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November 18, 2025

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

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

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Earnings Conference call held on November 11, 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 Q2 FY2026 Earnings Conference Call for the un-audited Financial Results for the quarter and half year ended September 30, 2025 held on **Tuesday, November 11, 2025**

Thanking you,
Yours faithfully,

For **CARYSIL LTD.**

REENA SHAH
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: a/a



“Carysil Limited
Q2 & H1 FY '26 Earnings Conference Call”
November 11, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 11th November 2025 will prevail.”



**MANAGEMENT: MR. CHIRAG PAREKH – CHAIRMAN 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 Carysil Limited Q2 and H1 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

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

Chirag Parekh:

Thank you, Anushka. Good evening, ladies and gentlemen. Thank you for joining us for the Carysil Limited Quarter 2 H1 FY '26 Earnings Conference Call. I trust you had the opportunity to review our financial results and investor presentation, both available on company's website and on stock exchanges. Joining me on this call, we have Mr. Anand Sharma, Executive Director and Group CFO; and SGA, Investor Relations Advisers.

Global and Indian economy

The global economy is undergoing volatility due to the ongoing tariff war. Countries are working tirelessly to strike best bilateral trade deal to increase mutual trade. The world economic order is undergoing an exciting transformation, which is creating tremendous opportunities for companies like us. Across mature markets like Europe, North America and fast-growing regions like in the Middle East, Southeast and Africa, we are witnessing a structural shift towards premium design-oriented and durable kitchen solutions.

Consumers are increasingly looking for aesthetics and functionality in their kitchen, which meet their life, which are not just practical but also visually appealing. In India, the momentum is equally strong due to urbanization, the rise of nuclear families, rising incomes, a booming housing sector and growing lifestyle aspirations are driving the shift towards premiumization and rapid adoption of modular kitchens.

We find ourselves in the intersection of these trends, combining advanced materials, elegant design, global quality standards and the strength of Indian manufacturing excellence. Carysil operates in a true sweet spot where premium home products, global expansions and scale manufacturing meet innovation with design.

Business performance and growth highlights

We are very pleased with our performance, especially in this time where our major export market, the U.S., has been impacted by a 50% tariff. We have taken steps to meet this challenge and support our customers in this difficult time. While we are confident India and the U.S. will strike mutual beneficial trade deals, we have taken the required measures to navigate the current situation effectively.

Let me begin with our Quartz Sinks segment, which continues to be the strong growth engine for the company. We have secured the RFQ to supply approximately 70% of the global IKEA non-U.S. business of quartz sinks. The required moulds and machinery have been installed, and supplies have commenced as per schedule.

In quarter 2 FY '26, volumes reached 197K units, going up to 159K units in Q2 FY '25, marking the fifth consecutive quarter of volume growth. Key drivers behind this performance include improved capacity utilization now trending to 88% utilization in quarter 2 FY '26 and 82% in H1 FY '26, indicating better throughput and operating leverage; strong order inflows from global customers; tighter process control, enhanced supply chain coordination, ensuring faster order shipment cycle.

Our strategic partnership with big box retail chains and big brands continues to scale up. Given the strong demand visibility, we are immediately adding capacity of 100,000 units of quartz sink within our current existing facility with a small capex of INR5 crores. This expansion is expected to be operational by end of December this, '25. In parallel, new molds and product enhancements are underway to cater to evolved global design trends. This initiative will allow us to achieve higher throughput, improved margins and a more diversified product mix.

While raw material freight costs have remained largely stable, our focus on efficiency and process optimization continues, ensuring that profitability remains resilient even in a volatile market environment.

Our Stainless-Steel Sink division continues to build on its strong foundation. Our Stainless-Steel Sink volume increased from 40,300 units in Q2 FY '25 to 43,400 units in Q2 FY '26, representing a small growth of 7.6% Y-o-Y growth, supported by healthy domestic demand and export market, including the OEM business of big brands, which will pave the way to global tie-up and take this partnership to the next level.

With utilization levels at around 95% in quarter 2 FY26, we've started a third shift production to meet the growing demand of our customers. As informed earlier, we are in process of expanding stainless steel sink manufacturing capacity on an immediate basis by 70,000 units a year, which will take our total capacity to 250,000 units by the end of quarter 4 FY '26.

Looking at the global demand and interest from major export and Indian OEM customers, we have acquired 7,400 square meters approximate, land adjacent to our existing facility with an investment of INR6 crores, which will support creating additional capacity to strengthen our manufacturing ecosystem and provide headroom for fast future growth. The approximate capacity expansion, we're looking at approximately 150,000 units a year in FY '26, '27.

Appliances division, building the future.

Our Appliances continues to demonstrate robust growth momentum. in the domestic market where we are witnessing a structural shift towards premium built-in appliances. Quarter 2 FY '26, we have healthy Y-o-Y growth of 25.5% and 30.5% both of value from volume and revenue terms, driven by rising adoption of built-in hobs, hoods, ovens among modern Indian households.

To strengthen our market position in this segment, we are further investing INR25 crores to set up a modern state of manufacturing and assembly facility, including in-house glass processing plant.

The addition of a glass processing is a game-changer to its critical step. We will have control over quality, aesthetics, durability, especially for hobs and hoods with glass finish a defining role. We will also be adding a colored coating line to give matching colors to our sink, which will make us very unique in the market. which will enable us to produce high-quality products at a competitive cost.

We have keen interest in the big brands, OEM tie-up in the segment, which will provide an opportunity to expand our reach not only in the domestic, but also in the global markets. With this, we have aggregate in-house manufacturing capacity of 150,000 units per year and expect it to operational by Q2FY27.

Now coming to the Faucet division. The Faucet division continues to perform well, with capacity utilization now reaching 75% against active installed capacity of 50,000 units per annum. That is 37,500 units. At present, we are primarily manufacturing faucets for the domestic market. However, we are getting active interest for global brands and in the India OEM supply, which is expected to further enhance utilization level.

We have active inquiry for export market, and we are planning activate full installed capacity of 100,000 units per annum in the coming financial year. Additionally, we are also commencing new assembly of bathroom faucets in addition to the kitchen faucets, primarily focused on the domestic market. However, we can add OEM customers also for global supply.

Online, e-com, we have hired new team to focus, on expanding our online presence of the company. We are excited with the road map and the plans we have made. We are adding new product lines, strengthening our digital presence to tap the opportunity lying ahead. India business plan. We are currently in the process of preparing our vision documents for growing India's business to INR500 crores and which will be unveiled in the coming months.

We are in the process of onboarding a new leadership team for supporting vision of INR500 crores Indian businesses and create talent pool in sales and marketing. To support this growth plan, we are onboarding a new leadership team with a strong sales, marketing and service pool. We have recently appointed Vice President, Sales, Bathroom division, to accelerate our B2B penetration and enhance brand visibility. At the same time, we are strengthening the ecosystem by adding new distribution dealers, showrooms and experience centers. We are also in process of opening experience center in NCR and Hyderabad to cater growing markets in NCR and Telangana, Andhra Pradesh. Additionally, we are receiving great interest from global brands for OEM supply and therefore, expect to increase our India business significantly.

Overseas subsidiaries strengthening global footprint. Our overseas subsidiaries continue to deliver resilient performance in spite of a volatile situation, reinforcing our global positioning and customer reach. Each subsidiary plays a critical role in the market access, customer

proximity and brand visibility. U.K. subsidiary is doing consistent performance, while our UAE subsidiary is doing very well, exceeding budgeted sales in the H1 FY '26.

We are in the process of opening showrooms in Sharjah, Oman in this quarter. We have great scope to expand in the GCC region for our brands and getting traction. I'm particularly encouraged with the progress of our U.S. subsidiary, which has turned into positive PAT in Q2 FY '26, and we expect it to continue. Before we move to the Q&A session, I would like to pause and reflect on how far we have come and how exciting the role ahead truly is.

Carysil today stands as a global trusted brand in premium kitchen solutions built on design and innovation, with world-class manufacturing excellence. The biggest global brands in the kitchen segment are keen to tie up with our manufacturing. This is a testament of our quality, our capacity, our ability to serve global demand consistently.

Our quartz and stainless steels sinks remain the backbone of the growth engine, where appliances and faucets is a powerful growth engine moving forward. Internationally, our subsidiaries continue to build scale, profit and presence in the markets.

We have delivered some strong performance, advanced capacity expansion plan and strengthened the customer partnership while maintaining operational discipline. Yet we understand that our success is not defined by numbers. Our success is built on people and values of accountability, innovation and ownership.

It is this culture that allows us to look ahead and confidence to dream bigger, execute it sharply and deliver better. I'm extremely optimistic about what lies ahead of Carysil. The foundations are strong, the opportunities are immense, and our strategy is clear.

With this, I hand over the call to Mr. Anand Sharma, our Executive Director and Group CFO. Thank you.

Anand Sharma:

Thank you, sir. Good evening, everyone. I'm pleased to present the historical high performance of the company in this critical juncture of tariff issues and trade tension. Let me take you through the company consolidated financial performance,

Q2FY26 performance.

Consolidated total income stood at INR244 crores in Q2 FY '26 as compared to INR207 crores of Q2 FY '25. It grew by 17.9% Y-on-Y basis and 7.4% on Q-on-Q basis. EBITDA for quarter 2 FY '26 stood at INR49.5 crores as compared to INR37.1 crores of Q2 FY '25 grew by 33.5% Y-on-Y and 12.1% Q-on-Q. EBITDA margins for Q2 FY '26 stood at 20.3%, which is even higher than the upper band of our guidance. Profit after tax and minority interest stood at INR27.2 crores in quarter 2 FY '26 from INR16.8 crores of Q2 FY '25. It grew by 61.9% Y-on-Y and 19.1% Q-on-Q basis.

H1 FY '26 performance

Coming to H1 FY '26 performance. Sales volume of Quartz Sink stood at 3.87 lakh units and Stainless-Steel Sink stood at 85.9 thousand units. Kitchen Appliances & Others stood at 40.9 thousand units in H1 FY '26. Consolidated total income stood at INR471.3 crores for H1 FY '26 as compared to INR409.2 crores in H1 FY '25. It grew by 15.2% Y-on-Y basis. EBITDA of the company for H1 FY '26 stood at INR93.6 crores as compared to INR74.1 crores in H1 FY '26 growth of 26.3%. EBITDA margin for H1 FY '26 stood at 19.9%.

Profit after tax and minority interest stood at INR50 crores in H1 FY '26 as compared to INR32.7 crores in H1FY '25, growth of 53.2%. Gross debt stood at INR230.9 crores as on 30th September 2025. Cash and bank balance stood at INR42.3 crores. The total capex for H1 FY '26 stood at INR34.2 crores, which includes machinery, building, molds and other equipments.

Thank you. Now I open the floor for questions and answers. Over to you, operator.

Moderator: We take the first question from the line of Vaidik Bafna from Monarch Network Capital Limited.

Vaidik Bafna: Congratulations, sir on a good set of numbers. Sir, my first question is related to the Quartz Sinks division. Sir, can you quantify for us the kind of order book left to be delivered in the H2 for Karran?

Chirag Parekh: Yes. So, you're talking about the pending order, which we're not able to supply? so I think it is about 10% of the total Karran value. It could be about, say, 10,000 pieces approximately because we are suffering from the mold capacity. So just 2 weeks back, we ordered 3 new additional mold for Lowe's.

The Lowe's business is unexpectedly gaining a lot of traction than we thought. The things are doing really, really well. We had a visit of the Lowe's team at our factory last week by the senior American team. They're very, very pleased with our performance. We also got a joint Supplier of the Year award from Lowe's in the first year itself, which has never happened to any supplier.

We are very bullish on it. We are constantly expanding in terms of volume with Lowe's. So, we have to invest in a lot of new models. So, the capacity bottleneck, yes, was there of the molds in quarter 2.

Vaidik Bafna: Sir, I want to know as to how much would our order book be for Karran and how much have we delivered to them in H1 and how much is pending for H2?

Chirag Parekh: Yes. So, so I would not be able to tell you the exact actual numbers now, but my office will be happy to later on share with you. You just put an e-mail to us.?

Moderator: We take the next question from the line of Pritesh from Lucky Investments.

Pritesh Chheda: Sir, just 1 question. On the Surfaces side of the business, which is going at about 5%, any light that you want to share? And I fully appreciate the fact that at least 70% of your piece, which is the manufacturing unit piece, which quartz sink, steel sink and kitchen is where you have your

expansion lined up and higher growth also lined up. So, congratulations on that part. But on the Surfaces part, any comment that you want to share, how should we look at this piece?

Chirag Parekh: Yes. So, I can tell you on the Surfaces, we are mostly doing -- Pritesh bhai, anyway good to, first of all, hear from you. Surfaces is approximately, I think, about 10% to 15% of our business right now. We are doing only softer surfaces as of now in U.K. I am flying down to U.K. next week as we are planning to diversify into harder surfaces.

So, the potential of the hard surfaces is there because globally the hard surfaces has 90% market share where the softer has only 10%. So, our growth driver in U.K. for the Surfaces is going to be now on the harder surfaces. We are planning -- my team and they're planning to double the revenue of the hard surfaces within the next 3 to 5 years by introducing hard surfaces. The hard surfaces are quartz, marble and stones.

Pritesh Chheda: Okay. So, what you have today is soft surfaces and what will come into picture is hard surfaces, right?

Chirag Parekh: Correct. Right now, of approximately INR150 crores revenue annual is all soft surfaces.

Pritesh Chheda: Okay. So, basically, this 5% growth rate that we're seeing, we'll see this growth rate also accelerating and it's just that this piece is 30% of your business. What I see from your presentation, it's about 25% of your piece. So, it's a workforce of your revenue....

Anand Sharma: Pritesh bhai, Surfaces include U.K. and U.S. both. Both putting together -- sir was talking only about the U.K. business. So, U.K. business, we are doing only soft surfaces. We are going to add line for hard surface as well because the market for hard surface is also very good. So, to grow that business, we are going to add hard surfaces in U.K.

While U.S. is doing good, you can see the results, they have grown on the volume side also and they turned profitable also. Overall, the ratio what is maintained is for the surfaces as a whole business, U.K. and U.S. together.

Pritesh Chheda: And just one more question. There was this aspiration to add another 2.5 lakh stainless steel capacity. So where are we on that? Do we have any clearer picture now?

Chirag Parekh: Yes. So, we are, right now, already adding 70,000 units extra by March FY '26. And as I said, we are planning to add another 150,000 at least in FY '26.

Pritesh Chheda: No, but that you mentioned for quartz, I was asking for...

Chirag Parekh: No, for stainless steel sinks. I mentioned.

Moderator: We take the next question from the line of Akshay from AK Investment.

Akshay: First of all, congratulations on the great set of Q2 numbers. My first question is, what is our top-line growth expectation in half 2 FY '26? And what are the sustainable revenue growth rate over the 3 to 4 years going forward? And what are the kind of margins can we assume going forward?

Can we sustain the 19% to 20% EBITDA margin from hereon due to the tariffs and all the things?

Chirag Parekh: Yes. So, answering your first question, I think we are growing at a good rate. We are almost growing at INR1,000 crore annual growth rate right now. We still maintain our growth guidance of 15% on an annual basis for the next 3 to 4 years. And we still maintain our margin guidance between 18% to 20% of EBITDA, even with the tariff.

Akshay: Okay, sir. And sir, my second question is, what is our current capacity in the quartz and stainless-steel sinks? And do we have any plan for further capacity expansion in our land that we have acquired earlier?

Chirag Parekh: So, right now, the quartz capacity, we are almost going full. we peaked on 95% in the last month. Now we are adding 100,000 units an immediate basis by improving our productivity and some expansion in machinery. The potential of the quartz business still remains high. We're still awaiting the sorting out of the tariff situation.

And the moment I think the tariff situation is solved; I think we see another opportunity to expand further in the quartz sinks. On the stainless-steel sink side, as we said, the story is exciting because the large box retailers and the OEM businesses have found so much confidence within Carysil, not just as a technology; yes, we do great things, but as a company that we as a company is reliable as a partner, reliable in terms of quality and cost.

And they are very happy to see the way how the stainless-steel manufacturing is evolving. So they all kind of coincide with our idea of having a one-stop solution for the granite and stainless-steel sinks.

I think we can probably look for some great opportunity moving on, on the stainless-steel sink side, adding 70,000 now, 150,000-odd steel sinks for the next year. So, I think there is a great upside awaiting for us on the stainless steel, not the conventional commodity sinks, I want to stress here, it's more on high-value-added sinks, which are handmade.

All the key players of the world are now reviewing a China plus strategy. They're all moving from China to India. And there are very few manufacturers in India or probably us, who can deliver some great quality products for stainless steel sinks.

Akshay: Yes sir. But I just wanted to know what is total capacity is in quartz and stainless steel and how much we are increasing there currently?

Chirag Parekh: We are doing quartz 1 million sinks expanding to 1.1 million sinks. And on the stainless-steel side, we are growing to 250,000 units.

Anand Sharma: From 180,000, we going to 250,000.

Chirag Parekh: So, by 250,000 in March and 150,000 next year, so would be about 400,000 units.

Moderator: We take the next question from the line of Naitik from NV Alpha Fund.

- Naitik:** Congratulations on a great set of numbers. sir my question is on quartz sink side. Just wanted to know, we saw very good growth in terms of volumes in quartz sinks, but we have seen closer to 3%, 4% degrowth in realization. So just wanted to understand the reason for this? And what sort of realizations do we expect in quartz sink going forward? Will it be similar to current quarter levels or will we see some increase?
- Chirag Parekh:** So, I would just give it to my CFO, I said, we still maintain our margin guidance range of 18% to 20%. Over to you, Mr. CFO.
- Anand Sharma:** Yes. So, on the quartz sink side, if you go by the per piece realization, it has not gone down much only because of the product mix and geographical mix that we are selling to other continent and there is some effect of the discount which is given to U.S. So that's all we have, nothing fundamentally changed on the margin side. All margins are intact. And this is only , change in the sales mix, nothing much.
- Naitik:** Got it. So product mix changes - has affected Okay. Got it. And my second question, sorry, I actually missed the expansion plan you mentioned for quartz sink. I mean what sort of expansion are we looking for, given that we are closer to 90% utilization. I know 1 lakh units we are adding this year immediately. But beyond that, what sort of plans do we have to expand in quartz sink?
- Chirag Parekh:** Yes. So, when you are going at a 95% capacity, you obviously need at least 10% to 15% idle capacity to try to cater all the rush orders. You see the way that the way the things are going here. For example, the Lowe's business is really flying for us, which is unexpectedly more than what we expected. So, they had come here last week and they've given us some more projections it could go more. So, we're trying to build capacity.
- There too is the IKEA, the global 70% of their global business, which is coming to us, which is again non-U.S. business. There is a big upside can be from the IKEA side too. Now they are following reasons while we are growing, maximizing our market share, the competition of ours in Europe is struggling with what manufacturing due to inflation, due to tariff on Europe and the higher euro and pound.
- So, I think we are still just waiting that the moment the tariff war is over and we're able to solve a solution. I think we are expecting some upside. And for that, 100,000 we are doing now, but there could be a potential of another 150,000 sinks immediate capacity ramping up expansion what we need to do. So, total can be about 250,000 units within the next 4 to 6 months' time.
- Naitik:** Got it. Got it. And sir, just a final question on quartz sinks. What percentage of our quartz sink revenue currently is coming from U.S.
- Chirag Parekh:** Approximately 30%.
- Anand Sharma:** Hold on. Hold on. You are asking about the exports, right?
- Chirag Parekh:** Yes, U.S. -- export U.S.

Naitik: No, as a percentage of quartz sinks, total quartz sinks, out of the total quartz sinks number, what percentage is dependent on U.S.

Anand Sharma: Okay.

Naitik: Has it been answered.

Chirag Parekh: Yes. Yes,

Moderator: We take the next question from the line of Resha Mehta from GreenEdge Wealth.

Resha Mehta: Congrats for a strong set of numbers. So, the first one is on the U.S. tariffs, right? So, since the tariffs kicked in, in around end of August, so would you have seen like good exports happening or decent exports happening even in the month of September? Or was all of it preponed for this quarter before the tariffs kicking in?

Chirag Parekh: No, no. So, we have grown organically whatever the Lowe's business or the U.S. business with the new clients, what we have been growing, nothing has been preponed. I think, on the contrary, we have done like postponed because we had some bottlenecks with the capacity. So, nothing is preponed. We probably have more sales maybe U.S. in September than in August.

Resha Mehta: And on the surfaces business, so just wanted to understand, our United Granite business has its own manufacturing facility in the U.S. and hence, that is completely insulated from the tariff war. Would that understand right?

Chirag Parekh: Yes. Yes.

Resha Mehta: And what kind of surfaces do we manufacture in United Granite? Is that only hard? Or again, is there a scope to kind of move to soft surfaces also just like the way you elaborated.

Chirag Parekh: No, U.S. is a very different ball game. U.S. is only hard surfaces. We go from exotic marbles to quartz and granite. So, 100% in hard surfaces.

Resha Mehta: So, can you just elaborate because Surfaces is now like 25% of our revenues. Like, who were the competition here in hard surfaces and soft surfaces. If you could name a few brands, a few players, both globally as well as in India? And would you say that Pokarna which is an Indian player, would they also be a competition? So just some light on the peers over here in both hard and soft.

Chirag Parekh: So we are not manufacturing surfaces. We are fabricating. So, we are a fabricator, not a manufacturer of the surfaces. So, we buy from different sources across the world, whoever gives us cheaper. I mean if we are not able to get Pokarna at a good rate, we'll move to someone else.

Resha Mehta: So, in terms of the value addition, so it's more desirable to be a fabricator rather than a manufacturer. Would that understanding be right, the value chain would be higher up?

Chirag Parekh: I would say you have lesser risk in fabrication because if you are a manufacturer, you can hit by tariffs. Here you have a flexibility to choose on what you want to buy as per the customer needs.

So that gives you a lot of flexibility. And I think second is that you have a technology to fabricate full kitchen surfaces, which eventually I want to get this to our country.

And I've been saying it again and again. We are just too busy with our sink, faucet appliances, but maybe like in a year, we may start put up our first fabrication or maybe in the next 3 months, 6 months to start this fabrication business in our country.

Resha Mehta: And there would be an export opportunity from India?

Chirag Parekh: This is fabrication. So, you are fabricating, cutting, finishing the modular kitchens in that area. You cannot export big cabinets to the U.S. This is you buy surfaces and you fabricate it and install it in the kitchen. We don't manufacture surfaces ma'am. We don't manufacture surfaces. We fabricate it.

Resha Mehta: Understood. Understood. And what would be our right to win in soft surfaces?

Chirag Parekh: So as far as the softer surfaces, it's used in bathrooms. It's also used in yachts where you need softer. And U.K. is still very fond of softer surfaces because you can form the surfaces. In hard surfaces, you cannot form the surfaces.

Softer, you can form it the way you want to. The feel is very smooth and it's a much softer field. So English people like that still. Most of the countries, it's going out of style, but U.K. is still very fond of that.

Resha Mehta: And broadly for the U.K. subsidiaries, both Carysil products and Carysil Surfaces, like we've seen a revenue degrowth in H1, right, of around 8% and 12%, respectively. So would you say that moving to hard surfaces would be one of the revenue growth drivers.

Chirag Parekh: Yes, it has a big potential.

Resha Mehta: Because I think you just mentioned that U.K. prefers soft surfaces while we are trying to transition to hard surfaces. So hence, I was confused. So just clarifying.

Moderator: We take the next question from the line of Sagar Jethwani from PhillipCapital PMS.

Sagar Jethwani: Congratulations on a good Q2. So, since you have mentioned that you will be ramping up the India business, how do you see the revenue mix going forward in next 2 years? Because also we have that non-U.S. exports are also increasing on the other hand, how do you see the mix? That is first.

Secondly, you touched upon the steps that you will be taking to mitigate tariff impact. So can you please elaborate on this? These are my 2 questions.

Chirag Parekh: Okay. So your first one is for India or for the global mix?

Sagar Jethwani: India.

Chirag Parekh: So, moving forward, I think we still believe the 70% of the business is going to be by the sinks and faucets and then 30% will come by the built-in appliances within the next 3 to 5 years. As far as the tariffs are concerned, I think it's been a great win-win situation for all 3. Start from manufacturing to our distributor and to the customer, we've been able to strike a great deal. I think each 3 of us are sacrificing. Me and our customers sacrificing some margins and some of that has been passed on to the customer.

Not large impact on the customer side because that really can drive inflation up. So, I think we have got a good deal. And I think even if the tariff was there to scale, let's say, by March or -- it doesn't matter. we still maintain our margin guidance.

Sagar Jethwani: One last question, if I can just squeeze in. So, you mentioned that you will be ramping up the India operations like onboarding of teams, increasing of the marketing cost and also the experience showrooms and centers. So, do you see any cost elevation, cost spike and potentially that can impact the margins in mid-term?

Chirag Parekh: 'No. So, I believe that we have a very clear policy as far as how much percentage of marketing we need to spend on our sales. And I think we're going to stick by it. We're not going to be -- we want to do more influential-based marketing and consumer-based marketing. So, whenever you do influential, you are targeting the right audience, and anything we do consumer marketing, it could be a very, very long term and you don't know where the money is spent. And anyway, our appetite is not that large, their view, but time will come, we'll think of it, but right now, it's completely on the influential marketing.

We are very optimistic with the India growth. Like I said candidly last time, I think we are not performing to our potential as far as India is concerned. So, we want to really change our gears for India. We see lot of other companies moving forward. We are being leaders in the world, we're still not able to change the way -- the gears we want to be, really want to change the game in India.

So, I want to kind of rejig my team here in India. And within the coming month or 2, I'm going to make a presentation as, how we're going to make the INR500 crore revenue in India. So, we have some great plans moving forward.

Moderator: We take the next question from the line of Anil Sarin from K16 Advisors.

Anil Sarin: My question has already been answered.

Moderator: We take the next question from the line of Naman Parmar from Niveshaay Investments.

Naman Parmar: Congratulations on a great set of numbers. So, just wanted to understand how has been the distribution network has been played out in the current quarter? Any addition has been happened on the domestic side? And also how has been the tie-up with the Karran that you have done for the U.S. market has pan out also on the IKEA, if you can give some color?

Chirag Parekh: I'm not able to get your second question. On the U.S., what do you want to know?

- Naman Parmar:** Yes, the tie-up that you have done with the Karran distributors in the U.S. market, how has been going there?
- Chirag Parekh:** Okay. So, answering your first question. So, we are now ramping up our dealer network. We are approximately adding 10% of the dealers every year. That comes to roughly about 350 dealers a month.
- We are adding approximately 30 shop-in-shop galleries and about 4 to 5 experience centers in India. I think that's the rate we would like to go for the next 5 years. There would be instances where we still ramp it up, but this is what the rate we want to go at this point of time. So basically, it comes, within the next 5 years, you are doubling your market expansion. That's point number one.
- And your 2 is on the U.S. side, like I said, our competition is struggling in Europe. And so more and more traction is coming to our side of the world, our business. People are moving from Europe and to the other part of the countries to us. like I said, we are the most cost competent quartz sink producer probably in the world, great quality.
- And just adding up this large U.S. big retailers, IKEA just adding to another feathering the hat. So, people are seeing us as now emerging to be not just a global player but emerging probably as one of the largest quartz sink manufacturer. So more and more the business traction in our business, so I would say in the next few years, we should have great tailwinds.
- Naman Parmar:** Okay. And currently, how much IKEA would be contributing?
- Chirag Parekh:** Yes, the large piece. I was not able to give you the exact number due to our confidentiality contract, but it's a large number. It's -- everything is about 10%, 15% more of our business.
- Moderator:** We take the next question from the line of Jainab, an individual investor.
- Jainab:** So basically, I would like to ask you about your new start-up initiative regarding the Cocochico. And I personally visited your Cocochico shop and everything. So what's your end goal and what's your expansion goal for the Cocochico especially? So it's going to be associated with the Carysil or it's going to be worked as an independent entity?
- Chirag Parekh:** Yes. Cocochico is a completely different independent entity. It is started by my wife. So that's nothing to do with Carysil.
- Jainab:** So, is there any plan down the road you have, like experience center where you can collaborate with the Cocochico and you can provide -- because I observed that all the machineries and everything is used from the Carysil itself?
- Chirag Parekh:** Carysil becomes a supplier to any coffee chains in India. So, we are a supplier of coffee machines. So, if anybody is opening a cafe, it will be a normal supplier, which will be routed through a distributor dealer. I think Cocochico has a right or any cafe has a right to buy any machine what they want. We have no correlation, nor we are planning any kind of collaboration between Carysil and Cocochico.

- Moderator:** We take the next question from the line of Saumil Shah from Paras Investments.
- Saumil Shah:** Congrats to the team for such a good number in such a challenging environment. I'm sorry, I joined a bit late, so I don't know if this question was answered. I wanted to know why our U.K. revenues are going down, any particular reason? And how do we see U.K. in the second half of this year?
- Chirag Parekh:** So I think we need to understand that just as the other European country also the U.K. as an economy, it's slowing down. There's no question on it. As far as our business is concerned, I think we are still very confident.
- We are very resilient. We have still been able to managed this whole business part very well. Cyclically, you may see quarters something going down, but eventually, we will be bouncing back by adding new customers.
- We still have a lot of opportunities in the U.K. where some are not doing well, some businesses want tariff. So, there is always an opportunity. So, it could be on a quarter-to-quarter through the cycle, but the end of the year, yes, we need to face overall Europe and U.K., the things are slowing down over there. But I think as far as our business is concerned, we have not been kind of impacted that much as what the other businesses would have been.
- Saumil Shah:** Okay. Okay. And on the U.S. side, this 25% of our revenues, which are coming from U.S. So I mean, complete 25% has been hit due to this 50% tariff or how is it?
- Chirag Parekh:** See, U.S. business include what we export to U.S. and our U.S. subsidiary. That putting together is 25%. When we talk about our export, it's around 12% to 13% only. So, if you...
- Anand Sharma:** Of the total consolidated revenue.
- Chirag Parekh:** Of the total consolidated revenue. So, impact is on that 12% only.
- Saumil Shah:** Okay. Understood. And that 12% is 50% tariff product?
- Chirag Parekh:** Yes.
- Moderator:** We take the next question from the line of Naitik from NV Alpha Fund.
- Naitik:** My question is on quartz sink. So, if you could give the units that we are expecting from Lowe's and IKEA, global incremental units, which we expect to supply to both these companies?
- Chirag Parekh:** Yes. So, we'll not be able to tell you the exact numbers. But like I said that both the businesses are going to be a major part of our total revenue.
- Naitik:** And sir, so I understand we going to add another 1 lakh unit in faucets in FY '27. But what's the current capacity utilization for faucets?
- Chirag Parekh:** Currently, we have a capacity of 50,000 faucets. We are almost at 75% right now capacity.

- Naitik:** And you're still selling in domestic market, right?
- Chirag Parekh:** Yes, yes. We are still not done the export. We still have to pass through a lot of certification standards. but like everything needs a faucet, right? So, if you are doing 1 million quartz sink, 0.5 million stainless steel sinks next year, then you can kind of imagine the same customers are buying faucets from somewhere else.
- There's a big shift happening to the stainless-steel faucets. Our emphasis and focus are on the stainless-steel faucets. Please let's not forget this that the company is stressing, focusing on stainless steel 304 grade faucets, which is rust free. Coming 28 is going to be a big shift. Europe is changing the norms of having non-brass faucets and also in the U.K.
- So, in the EU market. So U.S. is already 90% stainless-steel faucets, so which are led-free. So I think the company focusing -- is on the right track. We are focusing more on the stainless-steel faucets.
- We're kind of putting a lot of effort on R&D technology to try to match all the certification water standards of each and every country to comply with that and then we can export our faucets with the sinks.
- Moderator:** We take the next question from the line of Yug Jhaveri from Molecule Ventures LLP.
- Naitik:** So just wanted some more clarity on the quartz sink side. So, in earlier call, I think we had mentioned the expansion plan of additional 2.5 lakh capacity, 1 lakh we are adding in December. So -- and you stated that another 1.5 lakh would be added in FY '27 based on certain approvals. So if you can guide us that is this a sure plan to add another 1.5 lakh or what we are -- waiting for what kind of approvals, if you can give clarity on that side?
- And second question is on the Acrycol side. So that you had set up a new manufacturing facility of quartz sand. So is there any new sourcing plan from the same entity? How much will you source from that entity? And will it aid into margin, domestic procurement?
- Chirag Parekh:** Yes. So, I think coming back to your first question, yes. So, we are just waiting for this tariff deal to get sorted out. once that is over, we plan to add another 150,000 units in Steel Sink. It is just that people have a feel-good factor. People are more confident. And we see obviously the tailwinds in the '26 coming to our side on the quartz business.
- So, we see that coming soon. Acrycol side, we have put up a whole brand-new facility for the quartz to be further cost competitive, we've added modern technology and to have a substantial cost benefit versus what the European manufacturers of quartz are, so which is right now giving us a massive competitive advantage in terms of cost. And that is why we have not been able to impact by margins even after the tariff has hit us.
- Moderator:** Ladies and gentlemen, due to time constraints, we take that as the last question and would now like to 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 further clarification or want to know about the company, please get in touch with our SGA team, Investor Relations Advisers. Thank you and have a great day.

Moderator:

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