



– Marvel Decor Ltd. –

**Marvel Decor Ltd**

**H1FY25**

**POST EARNINGS CONFERENCE CALL**

November 18, 2024 03:00 PM IST

**Management Team**

Mr. Ashok Paun, Chairman & Managing Director  
Ms. Khwahish Paun, Director

**Call Coordinator**



Strategy & Investor Relations Consulting

## **Presentation**

### **Vinay Pandit:**

Ladies and gentlemen, I welcome you all to the H1-FY25 post-earnings conference call of Marvel Decor Limited. Today on the call on the management we have with us Mr. Ashok Paun, Managing Director and Ms. Khwahish Paun, Director.

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 quickly run us through the investor presentation for the half year, the business and performance highlights, as well as the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

### **Ashok Paun:**

Good afternoon, everyone. Thank you so much for attending this meeting. And Vinayji, thank you so much for arranging this H1 Financial result meeting.

So first, I would like to give a brief about the company and we'll go with the presentation. So we are into window furnishing products, in that blinds, curtain tracks and we do curtains in projects as well. So Marvel Decor Limited is the parent company and we are having two subsidiary companies. One is in Dubai, which is full-fledged unit of kind of assembly unit, where 80 plus people are working. So manufacturing activities we do at Jamnagar factory, which is having 2 lakh square feet factory. And another subsidiary is at UK, Callistus UK Limited. And that subsidiary we run through virtual.

So we have 2 lakh square feet factory in Jamnagar, 16 types of blinds we are having, 10 plus operating system we are having. Total of the employees there is 350. The Dubai unit is having 13,000 square feet area, 2,000 shades, 800 channel partners, India and across the world. And 375 galleries we have. So Marvel is the brand for India and Callistus is a brand for international.

So our vision and mission is your screen. I am not going to read that, but I am sure that you guys have gone through it.

Regarding journey, I can say that I have started with the small things, but main thing started from 2018, when I decided that let's make something big and work in B2C and brand and let's make the large organization for India and the world. So this story started from 2018.

So we started with the product development first, which has to be a quality product, unique product, innovation, which can be -- compete very well with the worldwide standard. So step by step we have moved to, then we have started our Dubai unit, UK company, subsidiary company. That's why this is the way we have started all the things from 2018.

Next please. So regarding my family, so I myself started from scratch and my wife Urmi is actively participating in this business from when I started this company. And Khwahish joined us before four and a half years. She is based in Dubai only. So from last four and a half years, she is handling our Dubai unit.

So when we say why Marvel, what are those strengths? So for that, first of all, I would like to say there's the innovation. We have lots of unique product, which is, you can say world's largest, even maybe, 2000 shades. Number two is the brand. Because brand is most important that we believe. So wherever marketing activities or presentation or quality and customer service, which kind of things we have to deliver to set up a brand, we are very serious about it.

Third one is I can say operating system, because blinds is a lots of mechanism part. And because of that privacy and some control can manage very well. And now we are doing automation also, kind of BMS, KNX system. So we know that people have a habit to do anything from the mobile. And we want that automation everywhere. So now everybody's home and offices started using automation. So I can say that we have expertise in that also. Then fourth one, I would like to say dispatch.

So our product comes in last, when the entire interior of your home or office is about to finish. So that time you need. And there is always some delay when we work for them. So we have kept the dispatch commitment 48 hours. Operation is also major part of this industry. And we have paid very strong attention and made the system.

As I said light control and privacy before. So people are saying that ambience is most important. How much light do you need in your house? How much sun do you need? So the ordinary curtains are not exactly as much as you can manage from the blinds. So these blinds are very, very unique. There are lots of, lots of things can be done from blinds in terms of the light control, ambience, privacy, even energy saving.

So these are different, different kinds of blinds. All blinds have their own strength. And I'm not going with all -- each blinds, but I would suggest all of our investors to look into it once those blinds.

So this is a window covering industry. So there's blinds in it, curtain tracks, and curtains and motorization. Each human being needs window, and window needs blinds or the curtain. So that means that the entire population of the world, we can go to every one. So it's a huge industry. I can say.

So these are the operating system. As I told you earlier, sun control, ambience creation, and automation. These all are technically stronger because when I came into this business, I started with the blinds, components manufacturing, and I was supplying small components to the blind manufacturers. So we can say that our expertise is technically sound. Going forward Khwahish will tell you which kind of project they are doing in Dubai. Because in Dubai, all the buildings have a lot of differences.

There are slant buildings, so slant blinds will come, there is a whole glass facade, the height is very high. So we have seen what type of buildings are made in Dubai. So in the future, Khwahish will tell you about it.

Next please. So these are our domestic presence. Our product, our dealer are available in 245 cities, 26 states and 400 channel partners we are having. And we have a gallery and display of our product with our brand in 200 plus places.

These are the international presence. As I told you, Callistus is a brand for the international, 100% owned by Marvel Décor Limited. So we are in 20 plus countries. We have 400 channel partners. We have 175 galleries. In UAE, we have an assembly unit where 80 plus people are working. In the UK, we have a subsidiary company where we manage everything virtually.

So these are our few customers where we have put our products in offices, hotels, resorts, different places. This is for India and this is for the UAE. I think Khwahish, can you just elaborate about the UAE and GCC projects, what you guys are doing?

**Khwahish Paun:**

Sure. Very good afternoon everyone. So to give you all a brief about the UAE and GCC business that we are conducting. We are a team of

85 of us at the moment here in our Sharjah facility. We are in Saif Zone at the moment. We specialize in retail as well as projects.

When it comes to projects, we thought, I think just one and a half years back that we should start expanding our projects focus as well. Because when we have actually started off, we are very strategically started off with just retail partners. Retail partners because it helps on the word of mouth a lot.

So we've gotten our presence and our ways and everything made on the retail side of it. And one and a half years back, we decided that it is time to start getting into projects as well. I'll be very honest. As much as we thought that maybe projects is going to take some time and it's going to invest a lot of things onto it and everything. But in one and a half years of timeline, we've done some very, very commendable projects. Very recently, just in this month, we are going to be handovering the Dubai Port and Customs Authority Head Office.

Why I'd like to actually put this forward or give an example of this is because we place ourselves as someone who believes in brand, someone who believes in quality, someone who believes in services. Now when it comes to the market leaders, not just UAE market leaders, I'm talking about the international market leaders. These were the ones specified into this project.

And when we got the opportunity to actually get into the project, do a mock up, put all the compliances and everything forward, the consultants were so, so, so impressed that now with the same channel partners, with the same contractors, we've gotten three other projects as well. The buildings and the entire building is a glass facade and there are slant windows, straight windows, curtains, blinds, motorization, automation, building management system and everything. So, all-in-all, we've done quite a lot of things in a single project itself. And integrating all of those things through our installation and measurements team itself is a task in itself.

And because we've been able to very seamlessly handover this project and before time actually, we are two months prior to what we had thought. Our target was January 2025 and we've completed it two months prior. So, because of that, we've gotten a very good recommendation. We've gotten two new projects from them. So this is the project network that we're trying to build.

And you can also see very good commendable projects also. Bvlgari Lighthouse is something that we see. And this was also handed over in this year itself, I think sometime in April. Yeah, I think sometime in April. And this was again a very strongly specified brand of a brand which is 100 years old into this industry where again we have presented our brand, done all the mock-ups, done all the presentations with the consultants, all the compliance statements, the certifications and everything. And that is how we've completed the Bulgari Island as well here.

So, yes, this is all together just about or a very little brief about the projects. And we're very sure that the upcoming year is going to be all the more, or I would say double the size of what we're doing at the moment. Thank you.

**Ashok Paun:** So thank you, Khwahish. So this is the project detail what we have done in our new Parliament House. So there is a good story behind that as well. Like I said, innovation. So, we have a fabric.

**Moderator:** Sir, for the sake of South Indian and foreign participants, can we...?

**Ashok Paun:** Oh, sorry. Yeah.

**Moderator:** Okay.

**Ashok Paun:** So there is this project about new Parliament House. And so, we have a one special project, a special fabric, which carry a linen fabric, linen into this fabric manufacturing system. So as per Parliament House concept that is traditional and modern looks to look together. So, because of our innovation and large range of the product, we got this project. And we are very proudly saying that you can say we have started the Parliament House.

So now we are getting a lot of other projects of the governments and corporate as well. So these are the about some financial things. I really believe that we want to make a profitable company and that too high profitable company. Definitely, we spend behind the marketing, we spend behind the experience centre and all. But simultaneously, the profit should be increased. So very happy to say here that in H1, we have brought 17% growth in revenue. In EBITDA, our improvement was 12.7. In net profit, we brought 52.1% compared to YOY. H1, '24 and '25. And H1, '25 and H2, '24. 13.8%, EBITDA improvement is 11.3%. And net profit improvement is 28.9%.

So before I said that as soon as the sales increase, our fixed costs will not increase. So, our profit will improve. So this started from this year.

Now, about the way forward. So there are lots of opportunities in this industry. Especially, if I would like to say there is a 3.5 lakh crore market size of this product worldwide. So, it's huge. India is growing so fast, replacing curtains from the two cup blinds. And we do curtains track as well. And in project, we do curtains as well.

So, you can say the market size is very huge. So, there are 4 major topics we are working on. One is, if we talk about the expanded domestic footprint. So we were not directly involved with the interior designer. But dealer was doing business with them. So now we shifted our sales and marketing office to Mumbai. And we have open experience centre in Mumbai as well. So now we have started to connect with the interior designer architects.

We have started inviting them in our experience centre. And I would like to say that we are getting a tremendous response from them. They are sending their team to our experience centre to get the education and all. So from last three months, it started almost. And now, gradually, we will start in other metro as well.

Then, focus on building up on the low penetration of blinds. So in India, compared to worldwide, it is 40% to 90% ratio blinds versus curtains. And in India, it is 4% to 5%. So there is a lot of scope in India. So now we are increasing our reach to the people, to end users, why blinds are more convenient for them and what are the benefits they will get from the blinds. So that we are focusing on. And we are partnering with service provider.

So there is a system integrator. As I said before that automation and motorization is a bigger part nowadays. So, we are appointing them as a channel partner for us and working with them.

Then focus on the project business. So Marvel was known as a retail brand because we were more dependent on channel partner and all. But now, from last one year, we have started project business and we are building the team day by day. So this project business can give good impact in our sales.

Regarding the scale up in the international business, I think Khwahish, you will be the better person to say what are the things you are going to do.

**Khwahish Paun:**

Sure. Thank you. When it comes to scaling up the international business, as much as we have a presence in UAE and we are working on the project side of UAE as well, there is a very large chunk on the GCC part also which has not been completely covered. So on the upcoming H2, I would say that on the upcoming years as well as in the H2, we are going to focus on the footprints on the GCC market.

We do have some retail partners but we really want to get into projects also. This year, we have already completed one of the very good projects in GCC in Bahrain and furthermore, we continue or we would like to actually very aggressively start working on the GCC footprint as well as well as our international base which is UK, US, Canada, Australia which we are already working on.

US again being our next biggest market and this is also something that we are focusing on. We have done pretty good projects in US already and those credentials were able to also used to get our new projects and all of those bases as well. Apart from that, of course, the retail channel partnership and the retail channel partners are also going to be extending on the international or the other countries part of it. So this is our plan and this is our way forward on the international business segment.

**Ashok Paun:**

One more thing I would like to add that we have a third vertical that is ROW, rest of the world. So when we shifted our sales and marketing office from Jamnagar to Mumbai, we have started appointing people in ROW. So those people are in daytime from 10 to 7, domestic team is there and from 7 to 4 AM in the morning, international teams come. So they work in USA and all those countries.

So we have almost appointed 8 people till now and we are aiming to appoint almost 20 people. So our ROW division will also give more sales from this year, I think from H2. Regarding expand product basket in window covering, so as I said we are focusing in depth for the automation. So there are lots of things going on. We developed few new products and which can be helpful for large corporates where the building management system is there.

So when large corporate is there, people are not, let's say in one floor. There are 300 people are sitting. So the corporate want that those blinds to be managed from the admin because otherwise someone want lights, some don't want lights, energy saving, proper light control, light management things cannot be done. So when those kind of things will



come where admin want to run the blinds and manage the blinds, that time the BMS, building management system is required.

So, now our product is ready and we are talking with one very good corporate. Hopefully, we will get business from them soon. So once we start with those, then there are lots of things, lots of places we can put our products. Then track solution, as I said curtain track. So Marvell was making curtain roads and tracks before also. But now Marvell is coming up with a specialized curtain track.

So last year we launched a hospital curtain track and the first project we got at Rajkot AIMS. So now those kind of projects also already started. And Khwahish, the one project you did for the hospital track for Dubai, which was the project? Can you just elaborate it?

**Khwahish Paun:** This is in Fujairah. This is the biggest hospital of Fujairah which is called the Al Sharq Hospital that we have recently handed over last month. And we've also work with Saudi German hospital here in Dubai.

**Ashok Paun:** Okay, fine. So we are adding product as well. And so, these are the four main pillars how to get the growth.

**Moderator:** Sure, sir. Thank you, sir. I think let's move to Q&A now.

**Ashok Paun:** Okay, fine.

### **Question-and-Answer Session**

**Moderator:** All those who wish to ask the question may use the option of raise hand. Sir the first question in the chat is, could you throw some more light on the competitive aspect of the industry? Who are the big players globally and in India? And could you also tell us your plans to scale up over the next 5, 7, 10 years?

**Ashok Paun:** Sure, definitely. So there is an international brand is Hunter Douglas who are leading in this entire world. They are having their presence in 110 countries and almost 35,000 crore sales they are doing, revenues they are getting. And in India, there is a Hunter Douglas is there as well. And there are few companies like Vista, Ddecor, now Asian Paint also come into this industry. So these are the few companies are there.

And for the expansion for next 5, 7 years, I would like to say there is a 3.5 lakh crore market size we are doing in the business, our industry is there. So, the main thing is how we reach quickly to the people, how we

reach to each city and societies and countries. So there are four pillars I have said to way forward. So we are working on everything. So even one point is marketing. So now digital marketing plays a big role. So from last month even, we have started aggressively marketing campaigns by -- through digital. And we are getting lots of leads.

**Moderator:** Sir, his second part of the question was on your growth plan and vision for next 5, 7, 10 years.

**Ashok Paun:** Yeah. So we would like to grow by you can say 20% to 50% YOY. It depends on how quickly we can get the team and how we quickly set up the operation and all. We are very ambitious. Till 2030, we have set our mission that we want to do 10x till 2030.

**Moderator:** We will take the next question from Jishan Singhi. Jishan, you can go ahead.

**Jishan Singhi:** Thank you for this opportunity. First question that I would like to ask on the future growth triggers for this blind industry.

**Ashok Paun:** Okay. So for us, we take one way that is the industry is INR 3.5 lakh crore industry. And last year, we did INR 65 crore gross. So we have a huge scope because compared to market size, we are very small. So how much fast we can reach, we will get the business. And otherwise, almost from 3% to 5% worldwide, this market size is increasing. And in India, right now, it is from 6% to 7%. But I hope that in India, when we see the growth story of India from last 3, 4 years, and everybody knows that for next 10 years, 15 years, in worldwide, India is going to do the best. And today, we are the highest GDP growth country, almost 7%.

And we know the start-up activities going on and from last 10 years, how we did the double of our GDP from 2 trillion to 4 trillion. So there is a huge scope in India and worldwide.

**Jishan Singhi:** And another question that I would like to ask on your competitive landscape in India.

**Ashok Paun:** When you say landscape, what do you want to ask me?

**Moderator:** Basically, sir, he wants to know who are the major players in India.

**Ashok Paun:** Yeah, I said Hunter Douglas, Vista, then Amit Designer, D-Decor, Asian Paints. Those are the people who are our competitors.

- Jishan Singhi:** Okay. Thank you, sir.
- Moderator:** Thank you, Jishan. Anybody else who wants to ask a question, please raise hand. Take the next question from Mihir. Mihir, you can go ahead.
- Mihir:** Hello, sir. Congratulations for the good set of numbers. I have some questions with me. India penetration is only 4% for blind. What is the market size in India and what do you think will help to scale up this domestic market?
- Ashok Paun:** Yeah, definitely. So blinds is increasing in India. So it is right now 4%.
- But we are assuming that within a short period of time, maybe 2-3 years, it can reach to 10% as well or 15% as well. So in India, there is a huge scope for us as market size will increase. This is one.
- Number two, we were not much into the projects. So that area is totally open for us. So, now we are building the team specifically for the project. And as far as government is spending lots of money behind government's projects, so almost we have just seen that there is 250 government's projects or product is approved and simultaneously the other corporates. So project is, you can say, last year, if we say, we have done only 10%. And this year, we have targeted to keep ratio of 30% project and 70% of the retail.
- So, there is a huge opportunity in India as well. And we are behind it as we have shifted our sales and marketing office to Mumbai. And we have started the first experience centre in Mumbai as well.
- Mihir:** Then what's the strategy when you say 10x, which means approximately INR 550 crores to INR 600 crores. By when and how do you see the share of projects, IDA and retail business in this?
- Ashok Paun:** Yeah. So almost we are saying that we want to reach INR 500 crores till 2030. And projects may be reached 50%-50% within 2-3 years, I am assuming. And then other curtain tracks and motorization, that part will be added also. And interior design and architects, we have not directly touched to them. So, those people also are going to add revenue into our basket.
- Mihir:** Okay. And then since Middle East and global markets have high acceptance for blinds, do you think it will scale up faster than India?

**Ashok Paun:** Yeah, of course. I think from INR 500 crores, we are assuming that INR 150 crores may come from India. And INR 350 crores or INR 400 crores will come from the international.

**Mihir:** What's the plan to scale up Middle East further and USA? How are you competing with players like Hunter Douglas on Only price or do you have any other strengths to compete?

**Ashok Paun:** So I would like to say that we have reached to Dubai before five years. And from that five years, 2 years went for the COVID kind of. So, within 3 years, we have reached in top 5 in Dubai.

So, right now we are doing major is UAE one. But now we have started GCC also. So, that was first we wanted to do that. Okay, you are going into one place and how you are getting business over there. So now trial and error is done, you can say. So now GCC and USA, UK, Australia, Canada.

And as I said that last year we did 5 crore approachment from the virtually. The people were sitting in Jamnagar. But now and that was three people. From now this year, almost 20 people are going to sit at Mumbai office in a night shift. And we are planning to recruit some people in USA as a local and UK as well. So what we are doing that for the developed country, we are setting up the products, we are setting up what kind of people are there.

So, gradually we are going over there as well. But I think from next year that will be more in a fast mode.

**Vinay Pandit:** Sir, just one extension I would like to have to that question. Khwahish, if you could answer this. You are competing with these players in Middle East, right? When you pitch for projects, when you pitch for business, what's your strategy when you compete with the Hunter Douglas or any of the larger organized players? We would like to hear from you as well.

**Khwahish Paun:** Sure. So, thank you so much for this question. And we take extreme pride and we are extremely confident when we get into projects. Because when it comes to our product part of it, when it comes to the fabric, the components, the type of branding that we do and all, we have always received a very, very, very good response on it. Always it has been a thing and when it comes to, because into projects business we have to do mock-ups first and we have to do all the POCs and everything first. So, we show them all of this and we have never

received something that you know, or any negative feedback on the product.

Everyone has always been very, very welcoming and everyone has been very confident when they see the product. So when we actually get ourselves into say a competitiveness on the major players into the market, we take pride that when it comes to product, we are going to be extremely solid when it comes to service, when it comes to customer service as well. Also, when it comes to execution of our entire projects, be it projects or be it a retail channel, we have a complete channel when we go present ourselves also.

We always mention that you know, this is going to be the process of the project execution. So, this is also something that we get very good feedbacks that a company being so transparent on the processes, the product being so well-present when it comes to also the type of people that we invest in. I would say that when it comes to for example any other competitive brand here, we always have this in mind that the type of people we invest in represents the type of the company that we belong to.

So, we always take people at par of what is already there in the industry. So, because of this and because of all of these factors, myself as well as the team is always very confident that you know, when we get into a project, we are going to do hook and crook and we are going to get the project by all means of presenting as a brand. So, this is something that the team has built a very good confidence on and now when they get into new projects also, they get immense strength and they get immense confidence that we are going to get through all of this.

**Moderator:** Sure, sure. There is one question I will take from chat since the participant has to leave. The question is from Vinay Ambedkar. Please share your thoughts about how you see profit margins and working capital, inventory and receivables and debt requirement as you progress over the next year.

**Ashok Paun:** He means to ask that how we need to...

**Moderator:** No, what's your vision on EBITDA margins, right? And how do you see your inventory level and receivable management? Means the money that you have to collect as well as the stock that you are keeping with you.

**Ashok Paun:** Okay, so we are aiming to reach 20% EBITDA margin. So, we would like to improve every year. Because as I said in the beginning that I look forward to make the good profitable company always. So, and the result of H1 shows that how our profit is increased. This one and number two regarding inventory. So, as soon as sales will increase, the profit will increase and inventory's number of days will decrease.

Because there is a many products we have that there is a MOQ of let's say 500 running meter. So, when sales is less, so we may take one year to sell this 500 meter. Once sales will increase, it may take 9 months, 8 months, 3 months, 2 months like that.

So, both the places we will get the benefit once the sales will increase. And as H1 we think our revenues increased compared to last year 17%. And that can be seen in the inventory and as well as in a profit as well.

**Moderator:** Sure. Mihir, do you want to continue with your question?

**Mihir:** I have one last question with me. Can you throw some light on the profile of the kind of people you are onboarding to scale up your global and domestic business? How are you managing the motivation levels within?

**Ashok Paun:** Sure. Thanks. So I truly believe that the people are most important. Even maybe we have to think before customer. Because if your people will be happy, then they will make customer happy. So, there are lots of things going on for the HR and motivate the people and all.

So, we have launched one culture book. Because if culture is good, then many things can happen. So, then HR policies and continuously we are doing some learning and training programs and motivating them. So, there are lots of things going on. And we truly believe that the people is a core strength. And it has to be increased. And by that we are also adding people who are working in almost INR 10,000 crore companies or INR 5,000 crore companies. So, there are few people joining soon in next month and January as well. So, those kind of people are also attracting to us.

And they are very keen to be a part of the right now small company. But they are working in INR 5,000 crore company and they are joining us when we are INR 65 crore company. So, many things are going on.

**Mihir:** Thank you, sir. Thank you for your kind answer.

**Ashok Paun:** Thank you. Thank you, Mihir. Thank you.

**Moderator:** Sir, there is a question in the chat from Aniket Kulkarni. Can you give the split of revenue between domestic and international business for H1 FY25? And what do you think will be the split going forward as the company scales up?

**Ashok Paun:** Yeah. Can you show the slide of revenue?

**Moderator:** There we've mentioned consolidated.

**Ashok Paun:** Standalone is not there?

**Vinay Pandit:** So Aniket, basically if you see the standalone revenue that is the India business. And Consol is the combined entity. If you take the difference, that is the international business.

**Moderator:** We will take the next question from Shruti. Shruti, you can go ahead please.

**Shruti:** Hello. Good afternoon. Am I audible?

**Ashok Paun:** Yeah, Shruti. We can hear you.

**Shruti:** Sir, I wanted to know what is the plan to start paying dividend to shareholders.

**Ashok Paun:** I am sorry?

**Shruti:** What is the plan to start paying dividend to shareholders?

**Ashok Paun:** Dividend you are saying?

**Shruti:** Yes, sir.

**Ashok Paun:** Okay, okay. So, most probably we will review this in March end. Because we are waiting for H2 result to come. So that time we will take a call.

**Shruti:** Okay, sir. Another question I wanted to ask is, you recently raised equity. What is the plan to use the funds?

**Ashok Paun:** Yeah. So, there is an experience centre what we are going to open. There is marketing activities where we are going to start. There are some products we need as I mentioned for the automation and all. And

the product we want to keep more stock for the project business. So, those are the multiple things what we have mentioned way forward, four things.

To get business from all those four pillar, we are using this INR 8 crore, what we have raised for the preferential shares.

**Shruti:** Okay, sir. Thank you.

**Ashok Paun:** Thank you.

**Moderator:** Thank you. Anybody else who wishes to ask a question, may please use the option of raise hand. We will take the next question from Ishpreet. Ishpreet, you can go ahead.

**Ishpreet:** Hi, Ashokji. Good set of numbers.

**Ashok Paun:** Thank you, Ishpreet. How are you?

**Ishpreet:** Very good. Just one two things from our end, is that when you talk about that you're working with some service providers or system integrators, so, what kind of players are these that you're working with?

**Ashok Paun:** Okay. So, let me say a few things about the service provider. So the automation, as I said, is increasing so much. And so now we have decided that who the people who are doing the system integrator part. So we are making them partners. So we have started with the one partners to appoint in Ahmedabad. And that we have started project business with them as well already. And we got the order as well. And now we have started to appoint people into Mumbai.

So just last week we have added one VTech technology system integrator. And they have come on board. So now we have also on board as we have hired one system integrator person inside the company. So that guy joined also in the last month. So this person can be helpful to go with our sales team to give service to this system integrator partners. So we have very -- hopefully, I think in H2, we'll get good results from all those partners.

Because those people are going where the high residential or high range commercial offices are there. Because when the people are putting automation, they have a good budget of products. And all products will be motorized only. So, our ticket size will be increased with that. So it's



going very, very well, all the things. And hopefully, we'll get one more big project as well. It's in the verge of finalizing the negotiation stage.

**Ishpreet:** Sure, that would be on the project side, right?

**Ashok Paun:** So, high residential is there. Project is also there. Because what we said the VTech, they are doing the high residential project in Mumbai. So it's where the interior budget is INR 1 crore or INR 5 crore, INR 10 crore. Those kind of residential. And in Mumbai, we can see that there are lots of flats and are going on with the high budget of interior things.

**Ishpreet:** Right. And as of now, largely major part of our business would be from the commercial end only. Residential, is there a way to quantify that also? How much would be residential? Or that's too difficult because of the sales from the dealers.

**Ashok Paun:** Yeah, that is the problem. But I would like to say that the business what we are getting is from almost, you can say, 60% from the residential. Because most of our dealers are furnishing showrooms and inter-product showrooms. And we started with them because we were doing curtain rods business before. So we have started with them. So those people are going to the homes first. So but now, I think with the project, commercial will be increased. Okay.

**Ishpreet:** Okay. And do we still have trading revenue also in as a part of our business or now is that completely over?

**Ashok Paun:** No, it's completely over. Now, there is no trading activities.

**Ishpreet:** Okay. And there were also talks with some large players that for a tie-up for motors or something, is that still on or?

**Ashok Paun:** So actually, it is not on now because they wanted that we should sell their product only. We cannot our Solis brand can sell and we cannot take other company's product as well. And they were asking to keep margin of 15%. And from that 15% of margin, 10% will be in the expenses. So 5% margin will be there. So we said, but very happy to say that we are now equivalent with that company almost.

And there is one project in Mumbai only where one floor is done by them and another floor they have reached before to us. And another floor, we got this order. So same company. One floor they have given to them and second floor we got from them. So now we are equivalent, you can say. And it will be more fun going forward.

**Ishpreet:** So, the motor part, you are outsourcing right now, right? The motors?

**Ashok Paun:** Yeah, motors is our brand, Solis brand.

**Ishpreet:** Solis brand.

**Ashok Paun:** Yeah, yeah, yeah. So, that Solis brand is only started.

**Ishpreet:** Oh, that is an in-house brand, sorry?

**Ashok Paun:** Yeah, in-house. It's a Marvel-owned brand, Solis brand.

**Ishpreet:** Okay, great. Thank you so much. Thank you.

**Ashok Paun:** Thank you, Ishpreet.

**Moderator:** We will take a follow-up question from Mihir. Mihir, you can go ahead.

**Mihir:** Sir, I have some follow-up question. Like, there is a lot of customization in your product. You are manufacturing Jamnagar SBT and then the same thing is assembled in UAE. How does the process typically work? Does it also work in USA?

**Moderator:** Sorry. Mihir, you weren't clear. Can you repeat the question? Your voice.

**Mihir:** There is a lot of customization in your product. So, you are manufacturing Jamnagar facility and then the same is assembled in UAE. How does the process typically work? Does it also work similarly in UK and USA?

**Moderator:** So what I am understanding is, there is a lot of customization in your product. So do you manufacture in Jamnagar and then the same is assembled in UAE? How does the process typically work? And is that the way it happens even in UK and USA?

**Ashok Paun:** Oh, yes. So the components and all the manufacturing activities in Jamnagar. And we export semi-finished product to Dubai factory. And Dubai is having all full-fledged stock. And when the Dubai factory will get the order, they will do the assembly kind of things and they will give it to the customer. And yes, we are aiming to start the similar kind of assembly unit in USA as well in the future. And as we are going

globally, so we hopefully see about 10 units like this worldwide in the future.

**Mihir:** I wanted to know, which is your key raw material and how much is bought out--?

**Moderator:** Mihir, your voice is breaking. Which is your key raw material and how much is bought out?

**Ashok Paun:** So there is a fabric is the key, aluminium, metal. Those three products are the major ones. And we have a full-fledged R&D team. So if we want aluminium that we get it from the extruder people, we are having powder coating unit. For the components, we have all machines. The plastic moulding machine, metal press and coating unit and all kind of things. So, those components we are manufacturing in Jamnagar factory. And the fabric especially we design, which kind of yarn we want, which kind of composition it has to be there. Like polyester and linen both together.

And which kind of texture we want, which kind of colours we want. So those kind of things we make in R&D department. And then we find out who is a better vendor to manufacturing those fabrics for us. That way all the products we set.

**Moderator:** Sir, he has sent his question on chat since there is some audio problem. What is the revenue potential of your existing facility at Jamnagar? Till what size we can continue manufacturing in the existing plant without further expansion?

**Ashok Paun:** So almost INR 200 crore in Jamnagar and Dubai plant we will say. So, we can easily reach to INR 200 crore. With that figure we may not need to do the capital expenditure. The small kind of construction or something is there may be but not major one.

**Moderator:** Sure, sir. Anybody else who wishes to ask a question, may please use the option of raise hand. Sir, just to tell you we are using marvel blinds in our office which is right behind us.

**Ashok Paun:** Okay, thank you. Thank you, thank you. And you have given good inquiry as well. Thank you so much again.

**Moderator:** Pleasure, sir. Sir, since there are no further questions, would you like to give any closing comment?

**Ashok Paun:** Yes, so, overall I would like to say that innovation wise product is set. Both blind is set. Sales and marketing office is shifted to Mumbai. We are going to start experience centre in Dubai as well. And in future Delhi and Bangalore as well. So I can say that we are ready to fly. And we wanted some funds. Fund also we have received. So hopefully we will do more better in H2 and from coming years.

And we would like to -- our team is very much enthusiastic to reach our goal 2030 of almost INR 500 crore. So thank you everyone for participating in this meeting. And we want your wishes always with us. Thank you so much.

**Vinay Pandit:** Thank you, sir. Thank you to all the participants for joining us on this call, and to the management team for giving us their valuable time. This brings us to the end of today's conference call. Thank you very much.

**Ashok Paun:** Thank you, thank you.