

**Borosil Limited**

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August 22, 2025

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Dear Sirs,

Sub: Transcript of Earnings Call

Please find attached the transcript of the Earnings Conference Call held on Monday, August 18, 2025.

The aforesaid transcript is also available on the Company's website at www.borosil.com.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For **Borosil Limited**

Suresh Savaliya
Company Secretary & Compliance Officer

Encl.: as above



“Borosil Limited's Q1 FY'26 Earnings Conference Call”

August 18, 2025



MANAGEMENT: **MR. SHREEVAR KHERUKA – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, BOROSIL LIMITED**
MR. RAJESH KUMAR CHAUDHARY – WHOLE-TIME DIRECTOR, BOROSIL LIMITED
MR. ANAND SULTANIA – CHIEF FINANCIAL OFFICER, BOROSIL LIMITED
MR. RITURAJ SHARMA – PRESIDENT, CONSUMER PRODUCTS, BOROSIL LIMITED
MR. BALESH TALAPADY – VICE PRESIDENT, INVESTOR RELATIONS, BOROSIL LIMITED
MODERATOR: **MR. ANIRUDDHA JOSHI – ICICI SECURITIES LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Borosil Q1 FY26 Earnings Conference Call hosted by ICICI Securities Limited.

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 “*” and then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities Limited. Thank you and over to you, sir.

Aniruddha Joshi: Yes, thanks, Nidhi. On behalf of ICICI Securities, we welcome you all to Q1 FY26 Results Conference Call of Borosil Limited.

We have with us today senior management represented by Mr. Shreevar Kheruka – Managing Director and CEO, Mr. Rajesh Kumar Chaudhary – Whole-Time Director, Mr. Anand Sultania – CFO, Mr. Rituraj Sharma – President, Consumer Products, and Mr. Balesh Talapady – Vice President, Investor Relations.

Now I hand over the call to the “Management for the Initial Comments on Quarterly Performance,” then we will open the floor for “Question-and-Answer Session.” Thanks and over to you, Shreevar sir.

Shreevar Kheruka: So, thank you Aniruddha and ICICI Securities for arranging this call. Good afternoon to every one of you. We are all delighted to be communicating with you once again.

I am pleased to inform you that Borosil Limited's Board has Approved the Financial Results for Q1 FY26 During our Meeting on 14th August 2025. We have submitted our “Results” and an “Updated presentation” to the Stock Exchanges, and they are also available on our Company's website for your review.

I am pleased to report that Borosil Limited has delivered a steady performance in Q1 FY26 with consolidated revenues from operations reaching INR 232.7 crores, up from INR 221.2 crores during the last year. This represents a 5.2% year-over-year growth. This steady growth achieved against challenging market conditions reflects the resilience of our business model, the strength of our execution and the continued trust and loyalty of our customers. This also places us on a strong competitive footing alongside our peers.

In Q1 FY26, the company achieved an operating EBITDA before investment income and one-time items of INR40.2 crores, up from INR34.6 crores in Q1 FY25, which is a 16.1% year-over-year

growth, reflecting our continued focus on efficiency and growth. The operating EBITDA margin for Q1 FY26 stood at 17.8% versus 16% during the last year.

Other operating income includes INR6.03 crores from shared service support income for Q1 FY26 and INR4.21 crores for Q1 FY25 with the associated expenses captured under total expenses. Profit before tax for Q1 FY26 was INR23.5 crores, up from INR12.9 crores in Q1 FY25.

Q1 FY26 includes a one-time stamp duty expense provision reversal relating to demerger of INR7.2 crores, which is shown under the head, other income, and also includes one-time expenses of INR1.6 crores towards professional fees for a strategic assignment. The net impact of one-time items is INR5.6 crores.

At the same time, during Q1 FY26 as compared to Q1 FY25, depreciation has increased by INR2.6 crores, and finance costs decreased by INR2.7 crores, largely due to repayment of debt.

The profit after tax grew from INR9.3 crores in Q1 FY25 to INR17.4 crores in Q1 FY26, which is a growth of 87.4%. As on 30th June 2025, Borosil Limited has a net debt of INR5.1 crores.

Now, let us take a closer look at our “Category-Wise Performance for this Quarter”:

Borosil's Consumer division continues to expand across both glassware and non-glassware categories under the Borosil brand, along with our Opalware range under the Larah brand. The Larah Opalware segment reported sales of INR76.2 crores in Q1 FY26 versus INR76.1 crores in Q1 FY25. Larah's performance in this quarter mirrors the overall market softness during the quarter, with sales impacted by slower demand. However, we expect a strong recovery in the following quarters.

In our Glassware segment, which includes microwavables, serving ware, glass tumblers, lunch boxes, and storage solutions, we recorded a muted year-over-year growth with revenues reaching INR56.2 crores compared to INR55.7 crores in Q1 FY25.

As mentioned in the earlier quarters, our performance was also influenced by UCPMP 2024, which restricts incentives to healthcare professionals. This weighed on our B2B business by curbing bulk orders and limiting distributor engagement.

The non-glassware segment, encompassing a wide range of small home appliances, insulated bottles and flasks, cookware, and other kitchen essentials, performed strongly, posting a 10.7% increase in revenue. Turnover for this segment reached INR94.2 crores in Q1 FY26 compared to INR85.1 crores in Q1 FY25.

BIS compliance requirements affected our hydra bottle sales, as some of the channels are only accepting BIS-certified steel products. Our team has recognized these headwinds and is actively reshaping the overall strategy to mitigate this impact. As part of this, in the previous quarter, we had

announced the establishment of a new manufacturing facility in Rajasthan through our wholly-owned subsidiary, Stylenest India Limited, for vacuum-insulated stainless steel flasks, bottles, and containers. This project entails an estimated initial CAPEX of approximately INR40 crores and will have an annual production capacity of approximately 2.4 million units, with commercial operations targeted for Q4 FY26.

In parallel, amid a muted revenue quarter, we implemented cost control initiatives, notably a sharper focus on marketing efficiency and reducing performance in marketing spend online, and therefore overall marketing spends dropping from INR18 crores in Q1 FY25 to INR14.1 crores in Q1 FY26.

Additionally, power and fuel costs declined from INR20.4 crores to INR17.5 crores over the same period, substantially contributed by the solar projects that we have already installed in Rajasthan.

It is important to note that the softness in the short-term in Q1 does not overshadow Borosil's proven record of consistent long-term growth. Between FY18 and FY25, our revenues have grown at a 23.5% CAGR, while EBITDA expanded at a 34.3% CAGR. Since acquiring Larah in 2016, its revenues have risen from INR48 crores to INR384 crores in the last year, developing a 26% CAGR. Likewise, our non-glassware portfolio has grown from INR23 crores in FY17 to INR453 crores in FY25, reflecting an exceptional 45% CAGR, clear evidence of our ability to deliver sustained growth and value creation, even over challenging time periods.

Now, while Q1 was challenging, we as a company have the skin in the game for the long term. The long-term story for our categories is as strong as ever.

India's per capita GDP has been rising steadily from INR1.1 lakhs in FY22 to nearly INR1.4 lakhs estimated for FY26. Private Final Consumption Expenditure, (PFCE), is also growing, and over the next few years, per capita, PFCE is expected to reach the \$4,000 mark. That is important because higher income means more spending on lifestyle and home and kitchen products. With our premium yet accessible positioning, Borosil is ideally placed to capture a share of this expanding consumer spend.

The brown goods market in India, which includes microwave ovens, kitchen appliances, home appliances, and personal care appliances, is on a strong growth trajectory. Valued at approximately \$5 billion in FY24, the market is expected to reach \$9 billion by FY30, translating into a robust CAGR of around 10%. A major driver of this expansion is the rising demand for kitchen-centric appliances such as microwaves, choppers, mixers, grinders, and toasters. These products align closely with evolving consumer lifestyles where convenience, efficiency, health, and modern design play increasingly important roles in household purchase decisions.

Over the last few years, we have seen a remarkable shift in consumer behavior in India, a shift that is now becoming a powerful tailwind for our business.

Health and wellness are no longer niche priorities. They are central to the way people live, eat, and make purchase decisions. The Indian health and wellness market, which was about \$50 billion in FY24, is expected to grow to \$90 billion in FY30. Two trends stand out. First, rising health awareness. More Indians are paying attention to what they eat and drink, and that naturally extends to how they store, cook, and serve their food. There is a strong move towards toxin-free, safe, and durable products, exactly the space that Borosil as a brand operates in.

Secondly, the accelerated rejection of plastics, concern around BPA, microplastics, and other harmful chemicals are prompting consumers, especially urban millennials and Gen Z, to move away from plastic.

Add to that government-led single-use plastic bans and growing sustainability awareness. This would make the shift towards materials like steel, glassware, and opalware inevitable.

We are excited about the Indian lunchbox market as well, which is worth more than INR.4,000 crores. More and more consumers are looking for safer, microwave-friendly, and sustainable options. This is exactly where Borosil has an edge.

Our premium glass lunchboxes combined toughness, leak-proof performance, and microwave compatibility, all in a product that looks great and is built to last. This is also one of our hero products.

One of the pillars of our long-term strategy is our commitment to make in India. We already operate one of the largest opalware capacities in India with 84 tons per day, and India's only 25-ton-per-day borosilicate glassware plant, which we commissioned in March last year.

But we are not stopping with glass. As already mentioned, we are now expanding our manufacturing footprint with a new facility being set up to producing vacuum-insulated stainless steel bottles, flasks, and containers.

Borosil is on a transformational journey to address key ESG opportunities and create long-term value for all our stakeholders. One of the strategic priorities of ESG is to lower our operational carbon footprint and meeting decarbonization targets.

Borosil has successfully commissioned two captive solar power plants in Bikaner, Rajasthan, with a capacity of 8.6 MWp commissioned in December '23 and 7.2 MWp commissioned in September '24. The existing plants cater to approximately 30% of our overall power consumption. The recent introduction of Green Energy Open Access Regulations 2025 permits further expansion of our solar capacity. As a result of this, the company will be further investing about INR75 crores in the current financial year towards expansion of our solar capacity by setting up another 20 MW captive solar plant in Bikaner. The project shall be funded with an appropriate mix of debt and equity and has already been approved by our board of directors.

Borosil is at the forefront of India's shift towards healthier, eco-friendly kitchen solutions, replacing plastic with microwave-safe, BPA free glass, and stainless steel products. Rising disposable incomes and growing health awareness are accelerating this transition, and we are successfully converting plastic users to glassware and opalware. With aspirational designs, educational marketing, and an emphasis on hygiene and elegance, Borosil is redefining the modern Indian kitchen.

Our omnichannel presence across general trade, modern retail, leading e-commerce platforms, along with strong B2B and export channels have delivered deep market penetration. Today, with products available in over 24,000 retail outlets, we have built a diversified revenue base that connects with both urban consumers as well as international markets.

In summary, despite near-term challenges, Borosil's strong brand equity, diversified portfolio, expanding manufacturing base, and omni-channel reach, position us well for sustainable growth.

Thank you for listening and I would be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D. Patil: Good afternoon, Mr. Kheruka. My question is as Borosil's non-glassware portfolio now contributes over 60% of the brand revenue, how are you planning the next phase of brand evolution, particularly in expanding into adjacent categories like smart kitchen appliances, sustainable cookware, or even say modular dining solutions? Is there a roadmap to position Borosil as a full-stack home utility brand beyond its legacy in glassware models? Thank you.

Shreevar Kheruka: Yes, thanks for the question. As far as our brand is concerned, we continuously look at kitchen as a whole and the table serving and even on the storage as a whole category to evaluate where we should launch products. As part of that, not only do we evaluate the size of the market, we also look at trends and growth rates as well as the competitive intensity of these markets. So definitely, there is a future in which we could consider modular kitchens as an example, although that is not something we are doing right now. But we do have other categories which we are focusing on this year. For example, gas stoves is one such category where we have done quite well this year, let us say in the last 12 months, we have launched a product which has been reasonably well accepted already in the market. We will also be launching products in, say, dinnerware like porcelain this year. But, this is a continual work-in progress and I believe that we have a very strong team which understands trends quite well and is also able to develop products to meet those trends. So, yes, to answer the question, we would be looking into the whole kitchen and the table as a market opportunity. We do believe that we are an everyday-use brand. So people who like quality but also want to have a good life, everyday-use product where they feel happy to use these products, there is a design aspect to it, there is a convenience, there is a force multiplication aspect to it. That is the kind of brand position that we aspire to. And the product categories will keep coming. New and new innovations will keep coming.

But specifically, I do not believe that we are launching modular kitchens per se at this time. But we will keep looking at new categories.

Sucrit D. Patil: Great. Thank you very much. My second question is to Mr. Anand. I believe he is on the line.

Anand Sultania: Yes, I am there.

Sucrit D. Patil: Yes. Hi, good afternoon. My question to you is, as Borosil scales across the different categories and the channels, I would like to understand how do you internally prioritize capital between product innovation, digital distribution, and inorganic growth? Is there any kind of a framework that balances near-term margin impacts with long-term brand and portfolio diversification? Yes, thank you.

Anand Sultania: So as far as the capital allocation is concerned, we look at basically each category, like within the glassware, the pressware, as well as whatever is procured from the scientific business, and then within the non-glassware, you have other categories like your hydra, and then your appliances, as well as your steels are fresh, and of course, Larah, which we acquired in 2016. So the capital allocation, depending upon the size, the scale of the business and the requirements of the business probably is allocated. We have a very detailed in-house study probably that we do on a monthly basis. Sorry, what is your next question?

Sucrit D. Patil: Sir, I just wanted to understand, how do you decide where to allot your major chunk of the capital – is it between product innovation, real distribution, or inorganic growth, what is the plan of action that you follow?

Anand Sultania: No. So the capital allocation is on the basis of the proceeds that the potential business can generate. And that is the way probably the capital is allocated.

Sucrit D. Patil: Okay. Fine. No worries. Thank you. Thank you very much.

Moderator: The next question is from the line of Mohit Jangir from InVed Research. Please go ahead.

Mohit Jangir: Yes. First of all, congratulations on good set of numbers. Sir, my first question is on the non-glassware side as we are doing CAPEX in stainless steel glass. So what kind of margin expansion do we expect post the commercialization and optimal utilization of the unit? And how much of demand do we have captively? And are there any plans for external sales of stainless steel glass? And any plans for further CAPEX in non-glassware segment in further product categories?

Shreevar Kheruka: Okay, well, thanks for that. As far as our demand is concerned, our entire capacity will be for internal consumption only, because I think we have more demand than supply at the moment. So, as far as margin expansion is concerned, it is a dynamic market right now because there is anti-dumping duty, which is there in play for steel as well as for some of the raw materials, and as well as there are certain, let us say, pricing that the competition is offering in the market. So, I would say that the exact

margin expectation would be very clear only in the next three to six months. Hard to give an exact number for that. As I have always maintained that our ROCE expectation will be north of 20%. And that is what we expect to achieve even here in this stainless steel category. But obviously, there is also a learning curve. It is the first time we are making steel to get the full efficiencies to the level that more established players who have been doing this for quite a few years to achieve. It may take us a couple of years. But I think if I look at it from a couple of year-to-year horizon, I definitely expect that we will achieve that 20%-plus ROCE.

Mohit Jangir: Okay. And sir, any plans for further CAPEX in non-glassware category in any other product segment?

Shreevar Kheruka: When there is a plan, we will update you. But right now, this is the category that we are focused on.

Mohit Jangir: Okay. Sir, my next question is on the EBITDA numbers or any margins that you can tell in opal or glass segment? And are there any plans to demerge opal plus glass into one company and non-glass into other? And what is the capacity utilization of a borosilicate glass unit?

Shreevar Kheruka: We do not share the margins by category. So I am sorry, I cannot share that with you. But there are no plans to do any structural changes in the company. We are very happy where we are. And as far as the capacity utilization is concerned, I would say, we are lower than expected this year because of muted 1st Quarter sales. So opalware may be around 80% capacity utilization. Glassware may be around 60%, -65% capacity utilization. So, we do expect to rebound in the next three quarters. And opalware, we would ideally like to go to closer to 100% And glassware if we can cross 80%, it would be very good for us.

Mohit Jangir: Okay. Thank you.

Moderator: The next question is from the line of Akshat Mehta from Seven Rivers Holding. Please go ahead.

Akshat Mehta: Sir, first question is on the revenue side, sir, that we were targeting 15% to 20% revenue growth this year and we have come up with 5% in this quarter. How should we look at the revenue growth for the rest of the year and what would be the key drivers for that?

Shreevar Kheruka: So just to correct you, I think when we speak about revenue growth, we have always said, over a three-year period and it is never any projection for a single year, because there are many factors which can happen in any quarter, any year which can derail that. A case in point being COVID. But coming back to your question, I do not believe there is any change in our medium-term revenue CAGR of 15% to 20%. I am still quite bullish that we will achieve that. We are launching, as I mentioned before new categories, which we have done this year, although obviously new categories take time to establish. But even in our existing categories, I think the 1st Quarter has been challenging for the whole for the whole industry and not just kitchenware, tableware, if you look across the board,

consumer demand has been muted. So it is a reflection of that. And we do have two, three, four quarters sometimes in a row like this. But I do not expect that to derail our medium-term growth. And we do hope to rebound in the next few quarters as well. But I cannot give you a specific number for this year. Hard to predict. So yes. Sorry, is that the question? Did I miss something?

Akshat Mehta:

So is there a doubt that we can grow 15%, 20% for the full year? Any near-term demand drivers that you see, that can help us grow better than Quarter 1?

Shreevar Kheruka:

Yes, look, there is no doubt that we will grow, but putting an exact number this year is hard to say. We still hope that we will continue our growth trajectory as we have having in the last few years, this year as well. But there is no guarantee of that. The demand driver is there. Prime Minister has announced a GST rationalization on 15th August. We need to understand how that will impact our goods. If GST comes down on any of our products, definitely that will be passed on to the customers. And definitely that will be a demand driver. Plus, of course, the income tax scheme, which was passed in the budget, will also be a demand driver. So those two from a macro perspective are demand drivers. Obviously, any positive impact of customer sentiment will also be a good demand driver for us. So, these are all generic things I am saying, I mean, applicable to probably all consumer product companies. But from our side specifically, I would say we keep looking at marketing as a demand driver for us, product introductions as a demand driver for us. And those are continuing as before. And nothing has changed compared to last year or the year before. So we do not expect to have a poor outcome. We are still gunning for that growth as I already shared. Whether we will get exactly that this year, it is hard to predict.

Akshat Mehta:

Okay, sir. Second question would be on the margin. On a year-on-year basis, we have seen glassware and opalware being almost flat, while non-glassware has grown by 11%, which is a comparatively low margin. I just want to understand, how have we managed to grow our margins by more than 200 bps on a year-on-year basis? What are the drivers for that? And how should we look at the margins from a full year perspective as well?

Shreevar Kheruka:

Again, I would not answer for this year. In principle, we have always indicated that in the next two to three years, we should hit a 20% EBITDA margin. And that is something that we have said many times in the past and we stick to that. So it is a part of that journey. As far as the margin expansion, I did cover it in my call that we had some savings and power and fuel expenses, as well as rationalization of marketing spend and more specifically towards performance marketing spend this year. As we get better at targeting customers, we are able to reduce our overall marketing expenditure to that level. So, these are the two main drivers for the margin enhancement. Even though, actually, as you rightly pointed out, the product mix from a margin perspective has actually worsened for us given that the sales increase has come largely from products which are a lower margin.

Akshat Mehta:

Okay. Can you share what has been the loss of sales in pharma due to the new gifting regulation that has come in this quarter?

- Shreevar Kheruka:** It is hard to say for this quarter. But overall, I think more than Rs.50 crores per year we were doing in that segment.
- Akshat Mehta:** Okay. Thank you. I will come back.
- Moderator:** The next question is from the line of Bhavin Rupani from Investec. Please go ahead.
- Bhavin Rupani:** Yes. Hi, sir. Thank you so much for the opportunity. My first question is related to hydra. In the last call, you mentioned about the risk of going out of stock due to lack of outsourcing partners in India. Would you like to throw some light here on our progress on getting new outsourcing partners on board?
- Shreevar Kheruka:** Yes, I think that has been a success story. We have been able to get more and more suppliers on board. I would not say where we need to be. We are still not able to procure as much material as there is demand for. And that sale loss will be there this year from that category. However, the quantum of sale loss is likely to be substantially less compared to what we had originally thought because of our ability to on board new suppliers. I do not want to get into detail, because these things are fluid and also the issue is, frankly speaking, that the predictability of supply is still lacking, because some are able to deliver more in one month than others, and they also have challenges... ramp up challenges. So, it is hard in the first couple of years to have a very predictable answer in terms of how much we will actually get because even the suppliers are struggling to kind of streamline their manufacturing. But overall, I would say the prognosis is better than where it was three months ago, and it will likely improve further in the next three months.
- Bhavin Rupani:** Got it, sir. What I understand is this category is a SKU-driven category. So, can you please tell us how many SKUs we have introduced recently from this outsourcing partner and what are the plans going ahead?
- Shreevar Kheruka:** I do not want to get into details of how many SKUs have been introduced, but overall, I think we have close to 100 SKUs if I am not mistaken in this category. But that is too much information to share at this stage.
- Bhavin Rupani:** Got it. Fair enough, sir. And, sir, on A&P spends, historically, our A&P spends has been in the range of 7.5% to 8% of sales. Do you think we will continue to maintain similar run rate for the year? You did mention that in Q1 we had reduced it. But what are your expectations for the full year?
- Shreevar Kheruka:** So, look, A&P has two types of spend. One is a general brand spend, which will not reduce, and second is performance marketing spend, which depends on your efficiencies of annual learning of how to draw in more customers or get more bang for the buck. So, on the brand spends, we will not reduce even one rupee. If anything, there will be an increase. But on the performance marketing spend, as we get better, naturally, the percentage will come down. And that is what we are seeing.

So, our team has been continuously learning, and I think we have done quite a good job there and we will continue focusing on that. What it means overall is that the spends may come down by one or two percentage points over the overall 8% spend may come down to say, 6%, 6.5% of our sales.

Bhavin Rupani:

For the current year you are saying?

Shreevar Kheruka:

Again, look, these numbers may go off. Again, it is hard to say for, because these are tactical calls you take on a daily basis. And when we are talking about taking tactical calls, at that time, we do not worry about what we have told our investors, because we do what we need to do for the business. So, it is hard to say for any one current year, in general, yes, that is a trend which will happen, that 8% will come down to 6%, 6.5%. If we can achieve it in this year, we will be very happy.

Bhavin Rupani:

Got it. So, next question is related to power and fuel. You did mention that our cost reduced from INR20 crores to INR17 crores this quarter. Can you please help us understand what could be the annual savings from solar projects on our current capacities right now? And are there any possibilities of further cost reduction for the full year?

Shreevar Kheruka:

So, INR13 to INR14 crores this year we will be getting as a saving overall, although the projects were there even in play last year. So, it cannot be compared to last year, it is compared to maybe the year before I would say. But the other point is that with the new solar project, that number will add up to another INR17 to INR18 crores. So, the number will go to INR.30 to INR32 crores per year saving compared to not having done this project.

Bhavin Rupani:

So, sir, post this new capacity that we have announced in solar, our power and fuel will be 100% renewable?

Shreevar Kheruka:

It will still be 65% renewable, although there will be a roadmap to get to 100% in the near future after that again. So, right now, we are at 30%, we will go to 65% with this project and then we will do a phase-IV, which should take us closer to 100%.

Bhavin Rupani:

Got it. Fair enough, sir. And sir, our gross margins if you look at, it has declined by almost 200-220 bps year-on-year. How should one understand this – is it due to additional incentives in the market to push volumes?

Shreevar Kheruka:

No, it is purely a product mix issue. We have not increased the discounts or anything.

Bhavin Rupani:

All right. So, also our channel checks indicated demand continues to be tepid in Q2. So, have we increased our incentives for the channel partners to make it more attractive for them or we have increased any discounts?

Shreevar Kheruka:

Normally, diwali has discounts, which are anywhere there every year. And those Diwali discounts will happen this year also, but there is no increase, it will be at the same level as last year.

Bhavin Rupani: Got it. And sir, CAPEX guidance for the year? So, INR.75 plus 40, 110 plus crores some maintenance?

Shreevar Kheruka: Yes, maybe INR125-130 crores.

Bhavin Rupani: Got it. That is it from my side. Thank you so much.

Moderator: The next question is from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.

Vipul K Shah: Hi, sir. What is our market share in the opalware segment?

Shreevar Kheruka: My sense is about 30%.

Vipul K Shah: Okay. And so, this new Teal Flask facility, when fully operational, what type of annual revenue we can expect from that plant?

Shreevar Kheruka: So, phase-I will be about INR120 crores and there will be a phase-II after that also, which we have not announced yet, but we will do that shortly.

Vipul K Shah: So, in phase-II, there will be another CAPEX, right?

Shreevar Kheruka: Yes, that is right. There will be more CAPEX.

Vipul K Shah: Okay. But for this INR40 crores, we will be getting around INR120 crores of revenue?

Shreevar Kheruka: Yes, that is right.

Vipul K Shah: Thank you, sir.

Moderator: The next question is from the line of Rakesh from Nine Rivers Capital. Please go ahead.

Rakesh: Hi, team. Thank you for the opportunity. Sir, a couple of clarifications on the annual report. First part, in the annual report, we have mentioned the company has plans to raise Rs.250 crores. It is just an enabling resolution or we have intention to raise in the coming years?

Shreevar Kheruka: Yes, we take this every year as an enabling resolution and likely it will not be utilized. It is taken from the point of view that sometimes you have acquisition opportunities or some interesting things that has come up in the middle of the year, in the past we had that. And then it delayed everything by having to take this resolution. And that is why we take it as an enabling one only. And unless something interesting comes up, it would not be utilized.

- Rakesh:** Okay. That is very helpful. Second clarification is with respect to the subsidiary, that is Acalypha Realty Limited, a company, wholly-owned subsidiary, that is in the business of real estate and they are thinking to expand in that business. Anything on that business?
- Shreevar Kheruka:** No, I am not sure where you read that we are looking to expand that business. There is some parcel of land which the company owns, and there are certain, let us say approvals, which the company has in its name. So, when we sell that land, which is a historical land owned by the company for last 60 years, that time you have to sell the company because the approvals are in the name of the company and cannot be changed. So, this is only enabling way to sell that land which is the historical land of the company and there is no plan of the company to enter any kind of real estate business at all.
- Rakesh:** That is very helpful. Sir, just one last clarification. In the annual report, as we mentioned, the company has installed 7.27 MWp of solar plant. That is the plant you are talking that in the initial remark we are going to save -
- Shreevar Kheruka:** Yes, there are two phases, which are already installed and phase-III now we will do.
- Rakesh:** Okay. So, currently, because of this solar plant implementation, we will be saving INR.12 to 15 crores in the power cost, and once the phase-III comes also, then we will be saving additional INR.15 crores from that phase-III, is that understanding correct?
- Shreevar Kheruka:** INR15 to 18 crores, yes, in phase-III.
- Rakesh:** Yes. Yes, sir. Thank you. Thank you very much. That was very helpful. Best wishes.
- Moderator:** Thank you. The next question is from the line of Resha Mehta from GreenEdge Wealth. Please go ahead.
- Resha Mehta:** Hello! Thanks for the opportunity. So, I have joined a little bit late. So, if my question is repetitive, then I can refer to the transcript for the first question which is basically what has been the reason for muted growth in glassware and opalware?
- Shreevar Kheruka:** I mean, I think market sentiment in general has been quite weak. So, that has been I would say the main reason for the muted growth. There were no marriages or very few marriages, let us say, in this 1st Quarter where opalware there is a lot of gifting for that. We have this UCPMP pharma guidelines, which prevent gifting to end users of the pharma products, which has traditionally one of our let us say channels which has not had much sale in Q1. These are the two main reasons although we look forward to a better Q2, Q3, and so on.
- Resha Mehta:** And this pharma channel rule change, right? So, when does that come into the base quarter?
- Shreevar Kheruka:** I think Q2 onwards last year we had a problem with it.

Resha Mehta: Right, right. And as far as your ad spends go, what is the split between ATL, BTL broadly at 8%, but there is a split between ATL, BTL?

Shreevar Kheruka: I am sorry I do not have the exact answer for it, but I think most of it is ATL.

Resha Mehta: Understood. Sure. And I have a couple of questions on your sales and distribution, right? So, one is so how successful have we been? So, broadly, we have three categories, right? And a lot of these have overlap at least at the end retail counters. So, what is the kind of penetration that we had achieved for opalware, non-glassware with our glassware channel partners, retail outlets? And how do we look at expanding this universe of 24,000 retail outlets? So, as I understand, the reach for the kitchenware space is around 1 lakh outlets, but how do we see the path to the 24,000 outlets to 1 lakh outlets? Because our positioning is a little bit on the mid-premium side, maybe for us, the universe is not 1 lakh outlets, it is far lower. So, if you can just kind of give some qualitative thoughts or otherwise on this.

Shreevar Kheruka: I do not know if Mr. Rituraj Sharma is on the call. I think he is missing on the call at the moment. But, okay, then I will take a stab at it. So, I will address the number of outlets. The number of outlets which we have are 24,000. Just to be clear, these are outlets that we routinely build to, because we have data of billing of each and every outlet on a daily basis. So, these outlets where we have done billing consistently and have built at least once in the last three months if I am not mistaken. Now, if you look at the total outlets that we build, could be more than 37,000, 38,000 already. But we do not put that in because there will be quite a few outlets which are billed once in a year or billed infrequently. And therefore, we do not classify that as a regular sale outlet for us. So, to answer your question, I believe that we do have a plan to increase this 24,000 to about 40,000, 45,000 in the next three to four years. And I believe that is a realistic goal to achieve. And I believe that we will get there with our increased penetration as well as product portfolio enhancement and so on. But yes, I do not believe that 1 lakh we could reach because a lot of those outlets are rural and of a nature where the product categories are not relevant to our current profile. As far as the success of cross-selling, this is something we measure quite actively. And I believe that if you see just I mean, the proof of pudding is frankly the eating. And if you see the dramatic increase in sales of our non-glassware, it kind of gives you a very reasonable understanding that our cross-selling has worked. And many of the 24,000 retail outlets, actually new outlets, which have picked up selling are non-glassware range. And that is the reason we are where we are today. So, I think the effectiveness of having this broad product range has definitely translated into more, so many more outlets buying a larger range of our products. And I believe our retailers are also making better margins from us in the sense that they are earning a higher percentage of their profit from us, which also kind of is a good symbiotic relationship to have with them. And we do have software which tells us how many outlets are selling which product and how many outlets we have been able to convince them to sell more of our multiple ranges. And all the numbers look quite encouraging. So, we are quite positive on that aspect. And I believe that steadily, 2,000, 3,000, 4,000 outlets per year we should be increasing over the next few years.

- Resha Mehta:** Since you spoke about some of the tech tools that we have, are we also able to actively track the secondary sales?
- Shreevar Kheruka:** Yes, of course. We track, we have a daily tracking.
- Resha Mehta:** And now that since we have a wide product range and multiple categories, how are we thinking about probably getting into exclusive brand outlets or maybe just what are our thoughts there?
- Shreevar Kheruka:** This is something we are considering. We are working on it. We are actively figuring out how to do it, when to do it, what is the cost, what is the return, how to look at the costs. It will take us a little bit of time, but I do believe we will have something on this account soon.
- Resha Mehta:** Right. And just the last one. So, you spoke about the muted demand. Can you just call out if there are any deviations or different trends that you are seeing them across different channels? Of course, general trade, I think, is commonly known that there it is more muted. But what about CSD, exports, some of these channels if you can just highlight the demand there?
- Shreevar Kheruka:** Yes. So, look, overall, I would say e-commerce, quick commerce, large format stores are doing quite well. As you already noted, general trade is impacted. And given that it is the largest percentage of our sales, it has a disproportionate impact on the let us say overall sales. But the worst hit has been the B2B business which I already mentioned as because of this pharma regulation which came into place last year followed by trade. And then exports, frankly speaking, we have very low penetration in exports. So, it is not worth discussing because the base itself is super low. I think trade will bounce back. We have already seen some green shoots for Q2 and onwards. So, I do believe that we will see a smart bounce back in this and this demand will pick up quite well in the coming quarters basis my teams estimate with what is happening as a shape up to the Diwali season.
- Resha Mehta:** And CSD?
- Shreevar Kheruka:** CSD has not been great. There have been challenges in CSD more from I would say internal regulations. Nothing to do with demand. I think their own buying behavior is changing. And it is a complex organization, CSD and how they decide in terms of how to buy, what to buy. So, we are definitely seeing a negative impact on that.
- Resha Mehta:** Right. All right. Thank you. All the best.
- Shreevar Kheruka:** Thanks.
- Moderator:** The next question is from the line of Sumit D, an individual investor. Please go ahead.
- Sumit D:** Yes, good evening. A couple of questions. First is on opalware. So, now that Larah is a core part of the portfolio along with Borosil and you are reaching almost saturation, you are at about 80-85%

capacity utilization, what is preventing us from planning ahead? It will take a few quarters for a new facility to come up to actually go ahead because there are news about Milton Plastics coming in. So, would you not be losing share if we do not actually start thinking about building capacity expansion for Lurah? That is my first question.

Shreevar Kheruka:

Yes, I mean, this is a good question. I will answer this in two ways. Number one is that we have already a plan to de-bottleneck some of our operations, which will expand our capacity by 10% to 15% in the next year or so. So, that will happen. Second thing is that we ourselves are not at 100% capacity utilization. We are only at 80%-85% capacity utilization. And I believe that we have also built up inventory. So, for the next two years to grow at 10% to 15%, we have enough demand rather we have enough capacity. And then post that, yes, if we have to grow, we would need to have a third production. But we have seen some demand not being great. So, just by putting up capacity does not mean we can create demand. You will only destroy the value of the product which we do not want to do. Cannot really comment on what competitors are doing. And I think taking strategic calls basis competitors' actions alone would be not the appropriate move. So, from our perspective, we feel we have enough capacity to grow at a sustainable growth rate for the next couple of years, post which we will see how the market trends are evolving and whether to add capacity or not. There could be also the other, like we are launching porcelain, which is a more premium offering. Because when a customer goes to the market, they do not go to buy opalware. They go to buy dinnerware or serving ware. And this is one of the categories. Premiumization is also a trend we are seeing. So, as we expand our sales of more premium products, we may choose to put up capacity in that product segment rather than opalware. So, there is so many unanswered questions. And I believe we have a year or so easy to take that call. So, not rushing into any decision because any CAPEX will cost INR200 crores and then again we will be struggling with capacity utilization. So, I think best to take a call when we are absolutely sure we have a reasonable chance of selling 60-70% capacity right up front.

Sumit D:

Got it. Fair enough. Thank you. My second question was on appliances. Again, this has been a tremendous growth lever for us.

Moderator:

The line for the current participant has got disconnected. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Shreevar Kheruka:

Okay. Well, thank you all for your involved set of questions. And we as a management team are very committed to the business as we have been for the last many years and we continue to be so for the coming years. We really appreciate your support as potential shareholders. And we look forward to growing our business aggressively with improved margins as we go along. So, thank you and wish you all the very best for the upcoming festive season.

Moderator:

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