CARYSIL
Lifestyle Sinks & Built-in Appliances

CARYSIL LIMITED

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To,	To,
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Department of Corporate Services	Exchange Plaza, Plot No. C/1
Phiroze Jeejeebhoy Towers,	'G' Block, Bandra – Kurla Complex
Dalal Street,	Bandra East,
Mumbai- 400 001	Mumbai 400 051
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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Conference call held on May 21, 2025.

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 FY2025 Earnings Conference Call for the Audited Financial Results for the quarter and year ended March 31, 2025 held on **Wednesday, May 21, 2025**

Thanking you,
Yours faithfully,

For **CARYSIL LTD.**
REENA TEJAS SHAH
Digitally signed by REENA TEJAS SHAH
REENA SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER

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"Carysil Limited Q4 & FY '25 Earnings Conference Call"

May 21, 2025

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 21st May 2025 will prevail."

MANAGEMENT: **MR. CHIRAG PAREKH – PROMOTER AND MANAGING DIRECTOR**
MR. ANAND SHARMA – EXECUTIVE DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER
SGA – INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY'25 Earnings Conference Call of Carysil Limited.

This conference call may contain forward-looking statements about the Company's which are based on the beliefs, opinions and expectations of the Company as on the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference call over to Mr. Chirag Parekh, Promoter and Managing Director of Carysil Limited.

Chirag Parekh: A very, good evening, ladies and gentlemen. Thank you for joining us for the Carysil Limited Q4 and FY'25 Earnings Conference Call.

I trust you had an opportunity to review our Financial Results and Investor Presentation, both available on the Company's Website and on Stock Exchanges.

Joining me on this call is Mr. Anand Sharma – our Executive Director and Group CFO; and SGA, our Investor Relations Advisor.

Before we get into discussions about business, I, on behalf of the entire Carysil family, would like to first of all give heartfelt condolences, goes to the victims of Pahalgam, to salute the bravery of the armed forces, the unwavering courage, dedication and precision under the strong leadership of our Prime Minister, Sri Narendra Bhai Modi, Operation Sindoor, to punish the perpetrators and planners for the attack on innocent citizens. These operations have demonstrated that India is strong enough to protect its people and territory, become a developed nation by 2050, by all means.

Macro environment and strategic positioning:

The global economy is undergoing a period of profound transformation. While geopolitical tensions and ongoing trade disruptions continue to present challenges, they are also giving rise to new opportunities in this rapidly evolving landscape, agility, resilience and a focus on long term value creation have never been more important. We have navigated an extremely challenging environment over the past three years. The period was marked by significant global disruptions, including supply chain constraints, inventory destocking cycles, and a broader economic slowdown, particularly in Europe, UK, one of our key markets.

One of the most significant event today repositioning of global trade due to sharp escalation in global tariff programs led by the recent US tariffs. This has triggered a wave of reciprocal measures reshaping global trade dynamics and a rush to sign bilateral trade deals. India has signed an FTA with the UK which will increase the ease of doing business. The two countries will open further sectors to increase bilateral trade. India just completed the 11th round of FTA negotiation with the EU and advancing towards signing an FTA with the EU.

Amid these shifts, Carysil is emerging as a preferred global supplier due to global standard, high quality production, competitive pricing and sustainable supply partner, trade realignments, particularly those involving. China and Vietnam, combined with rising manufacturing costs in European regions are creating a favorable tailwind for our business. Despite external pressures and geopolitical issues, our business model proved to be resilient and adaptive. We remain agile, responding swiftly to changing market dynamics, and continue to find our own path for own strategic initiatives, with the supreme execution we have maintained stability and growth. During this period, we successfully entered into new contracts and deepened relationships with existing customers, which I will talk about this soon. This growth reflects the strength of our business fundamentals and our unwavering focus on execution and expansion.

During the last three years, our quartz segment has grown to a CAGR of 12%, reaching about 645,000 units, while our stainless-steel sinks, which is Carysil Steel Limited segment, has seen stronger growth of 20% CAGR scaling up to 155,000 units.

On the financial front:

I am pleased to inform you that the total income has grown at a CAGR of 17% reaching to Rs. 815 crores, almost $100 million, while EBITDA has improved to a CAGR of 14% to Rs. 141 crores. These results underscore the inherent strength of our products and commitment to long term growth.

Update our performance on the quartz sink division:

We are pleased to inform that the segment continues to perform strongly by encouraging demand trends across international markets. Our quartz sink operations are currently in the range of 67% capacity utilization, which is likely to significantly improve in coming quarters.

As informed earlier through a press release, a key highlight for Q4 '25 had been a significant deal with a US major retail chain through our customer KARRAN, which is going to add additional capacity and supply of 150,000 quartz sinks across spread 1800 plus stores across United States. The huge bulk orders are placed, we are proud to share, this summer every store across United States will have the Carysil manufactured kitchen sinks.

While we had already started seeing bottlenecks in the moulds, we had ordered approximately seven moulds, and we need to immediately order three more moulds as per the last e-mail. To support the supply, we have earmarked a significant investment for moulds and infrastructure expansion at a rapid pace.

We also did sign a landmark agreement with Howdens last year, the largest kitchen manufacturer in the UK. And still we have to announce a lot of news, as I said, mentioned before, there is calmness before the storm.

I would like to give some breaking news here:

As I mentioned in my last speech, we were going to bid for IKEA's global tender, which is a complete non-US business to increase our market share with IKEA as a quartz sink supplier from 25% to approximately 75%, basically increasing our business with IKEA by 3x. I am proud to announce, in principle, we are awarded this RFQ award and subject to approval process of the quality standards. Our Company has taken preventative actions by already capacity building and ordering those moulds required to enhance this capacity. The final audits are on the way, and we expect that this to complete very soon to further sign the final purchase order with IKEA, maybe within the next 60 days.

Not just this, we are bringing and signing some record historic deals of our Company, this is all coming through. We still have many more to come. Overall, we see a strong momentum in exports in not just but UK, Europe, India, Southeast countries, including Israel, which are showing significant amount of growth. I believe there is a significant opportunity for our Company to leverage our technology and cost competitiveness in this tariff war against our competitors from European countries.

What would be the challenge? I think the biggest challenge we see is to now build the capacity from currently which we are utilizing 65% and to start manufacturing 85% to 90% within 90 days of time. As you know, with the downward trend, we had shut Plant-4 which had an additional 250,000 capacity. We are restarting now immediately. We started recruiting manpower, the infra and the raw material required for the same. You will see the weight for few quarters; further additional enhancement of the capacity needs to be done. If it needs to be done further, we will see this after a few quarters.

Moving on to the Stainless-Steel Sink business:

Thanks to the tariff for that we have started receiving overwhelming response now for Stainless-Steel Sinks also since there's a big tariff on China and Vietnam. We have always maintained high technology. We have invested in PVD new machines, and we have made some significant breakthrough with Kohler India and Hafele to start selling them Stainless-Steel kitchen sinks.

We have already commenced our supplies to IKEA, we scored significantly over competition in quality tests. They are seriously now looking Stainless-Steel division to be one of the major source of supply to global IKEA. And not just that, we have also started receiving high level of inquiries from the US and Europe. I am very positive it's going to work out and we may have a significant expansion in the Stainless-Steel Sink division too.

The segment continues to witness robust demand. Our current operations are running at the capacity of already 80-plus-percent, demand of the high qualities of sinks in Indian and export market. To meet the rising demand and better value addition, we have earmarked a CAPEX of Rs. 7 crores to Rs. 10 crores for expanding our Stainless-Steel capacity with additional 70,000 units. With this expansion, we are increasing the total capacity to 250,000 units. We expect the new capacity to be operational as early as Q3 FY '26.

Turning now to Appliances and Faucets:

I am delighted to share we successfully commenced our in-house assembly and manufacturing kitchen hoods and Faucets and rapidly expanding into this category. Current assembly is around 30,000 to 35,000 Faucets a year, and our goal is to target 100,000 units by the end of the year. To up the game in this field, we are in discussion with leading global companies for technology transfer which we plan to achieve it very soon.

With BIS restrictions, we have no choice but to invest in the next generation technology to meet the global quality standard to enhance our competitive edge. We will soon be laying the foundation stone for a new factory for built in Appliances facility for manufacturing and assembling kitchen hoods, hobs, ovens, etc. And we will be able to shorten the delivery times we need to up our game in innovation and cost, optimize cost efficiencies.

These futuristic designs, meeting with technology will meet the highest international quality standards. Carysil has been rapidly gaining prominence as a key supplier in the Indian market. Over the last few years, our kitchen Faucet business has grown by 40% and we expect a big growth coming in this year.

Food waste disposers

With the growing demand of food waste disposers for a greener planet, we are now actively exploring in-house assembling of the food waste disposer with the Appliances which we are currently importing to be self-reliant. This transition will enhance margins, quality improvement, ensure more efficient lead times. We are also launching a massive campaign on this, how to use food waste disposer and its benefits.

Our thrust and commitment to make our India story across category remains robust. And not just that, we would be investing in the first kitchen and the bathroom counter-top fabrication facility in Delhi, and planning other two centers by end of the year, making Carysil the only first organized player in the Indian market, leveraging how you can use fabrication technology, which we invested in the companies in UK and US, for launching incredible seamless technology of the sinks with the countertops and in turn launching our own surface brand, Cary Stone.

Let me provide a brief on our international subsidiaries:

Our subsidiaries in UK and UAE have continued to deliver strong performance. In particular, the UAE business has seen robust demand in Appliances category, reaffirming our strategy of strengthening high potential global markets. Our ratio is reversed now, with the sales of 80% Appliances at 20% sinks in UAE, with the riding success with the first Dubai showroom, we are now opening a second showroom in Sharjah of 3,000 square feet on the main Sheikh Zayed Road to add better value and range of Appliances and sinks.

Would also like to give you some good news that Carysil has now got a breakthrough in UAE with the biggest developer, Emaar, which is a state-owned Company, for the Carysil sinks. I am also pleased to announce that we have been robustly growing , more than our budget for the UAE market for this year.

In the UK, Carysil products and other Carysil subsidiaries are performing well, and we expect this positive trend to continue into fiscal year, especially after the FTA deal between India and UK. We have added significant amount of major customers who will help to keep this growth momentum even with the adverse market conditions. Carysil companies are now emerging to be among the top three in the UK, top performers in the kitchen category.

In United States, United Granite LLC, our recent US acquired subsidiary, which remained subdued for a year due to challenging local market conditions and margin, in quarter one has now started turning around the corner by cutting more exotic and high value-added granites and stones. The mantra was simple: you cut less and make more, thus by improving the gross margins.

Carysil Limited is helping to fill the gap in working capital to add more high-value granite and quartz slabs in the factory and also improving our sourcing competitiveness. We are optimistic and confident that the subsidiary will turn to profitability in and FY ‘26. It will also play a significant role in establishing the fabrication unit in India and building world class fabrication, seamless technology, which will be a huge proposition along with sinks and Faucets.

Domestic business and strategic growth. While we take pride in our global footprint, we are equally focusing to expand reach in India. Like I mentioned in my last speech, I have never been so bullish about India, which I am now. Over the last three years, we have made consistent efforts to elevate our domestic business and optimize the potential vibrancy aspiration of young India. We have introduced series of workstations, sinks, new range of Faucets for luxury and convenience to our customer.

We have significantly expanded our dealer network from 1,500 to 4,000. Like I said, we are going to thrust a lot of building new galleries which we plan to achieve from 140 to 200 galleries by end of this fiscal year. We have an ambitious target to grow by 25%, 30% at about Rs. 170 crores, Rs. 180 crores revenue this year. It is not going to come easy. We are going to severely focus on building our team, our brand building, marketing activities, and thus by dealer expansion across pan-India.

We will also strengthen our service network by not just franchising but having our own service people and team with 24 hour service with our own Carysil vans, which results in the company's better sales. With the indigenization by Faucets and Appliances, we will have better cost competitiveness and innovation to stay ahead of the curve.

We are riding on the success of workstation quartz sinks, Carysil is now introducing Stainless-Steel workstations also for first time 1.2-millimeter thickness, which is 20% above the standard thickness for better sturdiness and higher quality to stay ahead of the competition. This initiative will differentiate Carysil with the rest of the competition. The Company has invested in the second PVD machine, which will arrive in the next 90 days to cater to domestic and export needs.

This strategic initiatives will be borne fruits, will lay a solid foundation, strong economic outlook, will have a clear and confident vision to double this to Rs. 300 crores in the mid term and further grow to Rs. 500 crores in the long term. In the next quarter two, I would be seeing our program of this India story and also our next 100 million, how are we going to achieve this.

To support this, we have strengthened our manufacturing capacity of Appliances and Faucets. We are aggressively expanding our brand presence through digital marketing, website updated product and dealer loyalty programs. Our pan-India footprint continues to grow. We opened five new Appliances, experience centers for a better experience. Our R&D initiative is also on underway, focusing on the development of new sink materials, innovation, Faucet engineering and of the built-in Appliances.

The journey ahead is promising, approaching the spirit of purpose and innovation. Whether it's enhancing our product portfolio, entering new markets or investing in people and technology, we are committed to building a more inclusive and sustainable future. At Carysil, we remain steadfast in our commitment for a greener initiative. Sustainability is not a goal, but embedded in the heart of manufacturing and product development processes. Our plants are continuously upgrading eco-friendly technologies in minimizing waste, conserving water, energy use and operation to remain efficient environmentally.

We actively support a range of CSR activities and focus on education, skill development and community. We firmly believe in creating a long-term value for our stakeholders. As a responsible corporate citizen, we continue to lead our purpose integrating sustainability and social responsibility in every facet of our growth journey.

Now I would like to ask Mr. Anand Sharma to update on the Company's financial performance. Thank you.

Anand Sharma: Thank you, sir. Good evening, everyone.

Let me take you through the Company's consolidated financial performance:

Q4 FY'25 performance, consolidated total income stood at Rs. 205.1 crores for Q4 FY '25, it grew by 6.8% on a Y-o-Y basis. EBITDA for Q4 FY'25 stood at Rs. 35.8 crores with a margin of 17.5%. Profit after tax and minority interest stood at Rs. 18.6 crores in Q4 FY '25, a growth of 19.6% on a Y-o-Y basis.

Coming to FY'25 performance:

Sales volume for quartz sink stood at 6,45,000 units, Stainless-Steel Sink stood at 1,55,000 units, kitchen Appliances and others stood at 63,200 units in FY'25. Consolidated total income stood at Rs. 819.9 crores for FY'25 as compared to Rs. 688.1 crores in FY '24. It grew by 19.1% on a Y-o-Y basis.

EBITDA for FY'25 stood at Rs. 141.7 crores as compared to Rs. 133.6 crores in FY '24. It grew by 6.1% Y-o-Y. EBITDA margin for FY'25 stood at 17.3%, marginally impacted due to higher MMA price, which is our primary raw material, increase in export freight cost, some additional manpower cost which we build for capacity elevation, and marketing spend for our domestic business.

Profit after tax and minority interest stood at Rs. 63.7 crores in FY'25 as compared to Rs. 57.9 crores in FY '24. It grew by 10.1%. Gross debt stood at Rs. 265.5 crores as on 31st March 2025.

Our debt-to-equity ratio stood at less than 0.5. Cash at bank balance stood at Rs. 68 crores, which includes fixed deposit earmarked for CAPEX from what we had before.

Working capital days stood at 87 days based on the sales. Our working capital days for March '25 increased primarily due to strategic decision to increase the level of imported inventory of our finished goods, primarily owing to BIS standard implementation from March 2025. So we have to maintain sufficient inventory of our finished goods as well as we wanted to have material for our in-house manufacturing of chimney and hobs.

This build-up inventory aims to strengthen our supply chain and support our future growth. We anticipate that working capital days will normalize in upcoming quarters as inventory levels stabilized. We are also had some inventories in our UAE Company because this is growing very fast. So overall inventories are high, but it will come into normal cycle within next quarters.

On the capital expenditure front, during FY'25 we had invested Rs. 45 crores, out of which Rs. 12 crores is spent in Q4 FY'25 alone. These investments were directed towards procuring and installing new machinery, equipments and moulds which are critical to supporting our upcoming manufacturing facilities and enhancing our production capability.

With this, I open the floor for question-and-answers, over to you operator.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ayush Chabria from Shravas Capital. Please go ahead.

Ayush Chabria: Yes, hi. So I just wanted to understand, like going forward now that we have signed so many deals, what is the level of capacity utilization we expect at the quartz sink level? And any guidance on the revenue going forward with the new deals coming in?

Chirag Parekh: Yes. So, as I mentioned, I think we will be starting to utilize our capacity month on month progressively. So we expect to achieve 85%, 90% capacity utilization within the next three to four months or latest by next quarters.

Ayush Chabria: Alright. Also, I wanted to understand, on the raw material front, have you seen prices cool off? Because I think in a few quarters time you were commenting on prices being elevated and not affecting our gross margins, so do you see any cool off in the pricing?

Chirag Parekh: Yes, both these prices have cooled down, the freight charges as well as our material prices, especially the MMA price are very high, as our CFO said. So it's already cooled down at this point of time. So that's why you would have seen our margins for Q4 have improved quite significantly than previous quarters.

Ayush Chabria: Alright. So going forward, we maintain the guidance of 18% to 19% margins, right, on EBITDA basis?

Chirag Parekh: Yes. We stand to maintain 18% to 20% our margin guidance, we stick to that.

Ayush Chabria: Also, do we see any impact on the tariffs going forward from the US, like, I mean, there's no clarity as of now, but do you see any tail risk playing out because of that?

Chirag Parekh: So I think that now everybody is getting 10% duty attraction to anything imported into the US. But we do not see any significant increase in the tariffs as there is no reciprocal duty on sinks. So as of now I think it all looks good, but let's see what comes on further.

Ayush Chabria: Alright. All the best for the future. Thank you so much.

Chirag Parekh: Also I would like to clarify, we do not fall under the same quartz surface category like others do. We have a different category, so we do not fall under the same category of the quartz surfaces which we had clarified in last time.

Ayush Chabria: Understand. Thank you.

Moderator: Thank you. The next question is from the line of Resha Mehta from GreenEdge Wealth Services. Please go ahead.

Resha Mehta: Thank you, sir. Chirag, your opening remarks sounded off a buoyant demand scenario you are looking at. So, with that do you think that Rs. 1,000 crores revenue is possible in the current financial year itself, which is FY ’25-‘26?

Chirag Parekh: Yes, I think our number is our outcome of what we are going to do. I think the guidance what we had given is a 15% increase in revenues should be around Rs. 925 crores, Rs. 930 crores for this year. I think as of now we are just busy on focusing on enhancing our capacity. So what I would say is that, do we have potential to reach Rs. 1,000 crores annual run rate in Q3, Q4? Yes, it could be possible. But right now I think we are slowly and gradually busy in just increasing our production capacity.

Resha Mehta: Right. And in your opening remarks, did I hear you right that 2.5 lakh quartz sink capacity which was dormant is kind of you are going to like to restart it? Because I think the current existing capacity is 10 lakhs.

Chirag Parekh: Yes.

Resha Mehta: Okay, so then our capacity goes up to 12.5 lakhs.

Chirag Parekh: That's not correct.

Resha Mehta: So the 12.5 lakh capacity and then on that we will reach your 85%, 90% capacity utilization in the next three to four months, is that understanding right?

Chirag Parekh: No, that is not the right understanding. The understanding we have of 1 million sinks, 10 lakh units capacity. We had shut down one plant for which we had approximately 250,000 units, so we are restarting that.

Resha Mehta: Okay. Understood.

Chirag Parekh: Capacity remains at 10,00,000 sinks. It is not 12.5 lakhs. It remains at 10 lakhs units. So the 85%, 90% capacity is on. 10 lakhs units.

Resha Mehta: And to --

Moderator: Sorry to interrupt you, ma'am, but we request you to rejoin the queue for follow-up questions. The next question is from the line of Vishal Dudhwala from Trinetra Asset Managers. Please go ahead.

Vishal Dudhwala: Thank you for the opportunity. What has caused the significant increase in freight cost in recent year given that the majority of your exports are on an FOB basis? So are the export handled on FOB shipping point or the destination basis? And additionally, since your import are on CIF basis, is that expense included in COGS or other expense?

Anand Sharma: Okay. So like you said, most of our export is on an FOB basis, that's why the impact what we are seeing is much lower than it could have been, more our if CIF terms would have been. Okay, so impact is not that major, it is 1.5% only against the 2x cost increase. Coming to import, import is on a CIF basis, so everything goes into a raw material cost, it is not shown separately.

Vishal Dudhwala: Okay. And one more question, is the Company open to include the promoter entity in its consolidated financials saying its supplies important raw material, it might help improve transparency and be good for the Company in long-term?

Chirag Parekh: Yes. Sorry. Can you come again; I am not able to hear him properly.

Vishal Dudhwala: Okay. Is the Company open to include the promoter entity in its consolidated financials since it supplies important raw materials, it might help improve transparency and be good for the Company in the long run.

Anand Sharma: Yes. So the parts material which we buy from the promoter entity, Acrycol Mineral, this is a related party transaction which is already disclosed in the annual report. There is a transfer pricing policy approved by the board. So the transparency is already maintained. Now, coming to your question whether that can become a consolidation and come into the consolidated balance sheet, that's a question for the future which may be addressed at the appropriate time.

Vishal Dudhwala: How is the Company viewing the outlook for the export market this year? Are you seeing any key opportunities or challenges?

Chirag Parekh: So, I have already mentioned in my speech, my friend, what are the deals we are making, we did Lowe's, we got RFQ for IKEA.

Vishal Dudhwala: Okay, I joined in late.

Chirag Parekh: Okay. So we have a huge tailwind for the export market across all categories. If you have joined late but then let me brief you that Lowe's we send a significant deal and now we got award from IKEA's global tender for increasing our share from 25% to 75%, which is a significant increase. So, overall, the demand and tailwind look good in the export market across the world.

Moderator: Thank you. We will take our next question from the line of Vaidic from Monarch Networth. Capital, please go ahead.

Vaidic Bafna: Congratulations, sir, on good set of numbers. Sir, I have two questions. Firstly, on the quartz sink side, as you mentioned in your opening remarks that for KARRAN we have signed an agreement to supply 1,50,000 quartz sinks on an annual basis to 1,800 stores, so can you just mention how much did we supply in FY '24 to Karran, a ballpark volume number?

Chirag Parekh: Yes. So I think we will be able to later on give you this information per customer what it is, but US has approximately does, Anand, about 25% revenue, 25%, 30%?

Anand Sharma: 30% of our business export, 30% of export.

Chirag Parekh: Yes, 30% of our exports. If you take about 550,000 units approximately of export, 30% would be US would be around 175,000, out of KARRAN should be around 120,000 approximately. So, you are talking about doubling the business by adding Lowe's.

Vaidic Bafna: So does this mean that in FY '24 Carysil had supplied around 1,20,000 units to KARREN, and overall in --

Chirag Parekh: Yes, approximately.

Vaidic Bafna: Okay. And then overall?

Chirag Parekh: Approximately we are expecting FY '25-'26, we are looking it could be a potential about 240,000 units with KARRAN, the including the Lowe's deal.

Vaidic Bafna: So that is what is for FY '27, right, in FY '26, you mentioned in your opening remarks, that will go to 150,000?

Chirag Parekh: No, no combine I am saying. This I said additionally we are doing 150,000, additional.

Vaidic Bafna: Okay. So an additional 150,000 you will start supplying.

Chirag Parekh: Correct. Yes. So there will be some cannibalization, but you are talking about approximately 240,000 units, which includes the US deal, the new major with the US major.

Vaidic Bafna: Okay, sir. Got it. And sir, on the Stainless-Steel side –

Moderator: Sorry to interrupt you, but we request you to rejoin the queue for follow-up questions as there are participants waiting for the return. Thank you. The next question is from the line of Sanjay from Bastion Research. Please go ahead.

Sanjay Ladha: Hi, sir. Thank you for the opportunity. So my first question will be on, we have seen significant growth in the volumes during the quarter. But when I see the realization per units, it has been dropped both in the case of quartz sink and in case of steel sink. So how do we see realization going forward? So during the quarter we have seen a 20% drop in the realization per unit in quartz and steel sinks.

Chirag Parekh: So I can just tell you a very ballpark thing is that it is based on the product mix. So the product mix has changed and hence this has gone up. For example, a single bowl will cost much less. Now since the US, which is a high value-added product which is going to now have, with the new crack down deal with the US major, this will increase the per piece realization, and I think which you will see from the Q1 results.

Sanjay Ladha: Okay. Sir my second question would be, since we are seeing so much demand from across the globe and we are focusing on India as well, and probably from Q1, Q2 we will be at 90% capacity utilization. So, how are we planning on the CAPEX side? Can you share any ballpark numbers, what are the CAPEX plans we have, and what is the amount we are seeing for FY '26 and '27 going forward?

Chirag Parekh: So, for the current year we have envisaged CAPEX of about Rs. 50 crores which includes expansion of overall from sinks to fabrication to built in Appliances. Like I said, in the coming quarters, we will take the decision if we need to further enhance the quartz sinks capacity as well as the Stainless-Steel Sinks. It all depends upon how the market reacts, the demand is sustainable or not. So I think within the coming quarters we will have a better clarity on this.

Sanjay Ladha: Thank you so much. I will come back in the queue.

Chirag Parekh: Thanks.

Moderator: Thank you. The next question is from the line of Resham Jain from DSP Asset Managers. Please go ahead.

Resham Jain: Yes. Hi, good evening Chirag.

Chirag Parekh: Yes, how are you, Resham?

Sanjay Ladha: I am good, sir. So two questions. One is with respect to India business which is Rs. 150-odd crores, and you mentioned that in the medium-term you see that business going to Rs. 300-odd crores. So if you can just give a sense, because in India we are doing multiple things, quartz sink, steel sink, Faucets, Appliances. So what will drive majority of the growth? That is question number one. And secondly, from the overall economic perspective, margins and all, because we are investing currently, I presume margins will be much lower than our overall business. So, how do you see the margin also moving over the next few years? Or would you focus more on revenue and margin is okay to get maybe two, three years later?

Chirag Parekh: Yes. Thanks, Resham. So, like I said in Q1 I would be displaying my whole next $100 million plan and my Rs. 300 crores midterm and Rs. 500 crores domestic plan, which I would like to meet the investors. And I am going to display that what's our plan is, how we are going to achieve it and what strategy, so I think definitely you will have more clarity. But just to give you an answer right now in a very brief way, I think we are seeing an opportunity across the categories from quartz sinks to steel sinks to Faucets and the Appliances. So I think we see all the categories, the growth needle moving very fast. But I do believe that we have a significant opportunity to move this needle further up in the sinks and the Faucet category, which should be the largest contributor in this.

As far as the margins are concerned, the Company, in the last year has taken some significant efforts to cut down the operation cost, innovation technology improvement, and efficiencies at the operation level, the material prices are cooling down, freights are cooling down. Our new customers, our new models have a much better value addition. For example, the US deal, the IKEA which will be coming, we will have a great value addition. So that's why I think we are sticking to our margin guidance of 18%, 20%. And I believe, to answer your last question, we would not be focusing on numbers, like I said, the number is the outcome. We will not compromise on our margins. So we have always remained prudent and agile, so our margin model should not be disturbed. I mean, it can be for a quarter one or two, but in the long term, the margin model should constantly improve.

Resham Jain: Yes. Thanks for that. And the second question is with respect to the quartz sink volume; you mentioned that you can reach 90% utilization of 10 lakhs capacity in the next three to four months. For the full year, how should one think about the volume? Whatever volume you are getting is it like one-time and then it will happen, the next big one-time will come later? Or will it be more sustainable order? How should one think about the overall full year volume growth outlook?

Chirag Parekh: Yes. So very good questions, even I am also looking for the same answer how it's going to be. So I think right now it is all good. We will see in the coming quarters how honestly it shapes are to be. It's very, very hard to predict how the markets are reacting at this point. You still have this tariff sword hanging up. But right now all looks good, but we will have more clarity in the coming quarters how it looks.

The only silver lining here I see is that, that we have a significant opportunity because of the cost and the quality what we have. So I think the consumers are going to have much better cost levels at the stores. There has been a lot of inventory stocking in the last years, a lot of destocking has happened. So I think now you will be looking at the home improvement category, and I think I am very bullish on it. I think this year you will see people building on inventory as well as the consumers will have a better price and a better product. So I believe that the home improvement sector should overall improve significantly across the world.

Moderator: Thank you. The next question is from the line of Reet Ranawat from Aventus Capital. Please go ahead.

Reet Ranawat: Yes. Could you tell me, the volume reported under your kitchen Appliances and other segment, mainly all the volume is from Faucets, right? Or is it from, so there was some confusion on my end.

Chirag Parekh: No. So I will make it clear, we are building the manufacturing capacity of the Faucets also. Like I said, we are at 35,000 pieces a year. We are also building the end of the year Faucets. We have about 100,000 pieces. And we are building the new built-in Appliances factory also the mix of ovens, hoods and the hobs to over 100,000 units a year.

Reet Ranawat: Okay. Got it. So I can see that there are 35,000 to 1 lakh faucets, and around 1 lakh capacity for appliances, am I right?

Chirag Parekh: Yes, we are putting up the factory for that. We are laying the foundation stone next month to build a new Appliances factory.

Reet Ranawat: Okay, got it. And do we have a timeline for the surfaces you mentioned in your opening comments, so the facility for surfaces and countertops?

Chirag Parekh: Surfaces and countertops, so we have a timeline, we should be achieving within 150 to 180 days.

Reet Ranawat: Okay, got it. Thank you so much.

Chirag Parekh: So it will happen approximately by end of Q3, latest, this year.

Reet Ranawat: Okay. So do we have the capacity for that?

Chirag Parekh: Yes. So, I think the capacity, we are still on a working stage, but we will know in the next quarter what exactly how much we would be doing it.

Reet Ranawat: Okay, got it. Thank you.

Moderator: Thank you. The next question is from the line of Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi: Thank you. Chirag bhai, in spite of quartz sink volume growing at 2022 level and steel sink rises from 105,000 to 155,000, kitchen Appliances also raise, our net profit in Financial Year '22 was Rs. 64.8 crores and financial '25 by Rs. 63.7 crores. So our margin is half in compared to Financial Year '22. So we want the reasons. And when our '22 margin will come?

Chirag Parekh: So, we have been saying this, Ravi bhai, from quarter-on-quarter that we are under severe pressure for the increase in the raw material prices. There has been savvier increase in the freight. Company invested heavily in the other divisions, subsidiaries and all. So that all the input prices are cooling off now, freight charges also have gone down. The customers knew the product mix would also attract the higher value addition. So you have already seen it from Q4, right. You would have seen for the year, but if you have to see the compare to the '22 in the Q4, the margin expansion has been significant. I think if I am not mistaken, our CFO would probably say, I think that has improved, Anand, from 16% to 19%, right, EBITDA, for Q4?

Anand Sharma: Yes, 16% to 18%.

Chirag Parekh: Yes. And we stick to our margin guidance of 18% to 20% for the current year, FY'26.

Ravi Naredi: Thank you, sir.

Moderator: Thank you. We will take our next question from the line of Ashutosh Parashar from Mirabilis. Please go ahead.

Ashutosh Parashar: Yes, excellent for the opportunity. Just two questions. First is on, if you could please provide the breakup of the revenue between Faucets and Appliances in that segment, and how much of this was from UAE? So, the exports to UAE are largely split between appliances and faucets. And second is, if you would please elaborate on the plans of that new Cary Stone brand that you called out in your commentary, what are we trying to do here in that service within India? Are we trying to tie up with real estate developers, or will we do it through our dealer distributor channel? Just plans on that front.

Chirag Parekh: Okay. So the, coming to your first question, I will ask her our CFO to answer, but I will answer your second, third and fourth questions. So, starting with your last question, the Cary Stone, we are already in advanced talks with some of the major stone guys and the modular kitchen guys, which they have promised to give a certain amount of guaranteed quantity. So, I think that's how we are going to start. Why we are doing Cary Stone because if you want to have seamless integration, you need to have the same colors of our sinks and the quartz surfaces, hence we are launching our new line of our own designed quartz which will have seamless integration to our sinks.

As far as the UAE Appliances, we do not export right now. The UAE is an independent subsidiary based in the UAE. So they procure these Appliances, they trade it through various parts of the world, and they sell it. The only thing what we export is the sinks to the UAE. I will request my CFO to give you a breakup of the Faucets and Appliances, Anand if you can share that.

Anand Sharma: Yes, yes. So the Faucet, this year turnover for FY ’24-‘25 is Rs. 15.22 crores against last year Rs. 11.27 crores, so there is a growth of 35% on Faucet side. Coming to Appliances, Appliances turnover for the financial year is Rs. 31.45 crores against last year Rs. 29.81 crores, a growth of 6%. This is for our India business. UAE business sir has already spoken about, so total UAE business for this year is Rs. 14.41 crores, which is mainly Appliances which is from their sourcing, it is not going from India.

Ashutosh Parashar: Okay. And just one follow up on this UAE business, we had plans of opening showrooms in a lot of places like Sharjah and Oman and also what is the progress on that front?

Chirag Parekh: So the plan, already the deal is done so already the showroom is on the making. We expect opening in the first week of July or in the month of July.

Ashutosh Parashar: Got it, sir. Thanks for answering.

Moderator: Thank you. The next question is from the line of Nikhil Gadda from Abacus AMC. Please go ahead.

Nikhil Gadda: Hi, sir. Thanks for the opportunity. And congrats on a good set of numbers for the 4th Quarter. So firstly, sir, just regarding the IKEA business, can you call out what kind of incremental volume can we see with this deal signing that you have done?

Chirag Parekh: The potential is going to be about 3x from our current volume. We have significant revenue with IKEA, I would say, about 10% of our total revenue. So in terms of number it is huge. 3x of that would somewhere be in the range of about 180,000 to 200,000 units what we are going to have. So I think there's going to be a significant rise, and this comes as a complete non-US business, so I think the potential to achieve this is quite high.

Nikhil Gadda: Got it, sir. And is the assumption right that this is also going to be a high value-added product as in in terms of margins?

Chirag Parekh: That's correct.

Nikhil Gadda: So then in that context, just looking at your standalone numbers, FY '24 we did margin somewhere around 21.7%, do you think we can surpass these margins with these contracts and the overall capacity utilization in '26, do we look at 20% to 23% EBITDA margin?

Chirag Parekh: No, I would rather say that, by that our focus has always been on margin improvement. Sometimes you can have a bad quarter or a year, but I think overall the Company's endeavor is always to improve, to not to sacrifice the margin model to constantly improve that. So I think that is going to be our emphasis in the coming quarters, coming years.

Moderator: Thank you. Sir, we request you to rejoin the queue for follow-up questions.

Nikhil Gadda: Sure, no problem. Thank you.

Moderator: Thank you. The next question is from the line of Sujal from ASP Finserv. Please go ahead.

Sujal: First of all, congratulations, Chirag sir, for your good set of numbers. My first question is, I just want to know that, can you please clarify your target market and audience in which regions in India are you primarily focusing on? And is there are stronger emphasis on B2B sales than B2C for quartz also and for the kitchen appliances?

Chirag Parekh: No, I understand. We are focusing in India on the premium market segment, the mid to premium for the kitchen sink and Appliance.

Sujal: Yes, kitchen Appliances and quartz sir, for both.

Chirag Parekh: Yes. Overall, our category that we target is the premium segment of the market.

Sujal: Sir, I just want to know about, like, primarily focusing on like B2B or B2C, and like in which segment, like in kitchen Appliances, you do B2C more and quartz sink B2B. So overall which part of your mode is in the domestic market?

Chirag Parekh: Yes, domestic market, we are doing about 80% B2C and we do 20% B2B, 20% to 25% B2B.

Sujal: Thank you, sir. And another question sir from my side is, could you please provide the insight in the complete distribution strategy for kitchen Appliances? Are you leveraging existing distribution channels or you are considering partnership with retail channels?

Chirag Parekh: Correct. Good question. I think 70% of we are leveraging our network in terms of Appliances. But about 30% of that, we are tying up with the electronic chains, like we did two big tie ups in Kerala, one is with G Mart and the second with is with some other large retailer, I forget the name. So now I am very happy and pleased to see that our brand is placed with Panasonic and Whirlpool, which are the large appliance companies. So I think we are emerging in at least in parts of, I mean, the whole of Kerala now the electronic brand. So I think it takes time. It's not that something which you can achieve overnight. But I think our constant effort will result into that. So, I think somewhere we need to leverage. But in the next three to five years, I think we will have 50% of our channels completely new than our current set of dealers. So we have to get into inroads with large modern trade electronic stores to get to up our game in the Appliances segment.

Sujal: Thank you. Sir, just follow up the question on the last one --

Moderator: Sorry to interrupt you, but we request you to rejoin the queue for follow-up questions. Thank you. The next question is from the line of Vansh Solanki from RSPN Venture. Please go ahead.

Vansh Solanki: Yes. I just want to ask one of KARRAN order regarding the US, so is it a one-time or multi-year contract? And are there renewal terms or minimum volume commitments or something like that if you can give details about?

Chirag Parekh: No, these are all long term contracts, which are at least for the last source they changed was after 15 years or something. These are very, very long term contracts. We do not have any period of time mentioned.

Vansh Solanki: So in the last two years, our average effective tax rate was around 27%, 28%. But if we see before that, our tax rate would be around 24% in the last four years. So what would you think for the next period it will be?

Anand Sharma: Okay. So the tax rate has gone up because of the higher tax rate in the UK. Earlier the tax rate in the UK was 19%, which from the last financial year reached to 25%. So because of that our average tax rate has gone up. There is no change in tax rate in domestic business standalone.

Vansh Solanki: Okay. And the last question is about working capital days. You mentioned it is 87 days as of now, so will there be a decrease in that?

Anand Sharma: Yes. So we are working because there are some one-time inventory stock we have built up for our future demand because of the BIS issues. But that will get consumed. And then overall normal operating cycle will come into play, and we will improve from this level. So we are going to have a lower working capital going forward.

Moderator: Thank you. The next question is from the line of Rupesh from IntelSense Capital. Please go ahead.

Rupesh Tatiya: Hello, Chirag bhai. So I have several questions. First, I think on subsidiary. So first question I think is on United Granite, maybe if you can give how was the profitability for Q4 and how you see next year panning out? The second question on the subsidiary is the Carysil Products UK, the revenue moved from GBP 9 million to GBP 12 million, so if you can give some idea about what led to this growth, can we expect similar growth in FY '26? That is another question. And then in the UK, I think you said you had some deal with some retailer, I did not understand that part, so if you can give some details around that. So that is first question on subsidiaries.

Chirag Parekh: Okay. So I think subsidiary there was a downturn in the US in the home improvement business because of the high mortgage rates, which are still there. But I think the improvement is that we have improved from our part; we have started targeting the upper-class of the US market. So we have started cutting the marbles and quartz of very high and unique exotic marbles and quarts, which is leading to higher profit margins. So which, we were about negative 8% to 10%, and we have now crossed the breakeven, I think we are at about 2% or 3% profit now. Coming quarters, I think we see a significant improvement in the margins moving forward. That's for the US subsidiary.

As far as the UK is concerned, we are immensely focusing on new products. We have launched ceramic sinks, we have launched new kind of Faucets, we have introduced new kind of sinks, we have additional about 12 to 14 new customers onboard. So I think our team is very active because we have massive cost leverage here to take on the competition. As I mentioned in my speech, we are emerging to be in the first three majors in the UK market.

Howdens was the largest kitchen manufactured in the UK, which we had signed the deal last year, so we are exclusive to Howdens. It's a very strong business, about 80,000 to100,000 sinks a year just for Howdens, and they are still going very strong. I am in the UK while I am speaking and I am meeting them, and while the UK is not in the best of the economic situations, but surprisingly the home improvement with some of the large retailers still have been very strong. So I think by expanding our produ`ct range and by adding new customers, we should be able to continue our momentum.

Rupesh Tatiya: Thank you. Thank you for the answers, Chirag bhai.

Moderator: Thank you, sir. Ladies and gentlemen, in the interest of time, we will take this as our last question. I now hand the conference over to the management for closing comments.

Chirag Parekh: Yes, thank you, everyone. I hope we have been able to answer all your questions satisfactorily. However, if you need any further clarification or want to know more about the Company, please contact the SGA team, our investor relations advisor. Thank you and have a great evening.

Moderator: Thank you. On behalf of Carysil Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.