Marvel
– Marvel Decor Ltd. –

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National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1, G-Block,

Bandra Kurla Complex, Bandra (E)

Mumbai - 400 051

Subject: Submission of Transcript

Dear Sir / Madam,

Pursuant to Regulation 46 and 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of the Post Earnings Conference Call held on 11 November, 2026.

This is for your information and record.

Thank you.

For Marvel Decor Limited

MAYURSINH OGHUBHA GOHIL

Mayursinh Gohil

Company Secretary

Marvel Decor Limited

H1 FY27

POST EARNINGS CONFERENCE CALL

November 11, 2026 12:00 PM IST

Management Team

Mr. Ashok Paun - Chairman, Managing Director & Founder

Ms. Khwahish Paun - Managing Director, Callistus

Call Coordinator

KAPTIFY®

Strategy & Investor Relations Consulting

Presentation

Vinay Pandit: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations Team, I welcome you all to the H1 FY27 Post-Earnings Conference Call of Marvel Decor Limited. Today on the call from the management we have with us Mr. Ashok Paun, Chairman and Managing Director, and Ms. Khwahish Paun, Managing Director, Callistus.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements which may involve risks and uncertainties. Also a reminder that this call is being recorded.

I would now request the management to briefly run us through the investor presentation for the period ended September 2026, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to the management team.

Ashok Paun: Good afternoon, everyone. Sorry for the delay and thank you for joining us today for H1 earnings call. I would like to go by briefly one by one slide as maybe few people are new in this call. So I would like to explain what kind of products and other things what we are into. So now we have full-fledged window covering products in that let's say, blinds, curtains, motors and curtain racks. So we can say that where is a window so our product is there.

We have three brands. One is Callistus. So Marvel, we use brand as in India and Callistus is subsidiary company of the Marvel, 100% subsidiary company. And other than India, we use Callistus brand. So we have a setup in Dubai. I will go in detail after these slides.

Number two, there is a brand called Solis. It is again Marvel brands. Solis brand is for motors for the blinds and curtains. Number three, there is a Ellovaire, the fabrics, curtain fabrics and upholstery fabrics. So this brand we are going to launch from December. So these are the three old brands under the Marvel.

This is little about what kind of infrastructure we are having and the company we are having. So Callistus blinds Middle East, FZE is in UAE where more than 80 people working full-fledged assembly unit is there in the Sharjah. Callistus window fashion USA incorporate USA. So this is a new company we have built for the USA. Then Callistus UK Limited, that is in the registered in the UK. We have a two lakh square feet factories in Jamnagar. So there is a multiple manufacturing

activities are there in the Jamnagar. 15,000 square feet factory in Sharjah from where we cater the international market. And we have a sales and marketing office in Mumbai and experience centre also in Mumbai, Andheri West.

Almost 1,000 channel partner we are having, 400 plus employee we are having. Now let's talk about the Callistus which is we are using in the international. So Callistus is a 100% subsidiary company of Marvel and we have a full-fledged unit in Sharjah. Khwahish, can you just explain about the Callistus, what Callistus does in the UAE and USA and other countries?

Khwahish Paun: Sure, very good afternoon everyone. I will brief a little bit about Callistus. So like Mr. Ashok Paun said, we have 80 people working in the company with an entire assembly unit. We work on retail as well as project segment for Callistus UAE. Sorry for the glitch. Yes, we work on retail as well as project segment for the UAE section. And for USA, we work on the project side of it. So more or less on the projects when it comes to projects, we work on the hospitality side of it for US. And for UAE, we work on all types of projects which is hospitality, residential, commercial and on the retail side of it, we have a great dealer network. Like you also mentioned, we have a unit of 80 plus people working with us and we do supply and installation both.

As you are aware, the ongoing geopolitical situation in the UAE since April has had some impact on our business. While we have not seen significant growth during this period, we have successfully sustained our existing business levels and maintained continuity despite the challenging market conditions. On the US development and growth front for H1, I will also brief a little gist, which was more on the positive side. So we have made a very good progress in the US market. We started strengthening our focus on USA and between April and October, we travelled to the country three times to develop relationships and explore new business opportunities and basically how the market runs and how it functions, etc. So these visits actually helped us establish some very strong connections, particularly, of course, in the project segment.

So now we have a very healthy pipeline for the second half of the year and the coming year, which we are basically quite optimistic about. We have also evaluated that dealer network in the US is not as feasible because it requires physical presence and everything like that. So dealer network is something we are not working on, but projects is something

that we're focusing on because the project market and the hospitality market is extremely huge here.

Coming back to UAE -- I'll also brief a little bit about ultra luxury hospitality. That is also something that we have taken ourselves on and we were basically able to analyse further in H1. So I would say H1 was a very significant learning and development period for us. So it gave us an opportunity to understand the requirements and expectations as well as procurement dynamics of the ultra luxury resort and hospitality segment. So what has been particularly encouraging is that we are increasingly being recognized as a relevant supplier for this segment because of our manufacturing capabilities, customization solutions and basically the experience in executing specialized projects because specialized projects will require a lot of to and fro and a lot of solutions on the customization side as well as on the installation front of it. So you have to be extremely technical to take these type of projects up.

So we are now actively working towards building relationships with ultra luxury resorts, particularly in different island destinations and other premium hospitality markets as well. So this has been a very good focus and this has been a very good direction that we followed for H1.

So this is a segment where we see considerable long-term potential and we intend to build our presence strategically for that as well. Just on the UAE front, just to round it up, so one interesting development we have also observed in UAE, I would say because of the current situation for that matter, is that UAE certain hotels have started considering renovation and refurbishment activities because there has been very less footfall lately due to of course tourism and everything is impacted. So most hotels I would say have gone under renovation and refurbishment. So this has opened up a new opportunity for us and we have been able to add a few such opportunities to our existing pipeline and yes, we are again hopeful of converting the same for H2 and into the next year. Thank you.

Ashok Paun: Next slide please. I think Khwahish, you can say more about Solis brand motorization and what kind of products we have and all those things.

Khwahish Paun: Yes, definitely. So Solis is our motorization brand. The best part about Solis or something that actually helps us present Solis is that it is compatible to all sorts of home automation. So whenever we are going for any projects or any residential solutions or commercial solutions, we have a great line up wherever they want to do home automation or a building management system and everything, we have the entire kitty

present with us. Anything and everything can be automated with your lights, the AC, HVAC, everything for that matter.

So that helps us on getting the scopes and everything quite faster as compared to any other motorization brand in the world, which -- for which you require, different sets of motors, but our single motors can actually be compatible with all types of automations. So this basically gives us a very good competitive edge.

The motor performance, I would say, just to quickly elaborate on this, when we are presenting this on projects, we are very easily able to compare it with some very, very renowned brands in the world when it comes to motorization part. And people have now actually started comparing Solis to those brands, which has been a very significant achievement for us in the last year as well as the ongoing year. And we're very proud of how things are happening and how we are developing the technological front on it, because now everything is moving towards technology. So yes, this is a little gist about Solis.

Ashok Paun: Yeah, next slide, please. Khwahish, can you go ahead with the...?

Khwahish Paun: Sure. So, Ellovaire, we started off with fabrics on the premium side of it. We are not focusing on the economical side of it, because we want to maintain a very good quality and a very good finish. Why fabrics and everything? So basically, just if we understand that the system is one part of it, but the fabric is what is going to be most visible. So when the fabric quality and the finish is good, and then that type of quality is maintained, that is what is going to give the appearance of the entire product, no matter however good the system is. If the finish of the fabric is not good, it will not look like a great system.

So we have now proactively started working on, or let's say proactively started presenting our fabrics front on the project segment, as well as the residential segment. So there we are getting a very good response. And we've done a couple of projects already by now. And everyone has said very good things. And we've gotten very good feedback on our fabrics as well. And we keep on also expanding the range and everything so that, we can cater to more markets as well. These Ellovaire fabrics are only for curtain fabrics. We've always had the blinds fabric, or let's say the shades fabric. But Ellovaire is basically only and only for curtains and upholstery fabrics.

Ashok Paun: Yeah, so this is just a brief, I have put up a message that what kind of growth we did in revenue. 18.4% we have done growth in spite of the

situation in Dubai. Then we have focused more into profitability as well. So they were reducing the inventory. As I was saying before that, in our other concall that as soon as our revenue will go, so this inventory will come down, and it will not increase on that ratio. And yeah, so we have one strategic decision taken that why to reduce some products line. So in kind of not product line means that the kind of fabric colours and all those things, yeah, as per the requirement of the market. So we need some fabrics as a discontinue and that those we are selling very nicely. So this helped a lot to us. And because of that, the cash flow also comes into positive. And so overall, there is a data, let's go with this next slide.

Yeah, so this is the overall growth, everywhere, let's say, compared with H1 '26 and '27, and H1 '27 H with H2. So you guys, everybody is having this presentation and all. So I am not going one by one, because I will spend more time in the Q&A. So that will be as per the particular things we can address. Yeah. Yeah.

So we can talk about this growth outlook strategic priorities. So what's more, we are going to do move next level. So one is a channel partner visibility. So in H1, we did good move that we appointed higher values channel partners, high end product you can sell. And our ticket size increased almost 30% to 40%. If we talk about the number of customer versus sales, so and that is more profitable. So we also observed that this will help us on the revenue and profitability as well. So we are going to do this kind of special vessel, almost 100 plus channel partner, we are going to do the branding and displays and all those things in H2 in India and UAE.

Then number two, there's high end residential, we found that this high end residential has a good chunk of the business we can get as now curtains also in our portfolio. So they always ask for not only blinds, they say, okay, you do the entire things at our home. So that is also our focus area. Then go project business expansion. So as Khwahish mentioned about the hospitality segment. So this project business expansion is a huge, huge opportunity, especially for the hotels and resorts and all those things. And number four, this blinds and curtain. Now curtain is in our product range. So this, the scope will be for us is bigger.

One thing I have noticed that there's no proper company who take care entire things of the blinds and curtain together. So right now the curtains supplier are kind of furnishing showroom. For the bigger size of the hotels and all those things, they want some company who take care of soft drawing, fabric finish, stitching. We have ultra modern stitching

unit we have put up in Dubai. And now we are going to put up in Jamnagar India factory as well. So this motor and blinds and curtain will give us a bigger boost that I'm sure.

Then motorization, as much as everybody knows that now everything is moving towards the technology. So this business is increasing manual to motorization. So we have a Solis brand now. And so we have targeted that how let's say they said right now there's a 4% to 5% motorization from the others are the manual one. So we have made the target that 10% or some possible let's work hard to make it 10%. So for that, we have planned some kind of displays at our dealer places, which will encourage to buy motorized blinds and curtains.

The sixth one is digital marketing. So as we everybody know now that people are moving insta and all those things help us a lot to get the good leads, because people are spending lots of time at mobile and social media, social network and all those things. So H2 is our target to do the more marketing in the digital side as well. So these are the almost six area of the work we are doing. H1 we did a lot and H2 we are increasing, it will increase more.

So this is from last year, we have decided that okay, profitability pretty improvement is most important thing. So we are working at many, many places for that. So first of all, inventory optimization. So we have -- what we have to make the target for the H1 we have achieved. So we are now more confident this is very much possible to reduce the inventory. So working capital will help us, the cost flow will help us more.

And then operating leverage. So we have a kind of proper infrastructure now. So earlier -- in earlier call, I was also saying that when sales will grow, there is a fixed cost, it's not going to grow. So we are very much eager to utilize our infrastructure more and more and increase the profitability. The third one is the profitability per customer. So as I mentioned before that, the ticket size per customer revenue of the year is increased almost 30% to 40%. So that is also our target. And then high-end residentials. As we know that everywhere there is a high-end residential market is growing. And now we have curtains, so we have a good opportunity to get business from that. So I think this overall the things.

Now we can start the Q&A round. Yeah.

Moderator: [Operator Instructions]. We'll take the first question from Madhur Rathi. Madhur, you can go ahead.

Madhur Rathi: Sir thank you for the opportunity. Sir firstly, I wanted to understand on our working capital. So if I look on a longer term basis, our working capital turns has always been in 1 to 1.5 times range. So and now we are getting into curtains that is a more inventory heavy product. So how should I look at this working capital turns of our business going forward?

Ashok Paun: Sure. So we are not going to do any inventory for the curtains as we have a tie-up with the certain curtain manufacturer companies. They will keep the stocks for us. So there is no any inventories going to increase and working capital not going to utilize for that.

Madhur Rathi: And sir, even apart from that, our core business working capital has been on the 1 to 1.2 times range. So how should we look at that going forward? Will operating leverage or as we scale up that inventory burden on us should reduce and that should move to our distributors or how should we look at that?

Ashok Paun: Yeah. So no, inventory hopefully will reduce again because there is a let us say two, three things. Let us say one thing is a discontinued product we are selling. So those products as soon as it will sell, the total inventory will come down. Number two that in project business, as project business of ours is increased. So in project business, what will happen that this is all customized things, whatever they want, they give us a time. So let us say two months, three months kind of time. So we procure those materials as per the project required. So once this project will finish, the inventory will be zero for that project. So this will also help us.

Madhur Rathi: Got it. And so now coming out to the automation solution that we have started. So first is our employee expenses as a percentage of revenue have increased from 12%, 13% to closer to 20% in FY26 although it is lower on the H1 basis. So is it because that in project business we need to hire more manpower on our books versus in a distribution business? Is it the reason for that? And what is the margin that we own on the project business versus a pure distribution of our products that we do?

Ashok Paun: Yeah. So the employee kind of things I would like to say that earlier in the call I have mentioned that it was some wrong hiring did from us considering that okay let us take people quickly and use the infrastructure as much as we can. But then we have noticed that this is

not the correct way because when you are going to sell these kind of products you need the correct people only. So that was the things regarding the employee things.

And number two that for the project we are very happy that the margin is good because there are lots of technical and operation kind of things including products customization and all. And we found that we are far, far better than other companies for this. So because those kind of people want that let us say hotel. So the five star hotel always want that what kind of finish they need, what kind of time period. Say if there is a delay for one day of to open that to sell this room they those costs will be too much for them. So when they look at us that there is a 400 people employee strength company is there. So then they are getting lots of confidence on us. So and for that they pay price because the loss of the room selling is a huge than compared to the other products. So yeah it's quite good profit margin in project as well.

Madhur Rathi: Sir, so if we did closer to 10% 10%, 11% during H1. So if you can just tell me how much higher would be the margins in project business versus the distribution business?

Ashok Paun: We have not calculated the clear cut the project and all those because all projects are something different. So somewhere there is a margin of let us say 20%, somewhere is a 30%, somewhere is a 15%. So I think we will be able to give those data from the next year.

Madhur Rathi: Got it. And sir, just one final question from before I get back in the queue. Sir what differentiates one curtain -- blind supplier from other blind supplier for a distributor as well as you mentioned from a customer's point of view but for a distributor how does Marvel differentiate from any other Chinese or local competitor?

Ashok Paun: Yeah sure. So see there one thing is R&D and the product innovation. So people want always innovative product, good finish, entirely product made in the ultra-modern factory and then otherwise the finishing will not come. So the size of the factory what we are having, the technology what we are having in Jamnagar factory there is nothing, not a single manufacturing unit for the blinds of 2 lakh square feet in SEI 1. So those kind of things are helping us a lot. As I mentioned before that this company started from the components manufacturing for the blinds.

So we are technically very sound for that. So this is the differences compared to the other company and all. And the Chinese why cannot do this because this is totally customized on things. China is a bulk

material supply company. They are not the customized product to sell to the end user or give it to the dealer.

Madhur Rathi: Got it. Sir thank you so much and all the best.

Ashok Paun: Thank you Madhur. Thank you.

Moderator: Thank you. We will take the next question from Kaustav. Kaustav you can go ahead.

Kaustav Bubna: Hi, thanks for taking my question. Can you hear me?

Ashok Paun: Yes. Hi Kaustav. How are you?

Kaustav Bubna: I am fine. Thanks. Sir wanted to understand a few things. Firstly, as of today, what is the split between your project business and your B2C business?

Ashok Paun: So as I mentioned before in the room, these things almost it is project business is now in H1 if we consider. So there is a 30% is a project business and 70% is a retail business from the dealers. But it will increase, project business will increase and as well as retail business will increase. But it was a kind of retail, retail company. So now we have entered into projects as well. So that ratio will be changed in H2 and then the next year.

Kaustav Bubna: Okay. And which -- I mean, geographically, which cities and areas are you really targeting? Because I wanted to understand in places like Mumbai and other, high population, high density, metropolitan type places, there is a lot of competition when you are targeting the B2C vertical because a homeowner chooses the curtains on their own. It usually -- in a residential development, it usually doesn't come with the bareshell house, right? The homeowner has to choose the curtains. And there's so many options. All of them have excellent designs.

And they're all very subjective to the consumer's choice. So I wanted to understand how you differentiate, how do you set yourself out? And how would you grow on this type of a competitive market?

Ashok Paun: Yeah. So see, there is a say, today we are in top five company in India for the blinds. Okay. And that is because of multiple things. As I said, that finish, quality options and then capacity of the supply, all those things. So the local level people can't match this. And now people are spending money and their willingness to buy the brand because they

know that if I buy the product from the company, then there will be anything they will come to us. So kind of let's say 24/7 kind of call centres and then service kind of things. And so see, so I can say that people are preferring now to buy from the brand. So this is one. And number two, that is, see, the kind of infrastructure and the kind of inventory and the kind of team size, everything together, the deliver the result will be the always different kind of things, right?

You cannot compare with the local. And people are appreciating those things. And that's why we are getting the business as well.

Kaustav Bubna: And what about your geographical distribution of sales?

Ashok Paun: Yeah, so India, there is not a single state where we are not there. One, number two, that we are in more than 257 cities in India. So it's kind of reach is good overall India.

Kaustav Bubna: Okay, thank you.

Ashok Paun: Thank you.

Moderator: Thank you. We'll take the next question from Mrunal Kadam. Mrunal, you can go ahead. Mrunal, we cannot hear you.

Mrunal Kadam: Hello, am I audible?

Ashok Paun: Yeah. Hi Mrunal. Yeah, you are audible. Please go ahead.

Mrunal Kadam: Yeah. So thank you to see the growth -- good to see the growth to be bouncing back in the revenue terms. Where do you see this year and is your target for these INR 500 crore for 2030? And that even still in act?

Ashok Paun: Yes, yes, we are very much on it for 2030, 10x growth. And I can say yes, we started now from the H1.

Mrunal Kadam: Okay. And the inventory improvement is heartening to see. Can we expect this phenomenon to continue or will this grow again with the revenue growth?

Ashok Paun: Yes, I think H2 again, we are hopefully reduce the inventory again. And for the -- so the cash flow will be ready for FY28. I'm sure.

Mrunal Kadam: Great. Could you throw some light on what we have achieved in other markets like US, which are matured markets and the adoption of banks?

I believe we were in touch with various aggregators over there and large retailers.

Ashok Paun: Yes. Khwahish, can you go ahead with it?

Khwahish Paun: Sure. So on the US front, we are currently working on the project side of it on the hospitality section. It works on the brands approval side of it and everything. And we're working on building a strong connections with the brands and with the ongoing projects that are happening right now. And basically working on with a few channel partners also for these hospitality projects itself.

Mrunal Kadam: Okay, thank you. Curtains is very competitive business. Do you plan to manufacture or outsource? And what's going to be your strategy on curtains considering that blinds and curtains are actually competition to each other?

Ashok Paun: So see, wherever we go into any home, so there is a -- always there is a curtain and blinds together they want. For the bigger size of the curtains, windows, nowadays, people are putting the bigger size of the window, right? So there they always want the curtains. This is one. So blinds and curtains will complement to each other. Example, let's say in India, we have started trying doing Hyatt and Marriott and those kind of hotels. They always say that, okay, we cannot give you only blinds things, right? You come with the curtains and we'll give entire job to you. And it happened. And now we have a good pipeline for the five-star hotels in our basket. So it is complement to each other, I would like to say. And curtain market, what do you say that competition market?

But I would like to say that there is a -- the people can sell 200 meter also curtain fabrics and there is a 5,000 meter as well. So the market is for everybody from 200 to 5,000, you can see that what kind of gap is there. And our focus is to approach the designer who like this kind of fabric finish and all those things. So when the designer specifies some product, then this price will not concern at all.

Mrunal Kadam: Sir, regarding my previous question, can you give an idea of how big your US business can become in the light of these developments of tie-ups with retailers and aggregators?

Ashok Paun: Sorry, talking about the USA, what?

Mrunal Kadam: Yeah, US business.

Ashok Paun: So your voice is, I think breaking. Can you say loudly, please?

Mrunal Kadam: Hello.

Ashok Paun: Yeah.

Mrunal Kadam: Yeah. Sir actually, can you give an idea of how big your US business can become in the light of this development of tie-ups and retailers and aggregators?

Ashok Paun: Again, I'm asking what you are asking about the USA, right.

Mrunal Kadam: Yes.

Ashok Paun: Yeah, yeah. Okay.

Moderator: Potential size of the business that US can be.

Ashok Paun: Oh, yes. Okay. Okay. Yeah. So I would like to say a few things about the USA. That is a huge, huge market. This is one thing. Number -- first we started with the dealer kind of things in the USA. But we noticed that that's $1,000 or $2,000 or $5,000 orders to sell, to send from courier from Dubai to USA, it's not a good idea after we've done all these things. So now we're focusing on the projects. So when we start our unit in USA, which hopefully we may start in a year or two or something like that, that time we'll do the dealer things.

But in USA, there's a hotels is a big, big projects, big, big 1,000 hotels is renovating. There's a certain norms of the each brand that they have to renovate within five to seven years. So now I can say in H1, I'm sure there will be almost in a starting, starting, we got the almost INR 3 crore to INR 5 crore business from the USA from the hotel. And right now we are having good almost 15 to 20 hotels in a pipeline for H2 and next year. And this is very much small, small things we have got now because we started just but we hope we are hoping that this business can be very much helpful to us for the growth.

Mrunal Kadam: Okay. And sir my last question is what will be the mix of India and Dubai in INR 44 crore revenue standalone is INR 25.8 crore. But that also includes transfer to Dubai unit. So adjusted for that, what would be the breakup?

Ashok Paun: So standalone, just a minute, standalone what we have sent you now, that is from the India things and just a minute, Khwahish, you have the figure of the revenue of the Dubai?

Khwahish Paun: Just a moment, please.

Ashok Paun: Yeah, I have, I think, yeah, so INR 23.12 crore we did from the Dubai.

Mrunal Kadam: Thank you.

Ashok Paun: Thank you. Thank you, Mrunal.

Moderator: Thank you. We'll take a follow up question from Madhur Rathi. Madhur, you can go ahead.

Madhur Rathi: Sir thank you for the opportunity once again. So, firstly, if you can help me understand that, sir, when a product of Marvel is sold by any distributor, sir, is the installation done by us or the distributor or dealer?

Ashok Paun: So there is a mix of things. So almost 70% to 80% installation is done by the dealer and or 20% to 30% by the Marvel. So we have a team in Delhi, Bangalore and Mumbai, and Gujarat, Ahmedabad. So those locations, we have a team, which we -- which Marvel does, and we charge for that.

Madhur Rathi: Got it. And sir this would be closer to 100% for the project business?

Ashok Paun: Yeah, so 100% project means the installation?

Madhur Rathi: Yes, sir.

Ashok Paun: No, so installation does by dealer as well. And the project which we are doing directly, those projects, we do the installation.

Madhur Rathi: Got it. And now, sir, what would be the order book of our project business currently?

Ashok Paun: I would like to say that we have a order book for the H2 is almost INR 23 crores. Not order book, but yeah, you can say the funnel, which may close, something like that.

Madhur Rathi: Got it. And sir, out of the 400 employees that we have currently, sir, how many of them would be on the service and installation part of the

operations? And how many of them would be in the sales part of the operation, if you can -- just a broad park number would help us?

Ashok Paun: Yeah, so I would like to say from the 400, 325 in India, and almost 200 people working as a labour in the Jamnagar factory. And in 125, you can say that sales and sales and operation and installation people are there. And 75 people are in the Dubai unit.

Madhur Rathi: Got it. Sir, that was from me. Thank you so much, and all the best.

Ashok Paun: Thank you, Madhur. Thank you.

Moderator: Thank you. We'll take the next question from Jojo Shaju. Jojo, you can go ahead.

Jojo Shaju: Yeah. Yes, sir. Thanks for this opportunity. Sir, we have announced a couple of partnership association with companies like Lutron, LivSpace and a US-based design and build firm, couple of quarters back. So can you share what is the progress on this partnerships? How much of the current revenue growth comes from this partnership? And if you could, more specific in terms of revenue contribution from each of these partnerships, that would be really helpful.

Ashok Paun: This is the revenue exact figure difficult to give from my side right now. But I would like to say, yes, Lutron partnership is going very, very good. And we are getting high end residential and high end projects, we are doing with them. So it's going very, very well. Somehow LivSpace has not worked out because they are, I think they are experimenting many, many things. So they thought that this will help work. And then they think that technology kind of things business we want to do and all those things. So I think LivSpace is in a different kind of changing. So LivSpace has not worked out. And but yeah, the USA partnership what we have started, it's going well. So with that partner, we did one, the big hotel, five star hotel in Las Vegas, SAHARA hotel name is. So almost 426 rooms hotels we are doing with them. So yeah, US partners is going well, Lutron is going well too.

Jojo Shaju: Okay, so LivSpace, we don't have any association from now on.

Ashok Paun: It's not -- it's kind of hold. They're not saying that, but they are changing the things and then once they will settle from the strategy side, they'll come back to us.

Jojo Shaju: Got it, sir. And so is there any active order book that we have from these other two partners from Lutron or that US based design firm?

Ashok Paun: Yeah, so there's a INR 23 crore, I can say, old order book, as well as you can say, that about to close those order for the H2.

Jojo Shaju: Got it sir. And sir I would like to know what is the current revenue contribution from this Solis smart motors right now? And what is the realization differential between a manual setup and if we are using our automated smart shade installations?

Ashok Paun: Yeah, so we don't have those data on hand. But yeah, next in next call, we will try to keep those data with us.

Jojo Shaju: And sir my last question is, what is the current capacity utilization across our Jamnagar and Sharjah units? And are we looking for any CapEx in the near term?

Ashok Paun: No, so we already have a INR 200 crore to INR 250 crore capacity from the both infrastructure. So till the time we reach there, we don't need any CapEx to input.

Jojo Shaju: Okay, sir. Okay, that's it from my side.

Ashok Paun: Yeah, thank you, Jojo.

Moderator: Thank you. We'll take the last question from Vinay Ambekar. Vinay, you can go ahead.

Vinay Ambekar: Hello. Am I audible, sir?

Ashok Paun: Yeah. Hi, Vinay ji. Thank you so much for joining. How are you?

Vinay Ambekar: Hello, I'm fine, sir. Happy Diwali to both of you.

Ashok Paun: Happy Diwali to you as well.

Vinay Ambekar: Sir, it is very commendable, you know, because I've been following our company for almost two years now. And it's commendable how we are going about building the organization. So congratulations for that. And it is also very good to see, how we are adapting to, business requirements, like you brought in these new products and now curtains and all that. My only point is, I want some clarity on how we are thinking about inventory level at a micro level, because a INR 50 crore

odd figure in a balance sheet of INR 100 crore is a very big drag. So one of course is, you're right as focus is on sales growth and the number of days will reduce. But like we have seen this quarter, even a 5%, 10% release of inventory adds a lot to our cash flows. So can you just break this inventory down into, some few components such as aging wise or finished good wise. I saw in our annual report that significant majority, almost INR 49 crore out of INR 55 crore was classified under finish good. Please correct my understanding because finish good usually implies that it is ready to sell, meaning you have orders for it, we have made it and it is ready. It is just that shipping is awaited. But that doesn't seem to be the case with us. So can you just give some clarity around this point?

Ashok Paun: Sure. So for us finished good, what we say, let's say the components ready and in inventory, in the stock or fabrics ready in a stock. So because components start from the granules and then the machining, the moulding and metal kind of things, activities what happen, those we keep in an ongoing process. But when those components come to our warehouse, then we say this is a finished goods. So last we have to do the assembly kind of things. So when we say finished good, it means it is in a warehouse, not the one which is blind, is ready to stand. So those kind of things are there. This is one.

Number two that for the inventory, we are very much behind it. And we are getting good response from those things. And hopefully, in H2, we may reach to the maybe INR 50 crore or something like that. And then INR 45 crore and INR 40 crore, this is our target. So I'm sure that the strategy what we have made, and what kind of result what we got from the strategy in H1, it will continue. I'm sure.

Vinay Ambekar: Sir, I'm very sorry. Can you repeat the last 15 seconds or so?

Ashok Paun: Yeah. So I'm saying that for the inventory, there's a huge, let's say 20,000 SKU is there. And we understood that this much SKU is not required. It's not necessary that this much SKU will give us this kind of sales. So our target is to come down to INR 45 crore to INR 40 crore in H2 and the next year. And it is working very well. This is one.

Number two for the inventory, as soon as project business increase, what will happen because in project business, it is always those particular fabric colour and the other components, they need only those. So the project business, there is a zero kind of inventory. So let's say 70%, 30%, 70% is a retail and 30% we did the projects. So projects help us to come down the inventory always.

Vinay Ambekar: Okay. So two points around this. One is if you can just share aging. And second is, when you say that it is ready, let's say last six months or one year since our project business has started getting traction, how much we have to manufacture new to meet something different that the project owner wants versus how much we are able to push him to take what is already available with us. Of course, the effort will be on the latter. But are we seeing some success in that?

Ashok Paun: Sure.

Vinay Ambekar: Aging also, sir, please.

Ashok Paun: Yeah. So okay, the aging kind of things, this product is we are not maintaining the kind of aging things. Why I'm saying that the fabric or components will never ever damage. This is one. And what we do that discontinue what I said, right? So almost there is a INR 12 crore of discontinued product we are having. From that we sold almost INR 2.5 crore in H1. Okay. So these discontinued products are we are selling continuously. It's going well. So we are not managing the aging kind of things because this product don't do any damage or something like that. And for this -- yeah, tell me, sorry.

Vinay Ambekar: Just on this point, sorry. So this we are selling it at like a lower margin or at cost to cost basis or something like disposing thing. Or are we looking to book some loss also on that?

Ashok Paun: No, no, no. So we never do the loss kind of things. But yeah, so there is a let's say 60% is gross margin, but we take come down to 40% kind of things. But we got the benefit of that those material was at the range of import was INR 65 a dollar. So those kinds of benefits also we are getting. So overall, if you say that it's a profitable things we are doing.

Vinay Ambekar: Sir, does it make sense then let's say just to shift focus to the balance sheet first, then P&L, let's say 40% if you reduce to even lower, let's say 10%, 15% or something. Does it make sense to do that and release a cash, which we can then invest in newer designs and newer requirements or something?

Ashok Paun: Yeah, we have found that there's a -- it's not like that if you keep the lower price and you can sell quickly. What we have found, because there's a -- in the blinds, let's say, let's say from INR 100 square feet select for 1000 square feet is there. So how people are pushing is the most important for us. So for that, we are giving some incentive to the

team or dealers or something like that. So what we understood that pushing behind them to sell this product is more than the pricing. And we always open whenever the inquiry comes and the salesperson or the dealer will ask that, okay, they need this kind of discount, we always give, there is no problem.

Vinay Ambekar: Right. So is it, I mean, sorry for the naive question, but let's say you have some old stock with some older design or something. Is it possible to say refurbish it and kind of maybe scrape away the design and repaint it with a new one or something like that? Is that possible in this or no?

Ashok Paun: No, the fabric can't do this. But see, what we have observed in last H1 that they say in Bangalore, South something one colour, North is some other choice. West is some other choice, then UAE is some other choice, US is some other choice. So now we understood, okay, which colour will move where. So we are focusing on that way. So we have segregated, okay, you make the one catalogue for the South, you make one catalogue for the North, you make one catalogue for the West, and something for the UAE. So it's going well.

Vinay Ambekar: So these catalogues are only sample or you have to do some like minimum order quantity and keep -- just if the risk is that if it gets left unsold?

Ashok Paun: No, no. So this is just digital catalogue we make. So the one is a fabric we put in the -- let's say, home interior, and then fabrics we sold and the digital kind of catalogue we have made almost 8 to 10 different kind of catalogue for a different region for that.

Vinay Ambekar: Okay. Got it. And if the customer gives us their own design, it is possible for us to decide whether we can do that or not?

Ashok Paun: Yeah, no, this we are doing because we are having this printing machine in house in Jamnagar. So we do this always. Okay.

Vinay Ambekar: Okay. Sir, coming to the second part of the question where how much in the last six months or 10 months you have been able to push our own products versus a new manufacturing to meet --

Ashok Paun: So I tell you in project what things happen. So almost 90% products are ours, but they want some colour or some anodize or something like side channel. So those kind of things are there. 10% is only the product what they want new one, something different design and all those things. So in a project, almost things are the colour kind of things what we are not

having in our existing range, or some finish kind of things. Yeah, but yeah, almost 80% always with the current product.

Vinay Ambekar: Okay. So sir, in our cost of raw material under a gross profit, let us say in the last six months, how much you have had to manufacture fresh to meet requirements like this, you would have some rough number.

Ashok Paun: Sorry, Vinay.

Vinay Ambekar: Versus how much you have used from our existing stock only. Or if you are saying 80%, then we can assume that 20% of that number would be something fresh you would have manufactured.

Ashok Paun: So I can tell you, I will tell you just explain the process. Because let's say, if we talk about the components, so components is always we have a mechanism that reorder level, minimum quantity and maximum quantity. So a production unit who is producing the components, they do these things maintain. So that is not something like that. Okay, this stock was there, you give from there and this is a new product. So it's a continuous process. Then fabric also similar way. This is in our range, this much sales of this is happening. So we should keep the reorder level this much. So it's a continuous process, because in 20,000 SKU in the entire ERP, this mechanism works, kind of.

Vinay Ambekar: But sir, we will be getting benefit because you said projects is spread over 2, 3 months. So and we are making digital design. So maybe are we -- is it a fact that we are not manufacturing fresh inventory of fresh goods just to stock? Is that correct? These are all old stock only?

Ashok Paun: So for the project, we always do once we receive the advance.

Vinay Ambekar: Okay.

Ashok Paun: Yeah. Okay.

Vinay Ambekar: Thank you. Thank you so much for your time. I'm just reiterating, that a very high level of focus on reducing inventory is something that will benefit us significantly going ahead. So I'm sure you are mindful of that.

Ashok Paun: No, no, no. It is -- it's very much required and we are behind it. And that's why sales increase, but inventory reduced instead of inventory to increase, right? So we are very serious on it. And it's going well. And I'm sure that in H2 also, you -- everybody, all investors will get the good news from inventory side as well.

Vinay Ambekar: Wonderful. Wonderful. Just one last point, sir, your thought that, if you reach a steady state profitability where you see these kinds of margins can be minimum maintained, this 12%, 13% that we did, then it may make sense to divert some part of the profit and take provision on some old stock that you may have so that in future, if you are able to sell it, then you will have some leeway on the cost, holding cost. I just, I'll just finish with that.

Ashok Paun: Understood. Okay. We'll check it out.

Vinay Ambekar: Yeah. Okay.

Ashok Paun: Thank you. Thank you, Vinay ji.

Moderator: Thank you. Since this was the last question, sir, would you like to give any closing comments?

Ashok Paun: I think overall, many things we have discussed. And I would like to say that things what we were looking from last two, three years, it started. And we are very confident that all H1, H2 next year, our investor will get a better and better result, for sure. Yeah.

Moderator: Thank you. Thank you to the management team. Thank you for all the participants for joining on the call. This brings us to the end of today's call. You may all disconnect.

Ashok Paun: Thank you. Thank you so much.