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August 20, 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 August 13, 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 Q1 FY2026 Earnings Conference Call for the Unaudited Financial Results for the quarter ended June 30, 2025 held on Wednesday, August 13, 2025.

Thanking You,

Yours faithfully,

For **Carysil Limited**

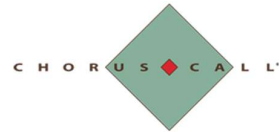
Reena Shah
Company Secretary & Compliance Officer

Encl: As above



“Carysil Limited
Q1 FY '26 Earnings Conference Call”
August 13, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 13th August 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 Q1 FY '26 Earnings Conference Call. 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.

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.

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

Chirag Parekh: Thank you. Good evening, ladies, and gentlemen. Thank you for joining the Carysil Limited Q1 FY '26 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 the Stock Exchanges.

Joining me on this call is Mr. Anand Sharma, Executive Director and Group CFO; and SGA, Investor Relations Advisors. Carysil delivered a resilient performance Q1FY26, driven by strong demand momentum and repeat orders from the customers. Our diverse customer base, strong channel partnerships and strategic capacity expansion positioned well to meet this growing demand while enhancing operational leverage and profitability.

Quartz Kitchen Sink segment. Our Quartz segment delivered a strong performance in Q1 FY '26 with volume risen by 22% Y-o-Y to 1.89 lakh units. Capacity utilization during the quarter reached 75%, reflecting healthy throughput while retaining sufficient headroom to accommodate additional volumes, as expansion progresses.

In spite of global challenges, Carysil has emerged as a preferred global supplier, thanks to our resilient adaptive business model of high-quality products, competitive pricing, and a customer-centric approach. During this period, we successfully secured some new contracts and strengthened relationship with current customers.

Our relationship with IKEA began in 2020. And over the past 5 years, we have not just expanded our business, but also earned their trust as a reliable global supply chain partner through our consistent focus, quality, and reliability.

Aligned with our strategy to strengthen global partnerships, we participated in IKEA's global RFQ, non-US business and successfully secured a significant order, which would increase our wallet share of quartz sink to 75% of their market share. We have entered into a purchase agreement with investing approximately INR20 crores in moulds, machinery, and infrastructure to cater IKEA's global non-US requirement of quartz kitchen sinks.

We are in the process of ordering the moulds, machinery, and full volume expected to commence from as early as Q3FY26. We are pleased to inform you that our supply to Karran our for US retail customer has commenced with our products now displayed in their more than 1,800 stores. The orders from the this retail client have exceeded our initial expectations.

Partnership with global giants' is strong backbone, for our success. We believe that strong collaborations ignite possibilities, create a positive momentum, and push the boundaries innovative and excellence. Leveraging these partnerships, Carysil delivered a resilient performance in Q1FY26.

The strong demand momentum is evident from repeat customer requests for higher volumes. Our diverse customer base and supply targeted capacity expansions reassure the customer to provide a sustainable supply to meet their growing demand.

We emphasize that the market share globally of quartz sink is growing rapidly. And hence, we have the traction and the momentum of business globally. From every corner of the world, we have a strong demand for quartz kitchen sinks. The capacity just of quartz kitchen plant has already increased to 75% in Q1FY26 and is expected to further improve quite rapidly in the coming quarters.

The global economy remains highly volatile due to ongoing tariffs and trade disruptions. And the most significant event today is repositioning of global trade and supply chain led by recent US tariffs. In light of the evolving geopolitical environment, we are proactively engaging with our customers to provide the necessary support and strengthen the business relationship further.

We are closely monitoring emerging developments and take all the necessary step to derisk our business and recent tariff hike to keep our business and customers intact. In the present 25% tariff situation, we are still better priced than most of our competition, which are from Germany and Canada, which they have already 15% tariffs and higher inflation cost at their respective countries.

As stated earlier, we have a great cost advantage over the European competition, which can absorb this 10% tariff differentiation. Canada has also scrapped with 35% tariffs, which is much higher than India. Since the steel sink import into the United States are already attracting 50% tariff, the traction of quartz sinks has provided impetus growth in the US market despite of tariff rate increase of quartz sinks. With current traction and demand and opportunities for the non-US market, we are quite confident that the capacity utilization will reach 90%, 95% in the coming quarters.

Stainless Steel Kitchen Sink segment. We also have some very exciting news on the Stainless Steel segment also. Our Stainless Steel segment is also progressing very well. With Q1FY26, capacity utilization reached 95%.

As communicated in our last earnings call, we entered into the OEM business with global brands to manufacture stainless steel sinks for their Indian requirements and the relationship can extend to the global requirement also. This is the first time Carysil has now ventured into the OEM

supplies in India. This is a strong endorsement of our quality standards, manufacturing capabilities and customer confidence.

To meet the growing demand, we have already started expanding our capacity of an additional 70,000 units. With this expansion, the total capacity will increase to 2.5 lakh units. We expect the new capacity to be operational from Q4FY26. Furthermore, we have participated in a large about 0.5 million sink RFQ for a major retail giant of the world. And if we are able to win this award, it can substantially increase the volume of the Stainless Steel Sink segment.

Due to our bottlenecks in capacity, we have to immediately create a capacity of at least 250,000 sinks of stainless steel sinks. And we have channelized resources of INR10 crore capital via rights issue, which is underway. The total capex could be around INR30 crores for the new stainless steel sink expansion.

Appliances and Faucet segments. We are ready for the next growth phase now, assembling and manufacturing. As mentioned, we successfully commenced our assembly manufacturing of kitchen hoods, and we focus on assembling and manufacturing of hobs, microwave ovens, food waste disposers and dishwashers very soon to give volume enhanced and value addition.

As we all know, there's a BIS certification is in place and the company is in plan to put up some capex investment to get the plan up and running by end of Q4FY26, which we will come with the news shortly.

We have also significantly enhanced our assembly and manufacturing of kitchen faucets up to 50,000 in a year. Due to our penetration in large retail giants, there has now been traction also to source kitchen faucets from us right now, we are in advanced talks with a major European faucet player to have a technology transfer.

We are continuously working to achieve self-reliance and significantly improve lead times, elevate product quality, and contribute healthier margins. We will continue our pursuit of innovation and global competitiveness by exploring the latest manufacturing faucet technologies to produce highest quality to cater global customers.

Overseas subsidiaries

To start with the UK. Our subsidiary of UK, in spite of a muted economy, has delivered consistent performance. Both Carysil Products and Carysil Surface Limited are performing well. We expect this positive trend to continue due to our hard work and dedicated effort by our UK team.

We have been constantly quarter-on-quarter adding multiple customers in UK. Our partnership with Howdens, which is the largest kitchen manufacturer in UK has once again shown a very strong performance and will continue to do so.

Our US subsidiary, United Granite LLC, has performed better in the current quarter compared to previous financial year despite muted local demand, focusing on more value-added jobs and

new customers. In the past year, we undertook a comprehensive cost structure optimization and undertook changes in sourcing from local US suppliers and other European suppliers.

The subsidiary recorded EBITDA of INR1.2 crores in FY25. Q1 FY '26 EBITDA rose sharply to INR1.8 crores compared to INR0.4 crores in Q1FY25. The PAT level loss have reduced from INR2.2 crores in Q1FY25 to INR0.8 crores in Q1FY26. With sustained operating discipline and focus on better sourcing margin expansion, we are confident to having a turnaround this year.

Our UAE region has continued to perform well, with approximately 80% of our business driven by Appliances segment. In our category we demonstrated strong product fit and channel penetration. Encouraged by this performance, we have planned a major expansion across GCC markets to capitalize on appliances growth and leverage established trade delay in the region.

We are now planning to open the second showroom in Dubai of about 7,000 square feet. We are also opening a new showroom in Muscat of about 5,000 square feet to enhance our presence in the Gulf region.

Domestic business :

India's youthful evolving customer base is shaping new trends in aesthetics and functionality. The increasing demand for premium and high-quality products that seamlessly blends luxury and functionality presents a significant growth opportunity for Carysil. Our domestic business continues to grow in spite of the challenging environment.

We have taken various measures to improve our market penetration through opening of new galleries, onboarding new distributors, increasing display point and enhancing marketing campaign of premium product line.

We have recently appointed Mr. Pavankumar Palkar, our Chief Sales Officer for our domestic business to accelerate the market expansion and deeper penetration. With around two decades of expanded experience in sales, E-Comm, business development and P&L management, Mr. Palkar will provide strategic direction to enhance brand visibility and sales growth.

We also hired a Deloitte team to formulate a robust plan to expand our domestic business to INR500 crores in the mid-term within 5 years by strengthening the market position in India. As promised, I will be delivering the INR500 crore India plan –by end of Q3FY26.

Over the few months, we have been actively developing our e-comm platform, and we are targeting INR50 crore revenue out of the INR500 crore revenue from e-comm business in the next 5 years. To achieve this goal, we are strengthening our partnership with e-comm players and planning to focus on fast moving product, partnering with q-comm players also for faster delivery.

In conclusion, Carysil stands at threshold of a transformative growth powered in next-generation technology, innovative design, operational excellence, unwavering commitment to the core values. We are going to double down our bet on India by strengthening and enhancing our domestic sales team as we see a growing demand of premium and luxury products in India.

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

Anand Sharma: Thank you, sir. Good evening, everyone. Let me take you through the company's consolidated financial performance. Sales volume, quartz sink volume increased by 22% from 1.55 lakh unit to 1.89 lakh units. Stainless steel sink volume increased by 9.5% to 42.5K units from last year 38.8K units. Kitchen appliances, faucets and other volume increased by 55% to 22K units from last year 14K units on Y-o-Y basis.

Consolidated total income stood at INR227.3 crores in Q1 FY '26 as compared to INR201.2 crores corresponding last year quarter 1, registering growth of 12.9% EBITDA margin expanded by 112 basis points to 19.4% on Y-o-Y basis due to stabilization of raw material and freight costs, along with ongoing initiative to cost improve and increase capacity utilization. Profit after tax and minority interest stood at INR22.8 crores in Q1 FY '26 as compared to INR15.9 crores in Q1 FY '25, registering growth of 43.4%.

With this, I open the floor for questions and answers. Over to you, operator.

Moderator: The first question from the line of Aditi Loharuka from CD Equisearch Private Limited. So we will take the first question from Sanjay from Bastion Research. The next question is from the line of Bala Murali Krishna from Oman Investment Advisors.

Bala Murali Krishna: Congratulations on great set of numbers, Chirag ji. So my first question is regarding this supply to Karran USA, so we won a big order and we are supposed to supply 240,000 sink this year. So based on the current situation, the contract and everything are going on the right direction or any impact on this order, if you can explain that?

Chirag Parekh: So like I stated, things are going absolutely well. On the contrary, the things are going better than what we had expected. I did also mention that the tariffs of Europe are also in place. And we're on a great front seat. Our all products have been displayed at Lowe's all stores. So we are doing fine. We have no discounts in prices, no knee-jerk reaction, no cancellation of the orders. So things are going absolutely smooth at this point of time, even after the 25% tariff in place. Thank you.

Bala Murali Krishna: Okay. So my second question is after having all this capex, realizing all this capex, which we are putting on the quartz sink and stainless sink and faucets also. So what could be the revenue potential in the FY '27 or FY '28 from overall company?

Chirag Parekh: Yes. So we will come back to you on this. But with the capex, like we said, we are planning to expand the capacity by another 250,000 sinks. So 250,000 sinks capacity can fetch revenue about INR60-130 crores extra based on capacity utilisation.

Moderator: The next question is from the line of Sanjay from Bastion Research.

Sanjay: So sir, my question would be during the quarter, our gross profit margin has been declined by 70 basis points on Y-o-Y. And this is due to cost has been increased higher than the revenue.

Can you please explain what led to high cost as in the last call, we have mentioned that the cost pressure is easing off and we will see margin improvement.

While you mentioned that the EBITDA margin has been improved, it is due to other operating expense and not due to raw material cost. So can you please explain me the raw material cost increase in our books?

Anand Sharma: So the raw material prices are now stabilizing, and the raw material cost is calculated on a weighted average basis, so impact will come further in coming quarter. Second, there is a product mix and geographical mix difference. So when we have high weight sink going to different territory, the cost will be higher. So it all depends on what type of contract and which country we are serving. Based on that product mix, the costing for gross margin may change.

Chirag Parekh: It will vary quarter-on-quarter.

Anand Sharma: It can vary on quarter-to-quarter. But on the absolute side, the cost is decreasing and it's stabilized at a point.

Sanjay: Sir, my question on the second front is we are seeing strong growth in volume, while prices in steel sink and kitchen appliances are falling and also the quartz sink prices have been flat Y-o-Y. Any specific reason on what should we expect or what should we expect going forward on the prices terms?

Anand Sharma: So I don't know from where you got the data, our appliances average prices have increased rather than falling. So I have a data which suggests that average appliances pricing was INR11,891, which increased to INR12,912. Maybe because you have the data, which combined appliances, faucet, and everything else, that's why the average value you are getting lower, but that's not the case.

Sanjay: Okay. And sir, since last quarter, we have mentioned that the EBITDA margin should range to closer to 20%. Is the guidance is intact on the margin side?

Chirag Parekh: Yes. So we've been continuing that for EBITDA margin...

Sanjay: 19.4%.

Chirag Parekh: 19.4%, so we stick to our margin guidance.

Moderator: The next question is from the line of Resha Mehta from GreenEdge Wealth.

Resham Mehta: Congrats on a good set of numbers and especially on the margin comeback. The first one is on the US business. So I just wanted to know that are there any quartz sink manufacturing facilities in the US itself? And I'm not asking necessarily the ones that have a European technology with them, but just basic quartz sink manufacturing facilities are there locally in the US

Chirag Parekh: So when you're talking about the quartz sink, what we are making, there is no technology of manufacturing in the United States.

Resha Mehta: But the non-European or the I mean, very local technology mundane technology may be there, right?

Chirag Parekh: yes, but that's probably it's a very crude technology to make something. not premium sinks,.

Resha Mehta: And none of these retailers would actually prefer to buy those, right?

Chirag Parekh: Again, I would say those are not typically quartz composite sinks. They may contain quartz, but they are not as hardcore quartz sink what we do of high quality and with the resin what we use. So those are a non-preferred sink in the US, not just in the US but across the world.

Resha Mehta: So I was just trying to understand what is the risk, let's say, this 50% tariff that is there and nobody knows how this tariff is going to evolve, right? But worst case, I mean, do these retailers then move to some local technology from their sourcing standpoint? Or how does it work basically? That was what I was trying to understand.

Chirag Parekh: Yes, yes. So I understand, obviously. See, first of all, I believe that 50% tariff has still not come. So there is a lot of speculation and there's a lot of panic reaction in the market by this. We are at a 25%. I'm very sure that both the countries are working very closely, and they'll find an amicable solution. It is all about part of negotiation, just trying to get the best deal out, like we do it in the business. I am absolutely positive. This still will be solved. We just have to buy some time. That's point number one.

Point number two, we also think 25% tariffs will come, what will happen? Nothing happens. 25% tariff comes, so what happens. Now anyway, the inflation in large stake is going to kick in because the tariffs are not from India across. So somewhere that buck will be passed on to the customer, right?

So I think like I said in my speech, the 25% tariff, our things are still more -- much more competitive than Europe. That's one. Now hypothetically, I'm, assuming that a 50% tariff comes also, right? So we have already planned a strategy A and strategy B with my customers so what next we have to do because we all know that this cannot go on for a long period of time, right?

suppose 50% tariff comes, somewhere we will bear, somewhere the customers will bear, and somewhere it will pass on to the end consumers. But what I said, was very critical. We will secure the US business. We will not let the US business go out of our hands and to our competitors.

Our biggest competition is sitting in Canada, which is having probably 35% plus tariffs. So we will find out a way out, which we have already strategized it, but that is too early to say what we are doing when there is still not a 50% tariff. So let the 50% tariff kick in, and then we will come out with the strategies of what company is going to do next.

Now it is not easy for someone at Lowe's second largest retails giant of 1,800 stores plus has already Carysil sink installed in their US stores. They cannot take it out, you see. So -- and the Lowe's team is coming to see our factory in October, they're very positive.

I think overall, that is very positive. Obviously, on the capital market side and most of the side, there is a panic situation, what will happen, this will happen, that will happen, it's part of negotiation. We will come out stronger. We'll come out stronger.

Resha Mehta:

Right. And on this quartz sink capacity, so just a clarification here. Today, we are at 75% utilization for our quartz sink. but this 75% is on the 10 lakh capacity or we were to ramp it up to another 2.5 lakh. So this 75% utilization is on the 12.5 lakh quartz sink capacity.

Chirag Parekh:

Okay. Good question again. I think our capacity with the IKEA coming in, we would be reaching our peak capacity by October, as early as October. Our company will have to plan to expand to another 250,000 sinks very, very quickly. We're just waiting for what is coming out in the next 30 days' time from IKEA side.

And we need to understand that we have got about more than 75% of the global IKEA business. That's a massive business. It's completely derisking us from United States. Even in the worst-case scenario, something goes wrong in United States, right, in the next 5 years' time. But we are not even planning. We have already derisked ourselves by having this massive agreement with IKEA and all is non-US business, right?

So keeping in mind right now, US is going as it is, we'll still have to expand into 250,000 sinks extra. Because of what's happening over the horizon, we have so much deals and traction coming in that we will need a minimum 250,000 sinks additional capacity to attract the customers who come to us.

If we have bottomed out of the capacity, nobody is going to come to us. So it's a matter of time in 30 days, we'll know what volume -- we are expecting some quite large volumes from IKEA coming in very, very strongly. And I think in 30 days' time, we will come to know how fast we need to add 250,000 sinks capacity. And I think by the next 30 days to 40 days, we'll also know what's happening between the tariff between India and US also.

Resha Mehta:

Right. So basically, the 75% utilization on the 10 lakh capacity. We have not yet...

Chirag Parekh:

Yes. It's on a 10 lakh.

Resha Mehta:

Right. And the next one is on the U.K. business. So with the FTA having been signed with U.K., in what shape and form really can it benefit us? And also a related question that Carysil products, can it start sourcing all of its stainless steel sinks requirement from India with we're expanding our steel sink capacity? And how would that benefit the P&L?

Chirag Parekh:

Yes. So right now, good. I think, actually, you know a lot about our company. So I think the stainless U.K. FTA deal, I think we consider ourselves as an Indian UK company only. We don't consider ourselves as UK company. So I don't think there's a big benefit on terms of the trade. But obviously, there's a lot more confidence within the company, within the country. So that kind of gives a lot of comfort level to do more and more business. That's point number one.

Number two, we're already transferring almost 50% of the stainless steel business to us in India. And remember, we need to expand in 250,000 sinks more. So that we upgrade technology of the

stainless steel sink, which we are not able to produce now for the U.K., which we will take care in this new expansion.

Resha Mehta:

And does that benefit your P&L?

Chirag Parekh:

Yes. So my target to my U.K. team is that by end of '27, I think 100% of the business needs to be transferred. So I mean, obviously, it's our company so we can say what we say that's going to happen, but we need to come out with those quality things. And for that, we need to enhance our technology and the cost competitiveness. So the more volumes will grow, let's say, we cross 0.5 million sink stainless steel, we will automatically will get a price edge.

Resha Mehta:

Understood. And last one on the Carysil Surfaces, right? So see in FY '25, which is the last financial year, here, the revenue was largely flattish for Carysil Surfaces. While Carysil products being in same U.K. based, it grew its revenues by 29%. So why this divergence in the growth trends of both these subsidiaries despite being based in the U.K.

Chirag Parekh:

So the thing is it caters to a very different segment of the customer. So where we have like a degrowth in the surfaces because they supply more to the retail store chains, and we need to be careful that if we are not getting our money secured, we do not supply. So while the demand is there, we need to secure our collection, our receivables. So we do not take risk as far as the receivables are concerned. That's the reason, nothing else.

Resha Mehta:

But do we see surfaces also to kind of get on to the growth trajectory in this financial year?

Chirag Parekh:

You see my team is expanding very, very fast to the new customer. It is just a matter of time. So it is going to bounce back, but it takes time by the time you go to the new customers, because it's a factory, you get orders, fabrication, the turnaround time is 60, 90 days. That will happen. It is happening. The U.K. has bottomed out now. It cannot go worse than this. And I'm sure you will see some good news in quarter 2.

Resha Mehta:

And lastly, the domestic business has grown by 10% this quarter, which is a good sign to see. So what's driving this revival? And can we expect this continued growth momentum in the domestic business?

Chirag Parekh:

We continue as in our focus as premium products. Any company who is a brand focused on a premium product is definitely going to grow. And our emphasis, like I said, on expanding our customer network, product portfolio is only going to drive. Carysil has now become a premium household name in the kitchen category. I do understand where you're coming from, where we have seen a lot of other company results.

And I always say, keep focus on premium products, that's where India is going to go in the future. And it's not just sales improving. There's a massive margin improvement also in domestic business. So we are going to continue this momentum in India in spite of there is growing demand, but I think that's for the lower end of products.

Moderator:

A reminder to the participants, please press star and one to ask a question.

- Chirag Parekh:** And operator, please keep two minutes for a call because otherwise, everybody will not be able to get an opportunity to ask. Thank you.
- Moderator:** The next question is from the line of Naman Parmar from Niveshaay Investments.
- Naman Parmar** Congratulations on a great set of numbers. Firstly, I wanted to understand on the domestic side, how many the dealers and distributors has been added in the quarter 1 and how much stores have been added?
- Anand Sharma:** See, we will give all this information on an annual basis because every quarter, it's difficult for us to add because there are a few dealers getting added, a few dealers, we are not allowing them to operate at a low level. So it all gets churning, **Chirag Parekh:** I'll just add to it. I think our endeavour to add to 5,500 dealers by FY '26 resumes. We have already signed up 45 galleries. Remember, I said we're going to add about 100 galleries this year. We have already signed up 45 galleries in quarter 1 only. Our thrust is going to be more on opening galleries and experience centers in India, which would enhance the brand equity. As far as 2 is concerned, we are expanding our dealer network about 200 dealers a quarter. I think we are on track. I think we should be adding about more than 1,000 dealers by end of the year, which will take us to 5,000 plus end of the year.
- Naman Parmar** Okay. Understood. And secondly, on the right issue that is happening on the subsidiary company, so out of the INR9 crore investment that will be going, how much will be for the capex and how much will be for the working capital?
- Chirag Parekh:** This is the right issue. The total capex will be of around INR30 crores in total which will include land, building and the machinery which somebody has asked how much revenue. So at this capacity, we can generate approximately INR60 crores revenue. So approximately could be INR15 crores could be for land and building and INR15 crores would be for moulds and machinery.
- Moderator:** The next question is from the line of Pritesh from Lucky Investments.
- Pritesh:** Sir, I just want to check based on whatever client volumes that you discussed, the capacity that you're talking about, the various RFQs that you are referring to or the discussions that you're referring to across clients. If we sum total all this and let's say, the trade dynamics are realistic, world trade dynamics are realistic, let's say.
- So this is about 2.3 lakh volume that you did in Q1FY26 which is 190,000 of quartz and about 40,000 of stainless steel sink. This volume, separately and maybe combined, this volume number 8 quarters from now should be what number that we can look at?
- Chirag Parekh:** Pritesh bhai, like I said that there are some large contracts we have signed, and IKEA is one of the segments. and like I said, we are very confident starting quarter 3, we will be peaking our capacity around 90% -95% on the quartz side. So you are looking at almost optimizing the capacity in quarter 3.

if that's what it goes, then like I said, 250,000 sinks of the capacity we'll have to add in. So I believe that by quarter 3 end, I think we should be peaking out 1 million. And we will by March, April, we'll have to be ready with another 250,000 sinks additional capacity. That's one.

So you're talking about a quartz capacity of 1.25 million maybe by quarter 1 FY '27, okay? Now it comes to the stainless steel sinks. I think somehow this China plus strategy, Europe plus is playing somewhere, the people are getting a lot of confidence in us. And they want us that Carysil should also now start investing in the stainless steel and start becoming an important source for both quartz and the stainless sinks.

So I think we are more and more sinks you make of new technology, we are very confident. So the RFQ has been done for a very large quantity of 0.5 million pieces. Even if you get 50% of that 250,000 pieces, talking about 250 plus, 250,000, which we have to be ready by quarter 2 of FY '27. So by mid-FY'27, in all probability, you will see a quartz sink capacity of 1.25 million and a stainless steel capacity of 0.5 million sinks.

Pritesh: Okay. My second question is, what is US, let's say, in FY '25 or quarter 1 as a percentage of our total business? So what is US contribution to the revenue?

Chirag Parekh: Yes. So till quarter 2, it should be about 30% of our revenue. And moving forward, by the end of the year, I think it should be 20%.

Pritesh: Okay. So by virtue of the supplies to non-US all these clients...

Chirag Parekh: Complete IKEA contract is a non-US contract. And hence, without doing anything, we'll be derisking already if something goes wrong in a worst-case scenario.

Pritesh: In this ramp-up from, let's say, 1 million capacity to 1.25 million, and let's say, in sink stainless steel from 0.25 million to 0.5 million, a lot of it is non-US, right, or entirely is non-US?

Chirag Parekh: No, no, no. So let us say, 1.25 million US could be about 20%, right? And maximum 20%-25%. And stainless steel is completely non-US

Pritesh: Which means even in quartz, the bulk of it is non-U.S. only.

Chirag Parekh: Because all the contracts of Howdens, IKEA is all completely non-US contracts. All right now, traction, like I said in my speech, that overall, the global momentum is coming from across all the countries, which are all non-US.

Pritesh: Perfect. And my last question is, what is the risk now. So what I can figure out is risk is basically you have to still get the go-ahead on the 0.25 million in quartz and you still hitting from the go ahead on the 0.25 million faucets. That's how I should view it or there is any other risk?

Chirag Parekh: Risk? I don't think so, there is any risk. The risk is only about if the additional 25% tariff comes and how the company should play its game next one. I think till the company is very confident by securing the business it is the most important thing for the company. And I just came back from the US 2 days back, meeting with the customers.

They are so much in support of us. It's not that every customer in United States can -- I've heard that some of my friends, they have stopped dispatches the very next day only. You know what I'm saying.

So somewhere the customers are ruthless, but we have such amazing partnership with our clients that so much trust in us, they're willing to support all and same from us. We're also willing to support that. So I believe we have built a tremendous and a very, very strong bond with the customers. They are also hopeful and they hope that this tariff war is over. And like I said, that it is all a matter of just time. It is just trying to get the best piece out of the deal. It's all about that.

The only thing would have been, if the US customer say, oh, please stop dispatches, but that's not happening because the demand only is so much right now. And to answer your second question, what is happening in FY'27? I believe in FY '27, what Carysil is doing is very few companies have done it.

We have awarded the contracts of all non-US businesses coming up now, right? That's one. The two is, inflation is going to kick in, in the US, the demand is going to slow down. And I think that's where the Carysil new contracts coming in with all the new non-US companies is that's going to keep the company resilient and strong.

Moderator: The next question is from the line of Yash Naik from Kamayakya Wealth Management Private Limited.

Yash Naik: So you recently onboarded a client in Dubai, the Emaar client in Dubai. So could you share more detail on the scale of this engagement, including the initial order size on expected annual revenue run rate there.

Chirag Parekh: Yes. So initially, we received a project order of the first Emaar, and we all know that Emaar belongs to the Royal family and 80% of the construction in Dubai is based on that. So I think right now, if you include faucets and sinks about more than 1,000 pieces to start with. So future, we don't know.

We don't know what's going to happen, but it's a big step. And the only thing we know that it only can grow from here. And we all know that Emaar is just not doing in Dubai. Emaar is going across the Gulf. So anywhere Emaar goes, we'll have a lot of opportunities with them.

Yash Naik: And another question is regarding your 50% target you mentioned earlier that it's revenue coming from India. So any timeline regarding that? From India Rs 500 cr target.

Chirag Parekh: Rs 500 cr is in 5 years, yes.

Moderator: The next question is from the line of Nikhil Rao from ithought PMS.

So there was a mention of localizing Sternhagen products in the previous call, and there would be a 30%, 40% reduction in the product prices. So I just wanted to understand how those efforts have progressed.

- Chirag Parekh:** This whole SK collection, Sussanne Khan collection is all localized already. So you would see the margins have improved in the domestic market. Also, we have launched project series in Sternhagen to cater to large projects, which are all cost competitive. So we are using all this sources from India now to source these products.
- Overall, there is a margin improvement on Sternhagen products. And by coming quarters, we are launching a lot of products in quarter 3 before Diwali, we are launching a lot of new innovative products in Sternhagen, which is going to eventually improve our margins.
- Nikhil Rao:** Okay. And I believe we had targets to grow revenue to around US\$2 million. So are we still on track for that? Or is there any update on that?
- Chirag Parekh:** Yes, we are on track. We are on track.
- Moderator:** The next question is from the line of Aditi Loharuka from CD Equisearch Private Limited.
- Aditi Loharuka** Sir, my question is from which other countries do the US import quartz steel sinks, quartz sinks, sorry?
- Chirag Parekh:** So as far as we can only tell you what we know within what the news we have. So all big -- that's from Europe and from Canada, mostly Germany, Italy, and Canada.
- Aditi Loharuka** Okay. And how well is the company prepared for higher tariffs from European nations?
- Chirag Parekh:** I think it's too early to say on the EU. If you're asking what is the India-Europe trade deal?
- Aditi Loharuka** No, no. I'm asking like if NATO imposes tariffs on India, then how well are we prepared to deal with it because a substantial portion of our revenue comes from European nations also.
- Chirag Parekh:** So Europe, I think it's very too early to say. Really, I don't want to speculate things right now.. Let it come, we'll see what we do at that time. All we know, to answer your question, we are having a tremendous cost competitive advantage.
- So even if tariff comes 15%, 20%, whatever, I think we will still be cheaper because you cannot ignore the fact Europe is facing tremendous high inflation, cost of production right now. So it is very difficult for them to compete with us. We are the lowest cost producer sink manufacturer in the world right now as far as the Schock technology sinks are concerned.
- Moderator:** The next question is from the line of Gurmeet Singh from GSK Investment.
- Gurmeet Singh** My question is on 2.5 lakh quartz sink capacity expansion. What would be the capital expenditure and revenue potential of this 2.5 lakh quartz sink?
- Chirag Parekh:** So if we add 250,000 sinks, the average price of a sink is about INR5,500. So that's how much is 250 into 5,500 so that should be about INR140 crores.
- Gurmeet Singh** Okay. That's it for me. And what would be the capital expenditure?

- Chirag Parekh:** Capex should be around INR30 crores to INR40 crores.
- Moderator:** The next question is from the line of Saumil Shah from Paras Investments.
- Saumil Shah:** Congrats on a great set of numbers in such a challenging period. So I think most of my questions were answered. So just a data keeping question. This year, I think we were targeting revenues in excess of INR925 crores. And I think first quarter itself, we did about INR227 crores. So just wanted to know your outlook on the remaining quarters of this year. So how is our order book shaping up? And do you feel that we can even cross this guidance of INR925 crores and maybe hit a 4 figure mark this year?
- Chirag Parekh:** I think it's very clear. Our capacity utilization is increasing on a quarter-on-quarter. We did a Rs 225 cr number, which if we take even a capacity of 5%, 5% a month, which is about 15% a quarter, I think our revenue share will cross INR250 crores a quarter. So I think if you take that rate, annual rate, we will be going at a INR1,000 crore annual rate from quarter 2.
- Saumil Shah:** Okay. Great to hear that.
- Chirag Parekh:** So if that's the rate, then it already beats your INR925 crores, right?
- Saumil Shah:** Yes, right, right. And for the previous participant, I think you said that Germany, Italy, and Canada, we have competitors. So just wanted to know, I mean, how much tariffs are they charged by US, these three countries?
- Chirag Parekh:** So EU is 15% and Canada is 35%.
- Saumil Shah:** Okay. So we don't see much of a challenge on our India 25% tariff as of now.
- Chirag Parekh:** So I don't want to say what it is, my friend, things are going on well. We are in good terms with the customers. The order booking coming in strong, good, right? So I think so far, so good..
- Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to the management for closing comments.
- Chirag Parekh:** Thank you, everyone, for a great set of questions. Carysil has entered quarter 2 FY '26 with strong growth momentum and robust product demand, clear road map to scale capacity and capture sustainable profitable growth.
- With this, I thank you for all joining us today. We trust we have addressed your queries satisfactorily. Should you require any additional information or further clarifications about our performance or strategy, feel free to reach out to SGA team, our Investor Relations Advisors. We appreciate your continued interest and support, and we look forward to engaging with you again in the coming quarters. Thank you. Have a great evening.
- Moderator:** Thank you. Ladies and gentlemen, on behalf of Carysil Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.