JYOTI RESINS & ADHESIVES LTD.

EURO 7000 Wood Adhesive

13th November, 2026

To,
The Manager,
BSE Limited,
Department of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

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

Script Code: 514448

Symbol: - JYOTIRES

Dear Sir/Madam,

Subject – Conference call Transcript of Q2 & H1 FY27 Post Earnings Conference Call

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Conference call Transcript of Q2 & H1 FY27 Post Earnings Conference Call.

Kindly take the same on your records.

Thanking You,

Yours Faithfully.

For, Jyoti Resins and Adhesives Limited

Utkarsh Patel
Digitally signed by Utkarsh Patel
Date: 2026.11.13 16:27:24 +05'30'

Utkarsh Patel
Managing Director
DIN: 02874427

Jyoti Resins & Adhesives Ltd.

Q2 & H1 FY27

POST EARNINGS CONFERENCE CALL

November 6, 2026

11:00 AM 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 Q2 & H1 FY27 Post-Earnings Conference Call of Jyoti Resins & Adhesives Limited.

Today on the call from the management team 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 management to brief us about the business and performance highlights for the period ended September 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: Good morning, everyone. I welcome all the investors and analysts participating in today's earnings conference call. Thank you for taking the time to engage with us.

At Jyoti Resins, our focus continues to be on building a strong, sustainable and scalable wood adhesives business in India. Let me briefly take you through our performance and key developments during the quarter. We delivered a healthy performance in quarter 2 was supported by approximately 15% volume growth and improved realizations. The price increases implemented during quarter 1 in response to raw material cost pressure have started yielding positive results. EBITDA margins recovered meaningfully from 14.4% in quarter 1 to 23% in quarter 2. While we are encouraged by this recovery, our focus remains on sustaining growth alongside a gradual and consistent improvement in profitability.

During H1, we conducted nearly five times the number of carpenter meets compared with the corresponding period last year, alongside extensive large number of dealer engagement initiatives. We have also expanded our geographical presence to 16 states with our entry into Odisha. We continue to strengthen brand visibility through our advertising initiatives and our association with Mr. Pankaj Tripathi.

Our philosophy remains simple, grow one carpenter at a time and build a stronger Euro adhesives franchise. During the quarter, we completed our brownfield expansion, increasing manufacture capacity from 2,000 to 3,500 tons per month, equivalent to 42,000 tons annually. With

capacity utilizations currently at approximately 70% to 75%, this provides adequate headroom to support our growth in existing and newer markets.

Looking ahead, we are working towards a greenfield facility in Gujarat with an initial capacity of 1,500 tons per month and an estimated investment of INR 45 crore to INR 50 crore. Looking ahead, our focus remains firmly on our core wood adhesives business. We see significant opportunities through deeper penetration in existing markets, expansions into newer states, growth in our active carpenter base and an improved premium product mix.

Our ambition is to build a INR 500 crore business and progressively move towards INR 1,000 crore driven by volume growth, geographical expansion and stronger brand preference and manufacturing scalability. On profitability, we expect EBITDA margins to improve towards 24% to 25% in H2 FY27, subject to there being no further sharp increase in raw material prices. We will continue to monitor VAM price and freight volatility closely.

To conclude, we believe Jyoti Resins is at an important stage in its growth journey. We have built a recognized brand, developed a strong carpenter-base distribution ecosystem and strengthened our manufacturing capabilities. The next phase is about converting these investments into deeper market penetration, higher volumes and sustainable profitability. We remain committed to building Euro Adhesives into one of India's leading wood adhesives brands while maintaining our focus on financial discipline, strong cash flows and superior returns on capital.

Thank you for your continued interest and support. We would now be happy to take your questions.

Moderator: Thank you, sir. 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. We'll take the first question from Rahul Jain. Rahul, you can go ahead.

Rahul Jain: Thanks for the opportunity and congratulations on a good set of numbers. So, the last three quarters we have witnessed increasing sales and this quarter also we did almost 30% growth in sales. With regards to sales now going ahead, generally quarter three is a better quarter. So how do we look at the sales for the current year? Earlier you had given a guidance of around INR 380 crores. So, do we look forward to a much

better sales in the current year given what we have achieved in quarter two?

And also related to the sales, we had earlier given a guidance for FY29 for a sales guidance of around INR 500 crores. Looking at the current results, looking at the expansion which you are doing in states, do you feel this INR 500 crore is achievable in FY28? That is my first question.

Utkarsh J Patel: Yes, Mr. Rahul Jain, we are very optimistic about the quarter three and quarter four as this season is always a very fruitful season for us. So, in spite of these rainy seasons and festival seasons into the quarter two, we were able to achieve this growth. So, we are very optimistic and we are doing great work into going into the deeper, that how can we justify all the territories to take this as growth.

So yes, we are very much focused for the quarter three and quarter four. Regarding FY29, yes, we are up to what we have guided earlier. So, we are on that right path to achieve that INR 500 crore top line first and then INR 1,000 crore of benchmark what we want to achieve. So, we are on to it.

Rahul Jain: So just to clarify, I do understand, but INR 500 crores for FY29, given the quarter two numbers, given the kind of volume growth you have been witnessing for the last two, three quarters, do we feel the INR 500 crores is achievable in FY28? Or is it that realisations can drop and thereby you are a bit reluctant to give that INR 500 crores for FY28 now?

Utkarsh J Patel: See, this year, I think we'll be able to close around INR 375 crore to INR 400 crore rupees what we are aiming for. So, it can achievable if we grew by the 20% of volume growth. So, we are targeting for the 20% volume growth every year. And I think this year we'll be able to achieve at least 15% to 17% of volume growth. So, we are on to that. But you know, the situation is about the geopolitical situations, the fluctuations in the raw materials also and that effect all over environment of the purchase and buying behaviour of the consumers also.

Maybe if we can see into the quarter one, we observe that there are so many sites and so many real estate developments went slow into that journey. So, it is a matter of one or two quarter, not more than that. But I always say that about the real story about the India growth. So, I'm very optimistic about that. So, it can be achievable. But I think we will close to near to INR 450 crore to INR 500 crore in FY'28 what we want to achieve into the first benchmark.

Rahul Jain: Sure, that's helpful. My second question is with regards to your margins, you have guided for 24% - 25% margins in your PPT and your initial commentary. And in your quarter two, our gross margins have moved up to almost 63%. So going ahead, and with an EBITDA margin of 23%. So, going ahead, say for FY27 and FY28, this margins of 24% - 25% which you spoke about in second half, do you expect further gross --

Moderator: Rahul, your mic is, I think has issue.

Rahul Jain: -- insights on that.

Moderator: Rahul, we lost your question in between. Could you repeat that?

Rahul Jain: So, my question is, second half 24% - 25% margins, are we pencilling in the improvement in gross margins? Or is it led by more operating leverage coming into the second half? And how do we look at FY28 margins, if you can share some insights on that?

Utkarsh J Patel: Sure. So, first of all, we have started from last quarter that to procure our raw materials. And as we know that the VAM is the key raw material into that and it depends upon the crude and the dollar prices. So, because of these issues with the Middle East that was affected in quarter one. So, we have started to procure our raw materials and that gives the reason into the quarter two that we were able to maintain 23% of EBITDA. Though we have invested a good amount into the brand and brand communications and trade marketings as compared to the last year.

So, as an example, last year, we have invested around 3.5% of the revenue and our target was to 6% to 7% investment into the marketing and brand communication. So, this H1 is almost 7% what we have invested. So, though we were able to achieve this 23% EBITDA. So yes, it is doable. And the main thing is though we are taking the price increase, the customer has accepted the increased price that is a very achievable thing for us that we are acceptable to the market, we are acceptable to our customers. That is the first priority. And by the doing the premiumization also we can able to maintain the gross margins also. So yes, we can target for the 65% at least gross margin, the gross margin and we can able to maintain this 22% to 25% EBITDA margin what we have guided always.

Rahul Jain: Sure. Just one last question if I can squeeze in with regards to working capital specifically more on the trade receivables and the channel financing which you had spoken about in the quarter one call. So how do we kind of bring down this debtor days which we have from the current levels are going ahead and will some channel financing help in this? How are we trying to control that trade receivable days?

Utkarsh J Patel: Yes, of course, that can be helpful and we have started meeting people of the channel financing. We are working on that and few references for a smaller market. We are going to start within one or two quarter for that and that can help and regarding the debtor cycle see we are aiming to maintain that debtor cycle what was into the FY'23-FY'24 that was around 120 days. So, it is a little higher side right now but as I always explain about the newer markets, newer geographies what we are developing. So, it is because of the ease of doing policies and because maintaining the relationship with the dealer and we are more focused to spread our width and go to the deeper also.

So yes, it is a little higher side but we are aiming that next one to quarter our entire team is focusing on that. We have recruited few talent back office who can be more focused into this recovery part. So, we are into that but we always believe that customer first so we don't want to make any strong decisions regarding this debtor days because it is always a spreaded debtors what we have maintained from last so many years. So, we are into that but definitely channel financing can help into that. We are into it.

Rahul Jain: Sure, thank you so much. I wish you all the best and wish you all a very Happy Diwali.

Utkarsh J Patel: Thank you, same to you.

Moderator: Thank you, Rahul. So, we will do the next question from Mahak Singhvi. Mahak, you can go next. Mahak, you want to ask the question?

Mahak Singhvi: Hello, can you hear me? Yeah.

Moderator: Yes.

Mahak Singhvi: Yeah, good morning everyone. So, my question is now in the Brent crude was $116 - $117. What was the cost of VAM? Like how much did it appreciate by during October 23rd? That's the last week to last week or last week.

Utkarsh J Patel: You are talking about the VAM price, right?

Mahak Singhvi: Yeah, VAM price when Brent crude was $116 - $117. Was it like a major shock?

Utkarsh J Patel: Yeah. So, VAM price is right now it is $1,000 around and yes in between it was went around $1,100 - $1,150 at the time, if I talk about the last month, last one and a half month. But as I mentioned that we have procured our material. So right now, that the increased price is not affecting us. So yes, but right now the situation, again the crude prices are slowing down. So, I hope that maybe VAM prices will be reduced next quarter also. Okay.

Mahak Singhvi: Okay. And why was the cash flow from operations so good this time around? Like what has helped in improving the cash flow from operations, quality, the quality of the cash flow operations? Right now, you have current investments of INR 3.6 crore in March and it has gone up to INR 65 crore. So, what has improved?

Utkarsh J Patel: So basically, that see always, always a repeat business cycles and the profitability can maintain. So that's why the reason that we can able to do this to do by the internal accruals. So, all over management towards the debtor cycles, towards the premiumizations to maintain the profitability, maintain the cost, all the factors affect to maintain this cash flow.

Mahak Singhvi: Okay. And will you be able to sustain this until March?

Utkarsh J Patel: Yes, we can able to maintain till the March. The reason is, see our expansions into the brownfield is done. So already that expense is not going to come now immediate basis. So now we are looking, so we invested INR 6 crore to INR 7 crore into the brownfield and it is now done. So, our plant is ready to take this INR 3,500 ton per month. So that can generate a INR 600 crore to INR 700 crores of revenue. So that CapEx is done. So now we are focusing to the marketing and distributions tools, how can we spread and do this trade marketing and brand communications to penetrate and take the width more. So, we are into that and already we are on 7% of revenue, what we have targeted. So, though we have done into the quarter one and quarter two, we are maintained to this EBITDA. So, it is doable till the March or so for the gain.

Mahak Singhvi: Okay. And can you comment on how was October?

Utkarsh J Patel: October is going good as we have started to looking for the quarter three, the scenario, the festive season is there, the Diwali, maybe this Diwali is five, seven days effect more into the Gujarat and Rajasthan, but it is always been there. And I'm seeing the -- observe all the quarters, if you see about the quarter three and quarter four. So, it is always a good month's recovery for these adhesives and this building construction material products. So yes, October was good.

Mahak Singhvi: I just want to ask my last question that what else you are going to do to expand to that 17% volume because Q1 was only 9% to 10% and this quarter was only 15%. So, what else you are going to do for that 17%?

Utkarsh J Patel: So, we are right now more focusing on the width as we have extended our footprint into the 16 states. So now we are cracking pin code wise and going more deeper into the tier two, tier three and the hardware trades also. If we talk about the -- we are right now more into the plywood and laminates segment. So now we are going to deeper into that. Now we are focusing more into the OEM segment also. Now we have the four products, what we have introduced for the OEMs, the furniture modular makers.

So, we are into that also. We are hiring the team also for that. As an example, we have onboarded 150 people of team into last four months. So that sales team also goes to the market and spreaded the footprint. So that will give us the more dealers to associate with us. So, these are the efforts what we are doing to achieve this 20% of volume growth.

Mahak Singhvi: Okay. Thank you. I'll come back in the queue.

Moderator: Thank you. Sir, we will take the next question from Mudit Minocha. Mudit you can go ahead please. Mudit are you there?

Mudit Minocha: Hello. Am I audible? Yes.

Utkarsh J Patel: Yes.

Mudit Minocha: Congrats for the great set of numbers in tough times and festive greetings to the team. My first question is, how much was the price increase taken by the leader and also by us and how much of our gross margins are being passed through for the current quarter as well. So just wanted to understand when will we reach the baseline gross margins and also historically, I wanted to understand when these VAM prices reduces how much of the margins are you able to retain or the leader

also retains so that the margin trajectory goes to the next order. Just want to understand this and I'll come back for the second question.

Utkarsh J Patel: Sure. So, in May month, market leader and we also has the taken the price rise of around 6% to 7%. So maybe it can be go upward side, but after the quarter one, again, the VAM prices started to reduce. So, it is very helpful to us, obviously. And now the scenario is going again with these changes of the -- about the Middle East and the US policies. And now the crude is also going to go more down. So, I hope that will be reduced more, but see, it depends upon the situations about the competitions and what strategies all the adhesives companies make, particularly the brand leader. So, if we go about the maintain the margin, but that depends upon the what type of strategies we need to do. So, if the VAM prices go more down, then we obviously passes the more discount and more promotions offers to the dealers and over the carpenters. So we are not into that journey that we continually observing over every quarter to quarter. We always focus about the newer customers, the more deeper, how can we go about that?

So, we are not concerned about the 2% - 3% of maintaining the EBITDA right now. So, if we are into the 22% to 25% of EBITDA, we are fine with that, but we are more focused to take a growth from the market. So that is how our strategy is.

Mudit Minocha: Very commendable strategy. I think taking on the volume is much better than retaining the margins. The following question for the same thing. So how much was the VAM price before war and how much is the delta in the VAM prices and how much is the price increase we have taken just to understand how much pain are we taking through in this tough times. And secondly, the following question to this is given our current prices are in the stock market, very, very, very favourable. And we have some cash in the books. I understand you want to invest in the upcoming states, but prices are not yet to stay and a buyback at this moment also signals a very good capital allocation. So, I would urge you to think very deeply about it, because this leaves a trail about good capital allocation in long term. So, comments on that, this distribution.

Utkarsh J Patel: Sure. So, regarding your first question about the VAM prices. So, VAM is used to be INR 75 to INR 80 per kg if we go about the 10 - 15 years of history. So, it was very well maintained, except this COVID situation and these situations what we have faced in the last started from the March and quarter one also. So that was three months that INR 75 rupees VAM went to the INR 200 around. But that again fall down to the INR 150, then INR 130, then INR 100, then again, that's go to the

INR 115 last month. So that was increased from INR 100 to INR 115. So, 15% increase, but that was not affected us as we were procured, we were into the inventory of the 90 days and procure our contracts into the INR 100. So that was helpful us to maintain our EBITDA margin also.

And regarding your second question about the buyback, see definitely you are very right. And as an investor point of view, that that is a right time to take that step. But I believe that this journey has started yet and now we are the first adhesives company who is going to cross these INR 350 crores or INR 400 crores of revenue with if we talk about the story of the 50 years of adhesives market. So, we don't want to lose this opportunity and what we have invested last 20 years. So, we want to leverage that. And as I mentioned that we are into the sales growth, there are so many states are still remaining, we aiming for the 20% of market share in each state.

So still we are in five states what we have done more deeper. And now another states are pending that we want to go more deeper into that. So, we require that type that fund to maintain these and to achieve this benchmark. So, I believe it is very near a step to take about take a call for the buyback. I think it is more reason we needed to taking these steps. Maybe the competition is going to more aggressive that then we require this fund to maintain this growth.

Mudit Minocha: I understand. So just one more quick question, the newer geographies that you have invested in, how many of the dealers have you acquired in those eight, nine states and how many of repeat orders from the same customer have started flowing? Just a ballpark qualitative understanding that you are retaining the ground in the newer geographies and the volume will start picking up.

Utkarsh J Patel: See earlier, if we talk about the last year, our base was 10,000 dealers. Right now, it is 14,000 dealers, what we have mentioned into our investor presentations also. So, what you are asking is very micro to micro about -- I cannot disclose into this call because of the competitive information, but I can give you the brief, the broader idea about 14,000 dealers, what we are associated with them. And the ratio is almost 50% when we trying to go deeper and to take the repeat order.

So, as a Euro, as an ease of doing business policies, always supporting brand to the carpenters for the customers. See, we always get almost 50% of repeat ratio within one year. So, as an example, if we do placement in a tier three or tier two, if we do the placement of a hundred

dealers, then within six months we get the repeat order of from the 50 dealers almost. So, 50% ratio, we can cover as a repeat business in one year. And after that, another year we are trying to achieve at least 75% ratio to repeat orders.

So, these are our strategies. So, we are aiming for any territory to grow within two to three years of spam that can make a good break-even point, we can say in a good volume that we can generate.

Mudit Minocha: That is amazing. Amazing. I understand brand building brand takes time. All the best for the journey. I will join back the queue for more questions. Thanks.

Utkarsh J Patel: Thank you.

Moderator: Thank you. Sir building the next question from Mishka, Mishka you can go ahead.

Mishka: Good afternoon, sir. Congratulations on a great set of numbers and thank you for this opportunity. Sir as per your presentation, it's heartening to see a 15% volume growth in Q2 this year, that too on a high base of around 18 to 20% volume growth last year in Q2. Sir, can you guide us on how much weather has played a part in making Q2 a big quarter this year? Well, of course, last year was a bad quarter in terms of heavy rains. And how much of this has your carpenter dealer meets and ground level efforts played a part, like have they played a major part in this growth?

Utkarsh J Patel: Yes, we can say that that is the reason that made a major role into that. Also, the new territories expansion also the new talent what we have on boarded, we have done the development to the CRM tech front also, we have done the improvement in the back-office business operations also. So, we are going more with the data. So, these are all 360-degree efforts what we have done and that all took a major role into this development. So, we talk about the dealer meets, we have mentioned that 54 dealer meets we have done into the quarter 1.

That was last year 30 dealer meets in quarter 1. So that growth also we have taken for that. So, for the carpenter meets, we have done almost 2,500 carpenter meets total last year. And if we talk about the H1, we have done almost 3,500 carpenter meets. So that is the improvement part also. So, what we have associated with Mr. Pankaj Tripathi, we have started that also. If we talk about Mumbai in last quarter, we did with the associated with the Mirzapur movie with the PVR and INOX.

So, we have hired the almost 9,200 screens in Mumbai for our showing the advertisement into the Mirzapur movie. So that is one of the impactful activities what we are doing. So, these are all the 360-degree efforts we are driving right now.

Mishka: Sir, and on the current growth and your targeted growth, how much is coming from new states opening up and how much of this is from existing states? Like have we seen any further market share improvements in the existing top five states?

Utkarsh J Patel: See, it is very micro data what you are asking for. But as we mentioned that we are now focusing for the both aspects, going more deeper into the existing states also and for the new geography expansions also. And I mentioned that still there is a huge scope into the existing states already. If we talk about the Maharashtra, if we talk about the Karnataka, still it is a huge scope. So, if we are driving into the 15% of Karnataka, we are aiming for 25% of growth also there. So, we are going more deeper into that also. So, it is both together efforts.

Mishka: Okay, sir. And over the last two quarters, have you increased your VAM holding quantity due to the current volatility? Since historically you were low on inventory of raw materials.

Utkarsh J Patel: Yes, so we have maintained our lower days inventory. But meanwhile, we have procured our contracts with our importers, we have started to direct import them also. So yes, we are now very much ready with at least contract for the next 60 days to 90 days.

Mishka: Okay, sir. And also, on our finished goods inventory continues to stay low. Sir, can you share your thoughts on channel inventory? And what is your long-term strategy on filling up channels?

Utkarsh J Patel: So, this is the same strategy what right now we are maintaining because though we are increasing our branches, we are able to maintain that. If we talk about last time, it was -- last quarter, it was 54 branches and we have added more seven branches this quarter too. So right now, we are 61 branches. So, we are maintaining and fulfilling this daily basis or weekly basis as depend upon the volume of the branches. So, we were -- we are easily able to maintain this because as the SKUs are very less, we are operating 60 - 70 SKUs and with the 10 products. So, it is doable and it's not a very, very hard task for us to maintain this stock.

Mishka: Okay, sir. That's it from my side. Thank you for answering my questions and all the best.

Moderator: Thank you. Okay, so we have a follow up question from Mahak Singhvi. Mahak, you can go ahead, please.

Mahak Singhvi: Yeah, my question is for the month of October again, the cost of material consumed as a percentage of sales is lower than quarter 2. Is that a right statement?

Utkarsh J Patel: No, because Q2 is the same as we are maintaining the 63% - 64% of gross margin. So, it will be the same for the quarter 3 also.

Mahak Singhvi: Okay, it's going to be flat, right?

Utkarsh J Patel: Flat, we can say yes.

Mahak Singhvi: Okay. And another thing I wanted to ask is any onboard new OEMs during this Q3?

Utkarsh J Patel: Yes, in OEM front, we have the development. We have onboard more teams into that. Now we are most focused into that. So, as I mentioned earlier call also that right now, we are on the 6% of revenue for the OEMs. And we are targeting to go at least 10% to 15% of the revenue. So, we have the development into the Telangana, also we have the development and going more deeper into the Mumbai. We have started for the Jaipur, we have started for the Indore, started for the Surat, Ahmedabad. So, all the metro mega cities we are now onboarding the teams for the OEMs also.

Mahak Singhvi: 10% to 15% for this year itself, right?

Utkarsh J Patel: No, not this year. For a longer term we are targeting. But it is very -- it's too early to say about the exit percentage of the OEMs from the revenue percentage wise. But we are aiming that in future maybe after 2 - 3 years it will set to the 15% of total revenue what we are targeting for.

Mahak Singhvi: Okay. And when we have contracts with these OEMs, do they sign exclusivity contracts? Like they will only use Euro bond?

Utkarsh J Patel: Not only Euro adhesives, but we did the volume contract with the dealers yearly wise, quarterly wise. So yes, we have that type of strategies for the limited dealers.

Mahak Singhvi: And I think to maintain the level of ROE, we'll have to lower the base and for that we'll have to pay dividends or buyback. So, is that in mind

or we are going to use it to expand? Can the investors expect something or is it too early to say anything?

Utkarsh J Patel: I think it is too early to say anything because as I mentioned that right now, we are focusing what we have generated this cash flow and the reason we want to invest to these expansions. As we know that we are into the brand segment and very, very few brands what has come up last 50 years. We know about the entire history of the adhesives. So, we want to cover that and we want to leverage these 20 years of investment. So, we don't think so that next 2, 3, 4, 5 years we need to think about this. We need to think about the sales growth only and how can we go to the more deeper and more width we can do that is a focus actually.

Mahak Singhvi: Thank you. Thank you so much. That's it from my side.

Utkarsh J Patel: Thank you.

Moderator: We'll take one question from the Q&A window. Mr. Digvijay Ghorpade. He says that a lot of brands in India they're selling cheaper products and often perceived as lower quality and there are a lot of complaints that sometimes come because of bubbling and several factors such as humidity, quality, large surface area, all of these cause bubbling and his ground level check suggests that competition offers a warranty backed white glue that addresses this issue up to a certain coverage area. His question is how do you aim to shift Euro's perception from a low-cost alternative to a better fairly priced product backed by feature base?

Utkarsh J Patel: So, as a Euro we have been always focused on the quality and consistency into the quality. So, we have that lower grades also right now but we are not compromising any quality compromise regarding the price to match the prices with the regional very lower brands because as we have maintained our standard and we are focusing to that. So, if we talk about the OEMs, we have the lower grades but that is the technology what we have had that cannot go below the standard. So, we have maintained that and still what segments we are into that there is a huge and large segment still pending so we want to remain focused to that.

Moderator: His second question is beyond your carpenter community meetings what is your digital strategy for building product awareness and how are you engaging carpent influencers?

Utkarsh J Patel: Samit bhai you want to answer this?

Samit Shah: Yes sure. So good question so basically on digital strategy or overall marketing strategy if you see so we are very burnt on the Bharat growth story and accordingly we have been very conscious about this building completely digital community also. If you see right now across India, we are the highest followed adhesive company on Facebook. Our followers are more than 2 lakh followers we have garnered in last four to five quarters from where we started.

On Instagram also there is a huge amount of growth right from 7,000 to right now it's more than 65,000 followers on Instagram and on YouTube also. On the influencer front yes, we are very conscious and we are working on that and as we move forward on quarter-on-quarter basis you will see a lot of action on this front also. It's already there though we are ramping up our brand marketing initiatives also and we are conscious about the influencer community also.

Moderator: Okay sir. The next question is from Harsh Chaurasia. Harsh you can go ahead.

Harsh Chaurasia: Thank you, sir, giving us the opportunity and congratulations for good results. Sir, I wanted to understand, you spoken about the capital allocation or the capital which you already have on a balance sheet will be majorly used for the investments in marketing and creating more brand awareness going ahead as we expand into both states. But as I understand this whole line item is mainly OpEx led. Like from what I understand like as we have a higher EBITDA margin you can do it from a P&L rather than going from the balance sheet way. So -- and the capacity expansion which we have already done is behind us. So, I'm not understanding the logic or like the perspective behind retaining all this capital on balance sheet. So, if you can give your perspective on this am I missing anything?

Utkarsh J Patel: So, it's a very good question and I completely understand Harsh where you are coming from. So, you are very right that there is no logic to putting this into the balance sheets. So, if we talk about the last two years it was there, but we were actually not ready to deploy this fund, if we talk about FY'23 - FY'24 we consolidated. I think right now if I'm seeing that years, I think that was the right thing happens to us that we consolidated and the reasons that we were not ready with that. But see if we talk about right now if we talk about before three years that was a team of 250 people into the sales.

Right now, we have onboarded 650 people of team. So entire process of onboarding the HR fronts training inductions what we are driving a tech front what we are doing. So, every investment it's a journey what we are doing and when we feel that these people are now ready, we deploy the fund. That makes us the confidence to deploy the fund because we are very conscious about using this fund. If you see about the entire journey of 20 years, we maintain debt free. The reason is we are not conservative kind of thinking but we are into the focus to maintain the profitability and the fund should be rightly deployed basically.

So, it is not that we are going to put this entire fund for the long years. Now we are onboarding more talents, we are geographical expansion what we had -- we are doing. So, when this confidence got more deeper and we are going to more deeper and deeper into that. So that is how. But I cannot give you the exact time when we are going to deploy the entire fund into the marketing. But see if we talk about last year so it is 3% - 3.5% of total revenue we have invested. Now it is a 7% in H1 also. So that can increase more and that can give me the give us more volume for that. So, we are into that to maintain this growth journey and we will use this fund for that, trust me it will be a strength to us in a longer term.

Harsh Chaurasia: Just correct me, sir, if the way I am doing is correct or not. Do you have this thing in your back of the mind? Let's say as I am expanding into more states, the kind of working capital stretch I am seeing with the newer states and with the new dealers, like according to you, do you have this calculation? Let's say the amount of liquidity if I am having on my balance sheet, this will help me, help in getting those working capital right as going ahead in the future. Is that a good way of thinking?

Utkarsh J Patel: Yes, this is the way of thinking, you are very right. And we have that calculations, we have that system and mechanisms what we are driving from. If an example, if we are opening new five geographies, five territories, what type of these territories, what is the market shares, sorry, what is the total volume shares into the market about that. This is we survey, did the survey of entire territory, we do the calculations, how many team we will require, how many investment we will require for next two, three, four years. So that's why we are driving this. So, this is going to happen.

So, I believe this is just started now and there are so many things to do for the next eight to ten years for this brand and with these organizations. So, this category is still a huge category. It is INR 7,500

crores - INR 8,000 crore of the revenue, total revenue entire year and we are still ahead of INR 400 crores. So, it is still a long journey to go.

Harsh Chaurasia: Got it. Just one more quick question. I wanted to understand, as I was doing my channel check in Mumbai area, which I understand Maharashtra is one of the mature markets according to the brand. So as we are like all the new markets which we have entered in last one year, just I don't want exact numbers, but I want to understand how much revenue we are generating from the mature markets which we have, which let's say assuming we are there present for last five years versus the markets which we have entered in last one year and what is the difference between the credit which we are giving in mature markets versus the newer markets, which is one year or less than one year, if possible.

Utkarsh J Patel: Sure. So, it's a broad, broad number is almost 85% of revenue we are generating from five states, the mature markets and remaining 15% revenue we are generating from the newer markets. So it is, we can say that regarding these mature markets and for the newer markets, you are asking about the margin we are generating, right?

Harsh Chaurasia: No, no. I'm not. Credit days, number of credit days we are giving.

Utkarsh J Patel: Receivables, okay. So, receivables front, yes, of course, the newer markets goes high because we are more focused with the relationship and placements of the introduction of our product. So, we are maintaining this ease of doing business policies with the dealers for the longer term. We are always; we are the thinker of the longer term. So that is goes highs. And if we talk about the mature market, we were able to maintain about 75 to 100 days for the mature markets. But for the newer market, we sometimes go to the 120, 140, 150 days also.

Harsh Chaurasia: So, but if I see on the consolidated numbers, I think the number is I think 150 or 160 in that range. So, if you say 75 to 80 days is for the mature markets, then -- what I assume, and especially when 85% of the business is coming from mature markets. So, 85% of the business and with 80 credit days, so and with 15% business going, I think more than one year credit day. That is the reason it is coming to 140 - 150 days.

Utkarsh J Patel: No, see, see, I understand what you are calculating. See, I'm talking about the general ratios. If we talk about the FY'23 - FY'24 before we have seen, see last, if we talk about the last four, five, eight quarters, we have taken the sales growth into the newer markets also and for the mature market also. Because of the competition, we need to maintain

that relationship with the dealers and we cannot force to give us that terms of payment.

So, we were not able to do that last one year, two years, we accept that. And that's why the reason that that goes up to the 160 days around the debtor ratio. But it's a general ratio, what I'm trying to explain to you that is it is doable and it is maintainable with the 100 days of payment as for the older markets. If we talk about the older markets, there are so many territories there we need to fight with the competition side, we need to give them more credits for that also.

But it is not all the markets. India runs by the pin codes. If I talk about the Gujarat, if I talk about the Rajkot, there is a different strategy we need to use, we need to use for the Surat. We need to use the different strategy depends upon the competition and what relationships we are maintaining. But the important thing in our journey, if you can see the debtor, the bad debt is not higher 0.5% from 20 years. And we have also maintained our company debt free, though we are expanding so many things together. We done with the internal accruals. It means there is a repeat business, it is a profitable business and we were able to maintain this cycle.

So, we are not very, very much concerned about that debtors cycle right now. Because we know that within 1, 2 or 3 quarters when we will set good situations, depends upon the market, we will be able to maintain this again 120 days. So that is how we are going right now. I hope you understand what I am trying to say.

Harsh Chaurasia: Got it. Just one observation here, like when I did my channel check last time, so I came to know that how we pay our carpenters, the dealer points basically, it generally goes from the dealer, he pays to the carpenter and then the dealer gets reimbursed from the company and on the overall bill. So, is this correct, what I am telling?

Utkarsh J Patel: It is partially correct because that was the coupon you are asking for that. So, we are running two loyalty programs. This one is by the dealers and that carpenters goes to the dealer and reimburse it. And also, we are running with another loyalty program, which is a higher part and that is goes to the direct carpenters. So, they have the app and carpenters do the redemption by their app.

Harsh Chaurasia: So, from what I understand sir, let's say if a dealer, let's say he takes a certain amount of product from your company and then from -- so basically, is this a reason why there is a higher number of credit days,

let's say the dealer has to pay to the carpenter. So rather than paying it, paying the money back to you very early, he holds the money and he pays to the carpenter. And then when he knows, if he purchase next time, I will get paid back by the company.

Utkarsh J Patel: We can say that. Yes, it is a 5% we can say about because this is a module like that. So, you can say that it is right. Yeah.

Harsh Chaurasia: Okay. Got it. Got it. And just one request, if you can, I was waiting to see the factory and meet the whole team requesting since quite long to do a management meet and plant visit, if possible, if we can organize, it will be very helpful.

Utkarsh J Patel: It's now possible for all the investors. You all are the welcome because now brownfield expansion, what we were into that it is already done. So, I think within this next month, the plant will be ready that anyone can visit. So, you can request our IR. We can arrange that. No issues for that.

Harsh Chaurasia: Sure. Sure. Thank you very much, sir. Thanks for answering all my questions.

Utkarsh J Patel: Thank you.

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

Utkarsh J Patel: Thank you very much for trusting us and we are trying our hard. We are putting our best efforts to take this business in the next level. We are going more deeper, more focused, and I hope that all the efforts made by our team go in to the right directions and we able to achieve what we have targeted. So, thank you all investor for trusting us.

Moderator: Thank you, sir. 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.