ground digging and all that. So we are looking at to finish it quarter 4 FY27.

**Vaidik Bafna:** And sir, the recent capacity being added on the stainless side, and we can see that commissioning has started today. So sir, once this capacity expansion. So what would be driven over here? Have we added new clients? Or have we increased our wallet share from existing clients?

- Chirag Parekh:** Both. We have increased our wallet share -- we have also got some new export opportunities. And third, we have already mentioned like large players like GROHE, Kohler and Häfele are also tied up with us. We are already falling short on their capacity. So we already are having backlogs. So this increase in capacity would be mature within the next 90 days. So we have already started, gradually it will start, but it will be more mature in the next 90 days.
- Vaidik Bafna:** Okay, sir. Got it. And sir, last thing is on your guidance for revenue. Can we achieve more than 20% revenue growth in the coming years with new capacities on board and very aggressive domestic expansion...
- Anand Sharma:** It's a tough one, isn't it, for me to answer this. We have added-- our growth guidance of between 15%, 20% right now remains in place with a 18% to 20% margin guidance. The geopolitical adversities are very, very strong. I cannot even say the future what it is. But we stick to our guidance what we have mentioned before.
- Vaidik Bafna:** Okay. Sir, 1 last thing is on the gas issues, which were there globally during the quarter. So what is your view over it? And also, sir, did you face any freight disruption in terms of exporting the products to U.S., U.K. or the UAE, have we seen any increase in time line of reaching the products to the final destination?
- Chirag Parekh:** Yes, yes. So there is -- so I think there's no question to answer a question to there is the 100%. I think there is a lot of disruptions on freight, but team is managing well. Somewhere we have delays on getting the containers, somewhere delays of getting the ships reaching the customer. So that is there. I think that's going to be there, but that's something which is out of control on everybody's hands but we are doing our best to manage it. And your first question was on the cap portals, I didn't understand.
- Management:** Cap, what was -- I didn't understand.
- Vaidik Bafna:** Sir, my first question was on the gas availability.
- Anand Sharma:** Gas availability. So currently, we are getting 100% supply. So it was for only a few weeks, it was not available. Now it's 100% operational.
- Moderator:** Our next question comes from the line of Mudit Pincha from Cycas Investment Advisors.
- Mudit Pincha:** Congratulation, sir, on a great set of numbers. My question is regarding the 5-year India revenue target of INR500 crores. So this year, you did like INR175 crores, so that means roughly 25% CAGR for the next 5 years. Given the premium positioning of Carysil and active brand investments. Don't you think this target appears quite conservative?
- Anand Sharma:** Let us be conservative. If it goes higher, it will go higher...
- Chirag Parekh:** Because we are realistic. We all know a lot of the adverse situation going around. So we have to be and it is conservative, yes, but it is really a quite good growth and even to do this growth, it is going to be challenging. It's not going to be easy with this because we are at a -- what we call

a launch phase to scale up our India. So I think once 1 or 2 years, if you're able to achieve this, and I think the momentum is going to pick up.

**Mudit Pincha:** Okay, sir. Sir, also you mentioned that the U.K. market has bottomed out about the Europe market, Europe has been impacted by weak housing demand, inflation and higher energy costs and a softer consumer sentiment over the past few years. Given Europe is a key market for Carysil, how have the demand trends evolved over the last few quarters in sinks and appliances. Are you seeing any recovery in order inflows or customer confidence?

**Chirag Parekh:** Good question. So first of all, I want to say Europe comprises of more than 20 countries. We are spread across 12 countries across Europe. Second, I've always been saying that most of our European competition has gone very weak because of this. So most of the market share we are taking off that with the large kitchen manufacturers and large retail stores. Point number 3 is that we have been suddenly seeing a good traction of order coming from Europe.

Now whether it is I'm sure it is to do more with taking on the market share of our competition. But we slowly feel that things are improving in Europe as far as the kitchens are concerned. One thing Europe does not compromise is this kitchen. That is every 4 to 5 years, they change the kitchen irrespective what it is. So that's the advantage you get when you are positioning at a premium segment of the market.

**Moderator:** Our next question comes from the line of Sunil Jain from Nirmal Bang Securities.

**Sunil Jain:** Congratulations on good numbers. Sir, my question relates to India business. The Indian business margins are similar to the company level margin or they are at a development stage?

**Chirag Parekh:** Our gross margins are value addition in a few of the product categories even better than the exports and there is thanks to the new value-added products that we have introduced. So on the net profit side, because of the higher marketing costs, we had a launch phase, and we are recruiting new teams on a net level, it is lower than export. But moving forward, as we are able to get scale, the margin improvement is going to happen.

**Sunil Jain:** So any target for ad spend or sales development expense?

**Chirag Parekh:** So total, that we have marketing development, we have benchmarked at it about 10% -- to 10% of our sales, and we are sticking to that. If any of the 1 or 2 quarters on exhibitions happen, that is like a onetime cost minus that we will be benchmarking 10%.

**Moderator:** Our next question comes from the line of Pragyam Laddha from Omnee Securities.

**Pragyam Laddha:** Congratulations for a good set of numbers. Sir, my question is I really want to understand the majority of our revenue is followed from export market, what are risk mitigation techniques you used that we posted such good numbers? My first question is this.

**Chirag Parekh:** What is the...?

**Anand Sharma:** What we are doing to get the good number.

**Chirag Parekh:** Good, right? Yes, I think great trust relationships what our company has built over this period of time, and that is what result is. That's number one. Second is we have been very persistent on getting the new customers like Lowe's, Home Depot, just giving you an example that I've been going there in the United States and playing golf with them for the last 15 years, right? Like I will come back, tan myself under the sun. So the there is no pain, no gain. You've got to burn some tire.

I think is a persistency what our company has done to gain these new customers. Third is the exposure and the visibility of our company as we are able to reach scale and be able to penetrate to large and well-known OEM customers. The more the visibility of our company as a brand is coming, and that is adding a lot of trust. And fourth and the last thing is that we are really ahead of the curve in terms of technology, quality and in terms of price.

So we are probably the lowest cost producer in premium category of branded sinks and now also in the stainless steel. I think an that I think we are earning that a very strong reputation on it. And I think based on these 4 pillars, I think we see that the next 5-year ride is going to be quite good.

**Pragyam Laddha:** And we are not facing any issues in Q1? Like any trade disruptions or delays in shipping the product? .

**Chirag Parekh:** It is. The disruptions are happening. Delays are happening with the container. That's how it's not with us. It's with every industry. So I think for some short time, I think we got a deal. Customers understand so we have to deal with it.

**Pragyam Laddha:** Okay. Sir, second question is, currently, if I'm not wrong, our appliances capacity is around 50,000 if I'm not wrong. And we are increasing it by 50,000 by FY28, right? So do you see it ramping up in phases? like will any capacity come in FY27 or will entire capacity be operational in FY28. And what would be the utilization in the first year?

**Chirag Parekh:** Yes. So we are erecting a brand-new plant for appliances. We are in touch with some very large international companies for a collaboration on this. And I think soon we'll be closing on that. And based on that, a complete new assembly line will be in. The 1 what we have of 50,000 hoods is more of a pilot production what we are doing.

So to answer your question, the whole capacity increase of 100,000 units is going to come in two phases - --50,000 plus 50,000. So 100,000 units in total. The first 50,000 units will come as phase 1, and that is going to come in FY28.

**Moderator:** Our next question comes from the line of Anupama from Ratnatraya Capital.

**Anupama:** Sir, how much of capex is required for this 50,000 units of appliances that we are talking about? Or how will you manage this? .

**Chirag Parekh:** So overall, the overall capacity, what we are building the infra, we are building for about 200,000 units. The first phase is 50,000 units. The total infra cost right now, it is coming at about -- about INR30 crores to INR40 crores which is building and the assembly line.

- Anupama:** Okay. On the Quartz capacity, sir, you said it will be coming on Q1 FY28. I understand. So...
- Chirag Parekh:** Sorry. It was no, no, sorry. I would like to clarify. Finally, I did clarify, it is quarter 4 FY27.
- Anupama:** Okay. So our capacity is going from where to where right now in Quartz?
- Chirag Parekh:** Yes. So we are increasing by 250,000 units, it will be 12,50,000 units
- Anupama:** Okay. And we do expect this capacity to get utilized within 2 years? Or how do we look at it?
- Chirag Parekh:** I think right now, I think looking at what the business traction is, let us see. Are we good, but I think it will -- let's see, probably in a year's time, maximum. We -- if things go really well, I think we can really do it in less than 6 months.
- Moderator:** Our next question comes from the line of Sagar Jethwani from Phillip Capital PMS.
- Sagar Jethwani:** Yes. Congratulations on a good Q4. Just three questions, actually. What led to 50% growth in volumes in stainless steel on a Y-o-Y basis and even there is a good amount of jump in sequential volumes. So that's my first question. Secondly, can our margins improve more than 20% if we grow our revenues by, say, 18% to 20%, so can we achieve some good amount of operating leverage at this rate of revenue growth going ahead? That is second. Third, would you be able to provide a margin for kitchen appliances and faucet business?
- Chirag Parekh:** Sure. So I'll take your question. First is the scale in the stainless steel business is launching of high-end products and strong demand for that in the Indian market. And secondly, we started the OEM supplies to brands like Hafele and Kohler. So I think that's where we got the scale and that's why we are expanding our capacity. Point number 2 is, yes, I think it is going to be a volume-led growth and margin expansion potential is there.
- At the same time, we need to see there a lot of geopolitical issues going on, but our margin guidance will be staying at 18%, 20%. If things go really well, then yes, there is a potential of margin expansion when the geopolitical situation normalizes. But our obviously endeavor is there that we do -- we try to do better than what we have suggested. That's two. Third is on the -- or yes, on the margin side.
- So I think on the kitchen hoods and the faucets, I think moving forward, is going to have the best margins. Approximately it's going at about 50% to 60% gross margins and with the new products, which we plan to have a -- our gross margin guidance between going to be around 60%. I think that's what we're going to do.
- Sagar Jethwani:** Lastly, how our MMA prices? Last question.
- Chirag Parekh:** MMA prices are on the rise. They are increasing. Which is they say at a short level, but they have stopped increasing. That's a second good thing. So the bad thing, it has increased. Second thing is it has stopped increasing. And third thing, good thing that we have been able to mostly have been able to pass on to our customers.
- Sagar Jethwani:** Currently, how much are they -- sorry, just a follow-up.

- Chirag Parekh:** Yes. So I'm just saying the price has increased by about 30% approximately 30%, 35%.
- Sagar Jethwani:** Sequentially?
- Chirag Parekh:** During the last quarter, it increased by around 25% to 30% in the last 2 months.
- Moderator:** The next question comes from the line of Disha Jain with Ethos Growth Ventures. .
- Disha Jain:** So I just wanted to ask how should we think about the sustainability of the current margins across cycles what would be the separation between the product mix and operating leverage benefit versus the material tailwind, raw material tailwinds like MMA, if that happens?
- Chirag Parekh:** Yes. I think like I said, it's going to be like a volume-led growth. I mean the company, the new tie-ups that we have done whether it's stainless steel or whether it's a Quartz Sink, I think we are having good operating margins or gross margins for both the product lines. Our company is also moving into a lot of technology disruption like we are introducing a lot of automation.
- So it will be a big operating leverage. So I think it's going to be a mix of a product mix, high margin product mix and with automation operating leverage, which will drive the forward. And the third is that, one, we are doing a lot of innovation within our company.
- So for example, we have kind of have got a breakthrough in 2, 3 big technology advancement in quartz and in the stainless steel, which is going to significantly in one of the cases, reduce our manufacturing costs. And in other case, it is going to go to improve our sales price.
- So that is something we have been trying to achieve for a long, long time. And our team, I think, has done a great job in this. Basically, we're trying to do is that once you want to achieve scale, you need to try to touch upon the new landscape and horizons, which our competition is into and that means you need to try to match with that price.
- And secondly, you need to come out with not just pricing, but in Europe and the United States, you need to come with a more better material, which our competition is making. So I think that's where we've been - we have got the breakthroughs in that, and we would be driving growth as one of our growth drivers would be that.
- Moderator:** Our next question comes from the line of Pragyam Laddha with Omnee Securities.
- Pragyam Laddha:** Sorry, sir, my line was disconnected. So sir, the next question I was about to ask is, is the surface revenue going to remain in the same line, growing at like 5%, 6% every year. Is it going to be the same?
- Anand Sharma:** You're talking about surface business growth?
- Pragyam Laddha:** Yes, surface.
- Chirag Parekh:** So right now, the U.K. market, as I said, is bottomed out, I think is going flat. U.S., we have seen in the last quarters are quite a significant improvement, what it is. The sales have grown by 10%. So if we've been constantly innovating this bringing launching new high-margin products

over there. So I think this we are, like, for example, our next year AOP budget is about 10% increase. So I think we will be looking at about a 10% growth targeting 10%, we can land up about 7%, 8% on surfaces side, yes.

**Pragyam Laddha:** Sir, our current appliance sale, appliance and faucet sales for the year was around 75,000 I just want to understand that our capacity is 50,000, but our sales is 75,000, how does it math out?

**Anand Sharma:** No, that is a segment where appliances, facet and others are added together. So appliances, you're talking appliances only appliances. There is another capacity of INR50,000 for faucets. So that includes everything.

**Moderator:** Our next question comes from the line of Khush Shah with Vivog Commercial Pvt. Ltd.

**Khush Shah:** So my question would be regarding the fixed asset side there, how much would be the fixed assets are going to be increased in the following years apart from the capex that you had announced?

**Anand Sharma:** So we had a capex plan of around INR70 to INR75 crores for this financial year.

**Khush Shah:** And for the following year, is there any plan of another capex?

**Anand Sharma:** We have not yet decided. We will review that in quarter 2, and then we'll decide for the next financial year.

**Moderator:** Ladies and gentlemen, due to the time constraint, that was the last question for today. I would like to hand the conference over to the management for closing remarks. Thank you, and over to your team.

**Chirag Parekh:** Thank you, everyone. I hope we've been able to answer all your questions satisfactorily. However, if you need any further clarification or want to know more about the company, you can please contact GIA team, our investor relation advisors. Thank you. Jai Hind.

**Moderator:** Thank you so much sir. Ladies and gentlemen, on behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.