Naman In-store (India) Limited

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Survey No.: 90/3/2/B, Opp. Sopara Phata Police Station, At & Post-Pelhar,
N. H. No.8, Taluka - Vasai, Dist-Palghar, Pin: 401208.
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November 26, 2024

To,
The National Stock Exchange of India Limited,
Exchange Plaza, NSE Building,
Bandra Kurla Complex, Bandra East, Mumbai- 400051

Symbol: NAMAN

Dear Sir(s),

Subject: Transcript of Earnings Call held at November 19, 2024: Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we would like to inform you that the transcript of the Earnings (Group Meet) on the financial results of the Company for the quarter ended September 30, 2024 held on Tuesday, November 19, 2024 at 12.00 PM. is attached herewith for your reference.

This disclosure will also be hosted on the Company's website viz. https://www.namaninstore.com/

You are requested to kindly take the same in your records.

Thanking you,

FOR NAMAN IN-STORE (INDIA) LIMITED

FORAM RUPIN DESAI
Digitally signed by FORAM RUPIN DESAI
Date: 2024.11.26 14:43:27 +05'30'

Foram Desai
(DIN: 08768092)
Whole Time Director

"Naman In-Store (India) Limited

Conference Call"

November 19, 2024

MANAGEMENT: **MR. RAJU PALEJA – CHAIRMAN AND MANAGING DIRECTOR – NAMAN IN-STORE (INDIA) LIMITED**
MR. JAY SHAH – WHOLE-TIME DIRECTOR – NAMAN IN-STORE (INDIA) LIMITED
MS. FORAM DESAI – WHOLE-TIME DIRECTOR – NAMAN IN-STORE (INDIA) LIMITED
MR. MEHUL NAIK – WHOLE-TIME DIRECTOR – NAMAN IN-STORE (INDIA) LIMITED
MR. SHAHID SHAIKH – WHOLE-TIME DIRECTOR – NAMAN IN-STORE (INDIA) LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Naman In-Store India Limited Conference Call. We have with us today Mr. Raju Paleja, Chairman and Managing Director, Mr. Jay Shah, Whole-Time Director, Ms. Foram Desai, Whole-Time Director, Mr. Mehul Naik, Whole-Time Director, Mr. Shahid Shaikh, Whole-Time Director. 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 0 on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Raju Paleja from Naman In-Store India Limited. Thank you and over to you, Mr. Paleja.

Raju Paleja: Hi, thank you very much. Good morning. Good morning, shareholders, friends, investors. Thank you for joining us as we discuss our company's performance for the first half of financial year 25, ending September. This period represents a landmark chapter in our growth journey as we successfully ventured into the international market, marketing our debut in exports, and building upon a strong domestic foundation. Today, Naman In-Store is not just an engineering or a furniture company.

I want to tell you a little in-depth here that we are creators of immersive brand experience. We convert stores, outlets, and space to a shopping experience. We specialize in designing and executing store interiors that reflect and align with the brand's essence, values, and identity.

At Naman, our approach is more than just about aesthetics. We dive deeply into understanding the brand's identity, brand's purpose, requirements, and product stories. This allows us at Naman to create interior solutions that deliver a consistent and resonant experience across all stores.

Friends, just to explain it a little better, for example, when we are walking in any kind of a sportswear store, it immediately evokes a dynamic, high-energy sports vibe with vibrant colours. While you walk in a store like Raymond, which offers a sophisticated, minimalistic atmosphere with limited, refined colour palettes. These subtle yet impactful elements are meticulously planned and executed to enhance the customer's experience, which remains our ultimate goal.

Our business model at Naman is designed to meet specific client requirements across various dimensions and specifications, adding a high degree of customization that keeps our business working capital intensive. Each project is a multi-stage effort involving meticulous design finalization, prototyping, quality approval, and large-scale production before dispatch. Given these complexities, evaluating our performance on an annual basis provides a more accurate picture of our success and growth.

Moving forward, we would like to highlight new progress in our company. What more I would like to say here is certain things about the new markets. Adding to Naman's core offering, we have taken the initial step towards developing new business verticals in this six months, leveraging our current infrastructure and expertise.

This initiative aims to expand our product range and explore entry to B2C markets with offerings specifically designed to serve many corporate entities. In addition to this, we have started prototyping for certain jewellery shops for one of the renowned corporates in India. This project can also mark Naman's entry into the jewellery retail space with potential to further diversify our client base and revenue streams.

We are expanding our presence in airports through smoking lounges. We have executed about 18 plus projects. We are exploring to do beauty shops at the airports. Foram, I request you to share some of the financial highlights here.

Foram Desai: Thank you, Rajubhai, and good afternoon, everyone. We are pleased to report a total revenue of INR67.15 crores for the first half of the financial year 2024-25. We achieved a PAT margin of 7.15% compared to 6.4% in the financial year 23-24, and an EBITDA margin of 15.28% for the first half of the financial year 2024-25 on a total revenue of INR67.15 crores. This result reflects our continued commitment to operational excellency and sustainability, with substantial contribution from our established partnership within India.

And for the first time a promising start in the export market. Historically, our growth has been driven by longstanding relationships with the key domestic retail clients who remain integral to our success throughout. Following our diversifying strategy into the industrial segment in the year 2021, expanding internationally will broaden our market reach and unlock new growth opportunities for the company.

Thank you, and now I invite Mr. Jay Shah to provide an update on post-IPO progress.

Jay Shah: Thank you, Foram. Good afternoon, everyone. It has now been over six months since our IPO, and we are witnessing steady progress fuelled by the dedicated efforts of our team and the enhanced brand visibility afforded by our public listings. We are privileged to serve some of the industry's leading brands in the domestic and international markets, aligning well with the growing market trends towards premiumization.

These trends require an expansion of our manufacturing capacity. We are already close to finalizing our new land deal in Wada, Maharashtra. Initial payment for the same also has been done, and we will be registering our agreement soon. Thank you, and I would request the moderator to open the floor for questions and answers.

Moderator: Thank you. We will now begin the question-and-answer session. First question comes on the line of Agastya Dave with CAO Capital. Please go ahead.

Agastya Dave: Thank you very much for the opportunity. Thank you for holding the conference call. Sir, first question that I have is, there was, at least I had a lot of confusion reading your DRHP. It was not clear to me what are the timelines for your new facility. And would you be closing down your current facility and shifting this facility to the new location? Or the new location is just on top of what you have as of now? So that's the first question. I have another one.

Raju Paleja: Thank you very much for your question, sir. The idea is, if I have to answer in one word, it is a shifting. But unlike a house or a, you know, office or a warehouse, it is not a shifting which can happen over the night or over the one month or six months period. It is a factory and running business. So it will be a part. So initially, couple of years, you may see both the facilities operating parallelly.

And then slowly we are shifting in couple of years' time, full-fledged at a larger facility. But the idea of doing an IPO was primarily from rental premises to going into our own premises with a larger capacity.

Agastya Dave: So how big is the new capacity compared to the existing one? Can you talk in terms of peak revenue potential of the existing capacity and what it will be post full shifting?

Raju Paleja: At present, the present capacity is about 175-180, you can say, crores, rupee-wise, if I were to address. Because normally, in investors' conference, we have to answer in rupee-wise. So about INR180 crores, you can say. And what we are targeting, the new facility, is we are targeting to the extent of INR270-INR300 crores.

Agastya Dave: Okay. On just the new facility basis. Okay. Understood, sir. And, sir, what are the timelines here? By when will you commission that facility? When will the commercial production start from that facility?

Raju Paleja: Sir, at present, we have identified the land. We have paid the part payment. And we are expecting land registration to happen in this month. And maybe by November end. And post that, everything will start. So it will be about one year plus time for us to, you know, completely... You know how in India the government works, government department works. So all these are probability. But maybe we are expecting in a year's time, the facility should be ready. One year or one and a half years' time. Between, in between, somewhere. And then a couple of years. So at least we are here for next... In our current facility, we are here for quite some time.

Agastya Dave: Understood, sir. And, sir, second question is on the revenues that we have reported in H2 of last year and H1 this year. So there is a decline compared to the first half of the previous year. So can you provide some commentary on that? What exactly has happened? Because you clearly added certain offerings. And you also started exports. So what exactly has happened which has led to, what I would say, a disappointing performance in the first half?

Raju Paleja: I'll buy your point. Very specifically, if I answer compared to the figures what you are comparing, it is... Diwali is our major festival and major season. I would say that little slump in the domestic market. Little reduced offtake in the domestic market in terms of opening up retail space. And, yes, export we have started.

Again and again, we are saying that we have just begun exports. So export turnover is something, is not something I would be... You know, it can contribute where it can make, change the balance sheet. Of course, it is not in lakhs. It is in crores. But still, it is, the number is relatively smaller.

But our major customer is domestic. And maybe the economy is not allowing as per expected amount of retail space getting opened.

Agastya Dave: Understood, sir. Very understandable. Sir, thank you very much for answering my questions. I have one suggestion, sir. I tried to get in touch with your team on 11 different occasions, including during the AGM. And nobody replies back. Absolutely nobody does. I got a few mails from you. You pointed me in a particular direction. That gentleman just doesn't reply to emails. So kindly, my humble request to you is, sir, kindly...

Raju Paleja: Can you, sir, can you just give me your name and number, please, again? I am sorry, but can I...

Agastya Dave: I will send you another email, sir. I had all these questions at the time of IPO. And they got delayed for 6 months. I have been trying to figure out the company. And nobody got back to me, sir.

Raju Paleja: Can you just mention your name, sir?

Agastya Dave: Sir Agasyta Dave. And I have sent you emails. We have communicated over email as well. And my only request is, sir, kindly, kindly ask your finance people to reply back to shareholder queries or investor queries. Sure. So that is my only request, sir. And I really appreciate that you have done this con call. So thank you very much, sir. I hope this thing continues going forward. All the best for the future, sir. All the best. Thank you.

Raju Paleja: And thanks for appreciating. And we will do the corrective action.

Moderator: Next question comes from the line of Mahesh Atal with Atal Investments. Please go ahead.

Mahesh Atal: Hi, sir. I am fairly new to this company. To be very frank, I have not gone through your presentation. Just going through it now. So what I want to understand is the brand that you work with currently, the client that you work with currently. How in tune we are with them?

I mean, let us say the brand that we are working today. Let us say tomorrow they open some 50 outlets all across India. And is it that the business is going to come to us or there will be many players like us who will be part of that particular retail chain?

How exactly do we see this? I mean, so if you could throw some light on, is our business relating to, I mean, will grow with the retail industry in India? Is it how we should understand the business?

Raju Paleja: Sir, thanks for your question. The business model is such, definitely, I would address the last sentence first. With the market going up, definitely everybody's business goes up. But I do expect that even the market remains stagnant or goes a little down, still we should maintain or increase the way we are placed in the retail industry and the kind of service and of products what we offer.

Coming to the business model is such, there are two ways of, India is a large country, transportation cost in furniture and fixtures is very high. So there are two ways, there are two kinds of clients in the market. One is who opens less number of stores or maybe the cost of the furniture is very high.

Normally, they prefer to work with one supplier, Pan India. And there are brands where the number of stores are very high. Considering the transportation cost, they prefer to work with a couple of suppliers, maybe two or three suppliers, Pan India.

It is not more than two to three suppliers. So there are projects where you will find Naman, exclusive manufacturer across Pan India. There are projects where you may find Naman, sending material mainly to a particular region.

Mahesh Atal: Okay, and could you please segregate the revenues between the three channels that we have, which is retail, industrial and government institutions. Which one is, percentage wise, if you could give me some idea on how our revenues will pan out?

Raju Paleja: Our retail and office will be about 65% to 70%. And the rest will be, you can say, industrial. At present, in these six months, our government contribution is very minimum. So I won't comment on that. We are expecting these next six months to cover up on that. But with the Maharashtra facing Lok Sabha election and then with these elections, at present the government business, maybe post this election, we are expecting little surge in that, surely. But it is 70-30 between retail and industrial.

Mahesh Atal: Yes, that's understandable. So one thing I wanted to know, that everything that we have, every furniture that we provide, is it manufactured completely, or do we also do trading? That is one part.

And second part is, let's say, the company works on a franchise-owned, franchise-operated model. So do the person, the franchisor who is taking the franchise of that particular brand, is it mandatory to take the materials from you or how exactly that will be?

Raju Paleja: Sir, there are two answers to this. One is, we work only with the corporates. So our rates, our designs, our quality, our prototyping, our engineering, everything is being finalized by that corporate, the main brand.

And depending on their model, if we have to work with a franchisee, the only thing with the franchisee we have to do is the billing and the payment. Rest all the terms, everything is being decided by the brand. All responsibility, our commitment is to the brand, not to the franchisee. So in a way, for us, the customer is that corporate, that particular brand. But yes.

Mahesh Atal: Many of the brands prefer to have the same outlets all across, right?

Raju Paleja: Normally, out of 10, 9 cases are such where brands tell franchisees that these are the manufacturers you need to buy from.

Mahesh Atal: Right. So that means we are a very sticky business coming to the clients, right? So basically, once the client is in, that client is like for a long period of time, he will stay with us because he does not want to change his retail thing and all, right?

Raju Paleja: Thank you very much for understanding the business model. Yes, the entry barriers are very high. Once the client is with us, then the client is expected, and you can see with our clients also that normally they go with us for a very long time. We become very close to the brand. Yes, you are correct.

Mahesh Atal: One question I could squeeze in, that would be on the jewellery part that you touched upon. So jewellery as a segment is quite big and quite large. So what kind of products you are planning in that particular, like what kind of furniture, because if you see, jewellery as such, you know, it's a very vast segment and there are a lot of players who are already having a kind of model there, like what they want. So what are we tapping into, like, if you could…

Raju Paleja: So Naman, as such, we are in loose furniture. I mean to say all the furniture which has been manufactured in the factory and installed in the outlet. We are primarily right now in fashion, lifestyle, cosmetics, beauty, etc, tobacco.

With the jewellery segment, when you see the jewellery store, when you enter, the type of the furniture is totally different. You have those display counters in front of you with the chairs, you sit on a chair, then there's a counter and then there's a salesman. Behind the salesman, there's a wall which is again beautifully designed and manufactured and with a lot of glow inside and very good velvet or some kind of clothes and everything.

You know, some jewelleries are being highlighted, you know, giving them premium look. So it is a totally different environment. Even though the material and the production process remains more or less the same.

It is a different environment. So it is a small journey from within our organization to create that kind of environment as well. And we hope to, in next one year, one and a half year, we hope to create more number of square feet in this particular environment also.

Mahesh Atal: Do you also have a team that works with the clients on a regular basis to create some new kind of thing?

Raju Paleja: Our business is full of innovation. Our business is full of new. Every client expects us to be innovative. Every brand expects us to be innovative. There is a daily, somebody wants something new. They want to look differently in the market.

They want to place their brand little differently in the market. So we need to be innovative. We need to be innovative. Yes.

Mahesh Atal: That is great. Thank you. Thank you and all the best.

Raju Paleja: Thank you, sir.

Moderator: Thank you. Next question comes from the line of Ashutosh with Envy India. Please go ahead.

Ashutosh: Okay. Thank you for the opportunity and having the conference call. Basically, I have a few queries. Firstly, the revenue and the potential which we are planning over the next 2 to 4 years.

Raju Paleja: You are saying that where do we see after 4 years?

Ashutosh: Yes. Firstly, after 2 years and then after 4 years.

Raju Paleja: For a couple of years, our expected growth is around about 15% to 20% year to year. But once our Wada operation starts properly, fully and a couple of new verticals what we are working upon, out of which 1 or 2 may be B2C also directly. The growth we are expecting in 5 years' time or 4 years' time to more than double what we are doing today.

Ashutosh: Okay. So if we take March 24 as a base, INR145 crores, then probably by FY27, we are expecting somewhere around 225. Or then to FY29, we are expecting somewhere around 325. Is my understanding correct?

Raju Paleja: Probably a little more than that in FY29.

Ashutosh: Okay. But by FY27, till the time the new facilities start reaping off the benefits, the growth will be somewhere around 15%.

Raju Paleja: Yes. Because as I mentioned, my current output capacity in this particular premises is also around 170-180. See, it cannot be justified only in rupee terms very specifically. So it is very difficult to answer in rupee terms, but 180. And no factory can operate at 100% capacity. Every factory can operate at 90%.

Yes. But FY29 will be, as I mentioned, a little larger or maybe a little more larger than what you have come out with. Because the couple of verticals what we are working upon B2C, we see a tremendous potential in that. Tremendous potential.

Ashutosh: Okay. And how we are expecting the operating margins? Because from the past years, it was somewhere around 5%, 7%, and then in March 24, we had a 15% margin. So going forward, what are our expectations for operating margins?

Raju Paleja: Our goal is 8% to 8.5% of PAT.

Ashutosh: Okay. 8% to 8.5%. Okay.

Raju Paleja: Yes. That is our goal and that is what we try to achieve.

Ashutosh: Okay. And how we are expecting the rest like H2? Will that be on similar lines on H1 or it will be a little bit better? Because if you see the last year H2, it was somewhere around INR94 crores sales. Sorry, that was March 23. March 24, it was 66. So how we are expecting this year H2?

Raju Paleja: With both the elections in Maharashtra getting over, we are expecting H2 to be a little better than H1. And maintaining a little, you know, achieving a little more PAT.

Moderator: We have lost the line. Next question comes from the line of Mahesh Atal with Atal Investments. Please go ahead.

Mahesh Atal: Thanks for the follow-up, sir. I was looking at your working capital. So if you could please throw some light on what would be our average working capital days that we would be having in our business going ahead? With this INR180 crores top line that you have from the existing unit, what could be the working capital that days you could please throw?

Foram Desai: Hello. Our working capital days are somewhere close to around 110 days to 120 days.

Mahesh Atal: Can you please throw some light on why? Is it because of the inventory or because of having used….

Foram Desai: Mainly because of the inventory that we need to maintain. And secondly, due to the DSO also.

Mahesh Atal: So is it like that we manufacture and just, we don't do it on an order basis, right? So we just manufacture and keep it ready. So that, you know, whenever the customer needs it, we will be able to supply. Is it that model that we work on?

Foram Desai: The model is such that we need to be prepared for the deliveries which will be in the pipeline. Like when the huge malls or something are in pipeline, the civil work and all gets ready, and it takes time. So we need to be ready for the supply. So yes, we need to be ready for certain supply, but it is not without the intimation of the client.

Mahesh Atal: Yes, but I fail to understand that why our inventory days are close to around 150 to 180. When you know that there are certain outlets that the retail chain is going to open, and they will be like giving you the info on that. So I'm failing to understand why do we need to maintain so much inventory in our books. Because we could always plan it, right? Because we do have the infrastructure ready for that.

Foram Desai: So originally, we had an inventory days of even lesser than this. But this year, we had a higher inventory days because of the mute offtake in the festive season. But it will be recovered in the coming half year.

Mahesh Atal: Okay. So we don't have any dealer network as of now, right? We are directly selling it to the clients from the company's side, right?

Foram Desai: Yes, you are right.

Mahesh Atal: You don't have any network of dealers or distributors who do it for us?

Foram Desai: No, you are right, sir. We deal directly with the corporates.

Mahesh Atal: Okay. Any plans on having a distribution network going ahead? Because as you said that you will be looking at a B2C channel?

Foram Desai: Sir, no. We don't plan that. Our B2C channel business is also going to be with the corporates.

Mahesh Atal: Okay. So corporate would be your customers. So basically, that would be like B2C for you?

Foram Desai: Yes.

Mahesh Atal: And one more thing. So what do we take as a constant operating margin for this business? Because let's say retail. What could be the gross margins for retail and industrial? Is there any segregation?

Foram Desai: We don't do segmental reporting. But our gross margins are somewhere around 45% to 50%. And in that, retail has a little bit higher margin sometimes depending on the project size and the type of material they use. Whereas industrial on an average has 50% margin.

Mahesh Atal: Fine. What are the plans on debt reduction going ahead for this particular year? Are there any plans on debt reduction?

Foram Desai: As far as working capital is concerned, the debt reduction is not there. It will continue and there will be no additional working capital taken. But for capex, we might go for further debt for the new facility that they are planning in Wada.

Mahesh Atal: Yes, yes. Considering that, what could be the peak debt level coming in the financial year 2026?

Foram Desai: So it is too soon for me to divulge this, but maybe in two months down the line, we'll have the entire project plans ready. And then maybe we will be able to answer you. You can connect with us again on this, maybe through an email or something.

Mahesh Atal: Fair enough.

Foram Desai: But a ballpark figure is somewhere around INR35 crores.

Mahesh Atal: You're saying additional INR35 crores?

Foram Desai: Yes, sir.

Mahesh Atal: So basically we are at 30-35 now, 37 around. And you're saying that we'll go again by 35?

Foram Desai: For capex.

Mahesh Atal: Yes, so that means that would be additional debt coming in our books, right?

Foram Desai: Yes, sir.

Mahesh Atal: So we'll be at around INR70-INR75 crores.

Foram Desai: And the existing debt will continuously get lower because we don't plan to take additional working capital, sir, as I said.

Mahesh Atal: Yes, that's okay.

Foram Desai: All the term loans will keep getting repaid, yes, sir. In a consistent manner over the period.

Mahesh Atal: Will you be able to maintain the PAT level that you have guided, that is 8.5 and all, with this kind of, you know, debt cost coming in too?

Foram Desai: While the finance cost might go up in the coming two years, the rental and the working capital finance cost might go down. So we'll somewhere do similar. And plus, over and above this, in WADA, we have subsidies that we will get. So in all, we will do a PAT margin of around 8%.

Mahesh Atal: All right. Thank you. That's it from my side.

Foram Desai: Thank you.

Moderator: Thank you. Next question comes from the line of Ashutosh with Envy India. Please go ahead.

Ashutosh: Yes. So a couple of more questions. Firstly, like we had an IPO around 6-7 months back, and then we are again having a preferential issue recently.

And then we are further, like, saying that we will be taking another INR35 crores of loan. So I just wanted to, like, take an understanding of the utilization of, like, IPO money and then a preferential issue money. Will it be going for the new facilities, or they are, like, getting utilized at some other projects?

Foram Desai: The IPO money, the GCP portion has been utilized in the existing business. And the IPO money, which was earmarked for land and land and buildings, will be used for the new facility in Wada, which we have parked right now in a fixed deposit. So we have used a part of it to pay towards land.

And the balance will be used again for the land and buildings that we construct there. The new money that we have got for PREF is for working capital. That is the reason I said that our working capital on the debt side will not get increased because this will be enough for us for the time being.

And, yes, this new additional PREF capital that we have got is for working capital and it will help us in the new premises and this as well, for working capital only.

Ashutosh: Okay. So do you feel that once the new debt…

Foram Desai: Sorry to interrupt. And the new debt that we have mentioned, as I said, it will be only for the capex that we plan in the new premises, that is in Wada.

Ashutosh: Got it. So what is the total capex of this new facility?

Foram Desai: The total capex will be somewhere around INR50 crores, a ballpark figure. As I said, we will be getting the final project plan in another month's time. We are working on it. But it will be somewhere around INR50-INR60 crores, between INR50-INR60 crores.

Ashutosh: Okay. And what are the benefits apart from the rent saving from this own premises, from the lease?

Foram Desai: The benefits that I mentioned will be the rent saving plus the working capital costs plus the subsidy that we will get in Wada and the location of Wada, which is very critical because of the new national highway coming, which will be parking through the factory. So yes, these are the various benefits for Wada.

Ashutosh: Okay. So one thing that we all know that will be saving of rent. Second is the subsidy. And third, you mentioned, is a little bit favourable on the working capital side, right?

Foram Desai: Yes, sir.

Ashutosh: Okay. So are we planning for any specialization in products or maybe a better product due to the shifting or the product quality and everything don't have any difference from the own premises? Sorry, from the lease to own premises?

Raju Paleja: Hi, this is Raju. See, our base material remains the same, the metal and the wood. The drawings, we operate in the same software. The machines and the technology remains the same. The processing of the metal remains the same. But what we are proposing is, yes, a product with more value-added benefits or products with more value and to target B2C, where our C is also our final client remains corporate. So there will be little different in the product what we are aiming to make in new premises.

But it is the extension of the products what we are making today. So we are using the same knowledge, team, talent, infra, but extending our business, expanding our business in the same product range.

Ashutosh: Okay, got it. And PAT margins, you mentioned 9%, right? Going forward in the subsequent 2-4 years.

Raju Paleja: Around 8-8.5.

Ashutosh: 8-8.5 okay. Okay, and one last question. Now, after preferential, the promoter holding is somewhere around 60%. So do you expect after 2 years when the new facility will start, we will be requiring like further money and there will be need of further dilution of equity?

Raju Paleja: With all due respect to your question. Debt and equity both are like different guns which need to be fired regularly. And I don't have right now answer to this question, but definitely it will be. Based on how the next 2 years goes, how the time goes, but definitely it will be. I am not saying no.

Ashutosh: Okay, okay. Thank you so much.

Raju Paleja: That's all. I mean to say both needs to be used, both the facility, debt and equity. One cannot depend either on equity, one cannot depend either on debt only.

Moderator: Thank you. Next question comes from the line of Mahesh Atal with Atal Investment. Please go ahead.

Mahesh Atal: Sir, to be given a geographical revenue split, currently with geographies we are strong and how exactly we are working, I mean with the first half?

Raju Paleja: Sir, we are very much strong in Western India and Southern India. Our business will definitely go down comparatively in North and East considering the geography.

Mahesh Atal: Southern India, if you would, I mean some cities like Bangalore and all? Hyderabad, Bangalore?

Raju Paleja: Mainly Hyderabad, Bangalore.

Mahesh Atal: Okay. So this is one thing. And second thing would be like, when you say cost of, let's say there is a retail outlet that I want to open tomorrow. And that would be like I've taken a franchise from one of your clients. And then let's say the cost of opening that franchise is just the furnishing part and all, INR15 lakhs to INR20 lakhs. So just tell me what would be the cost of furniture in this INR15 to INR20 lakhs?

Raju Paleja: 50% of that.

Mahesh Atal: So you are saying that 50% of the cost is going to come to you?

Raju Paleja: Approx, yes.

Mahesh Atal: Okay, so the more retail outlets, the brands open, 50% of that particular thing is in a way going to come to us, right?

Raju Paleja: Yes, yes, definitely. Not only opening, even revamp, renovation, new designs.

Mahesh Atal: Okay, and what generally, what would be the, you know, this thing, the change, you know, generally brands we see that they will change it every five years and all. They want to change the retail outlets and all. Generally, what is the timeline for change that they do?

Raju Paleja: There is no fixed strategy. There is no fixed answer to this. But three to four years is more than enough.

Mahesh Atal: Okay, okay. So basically like three, four years is the life that our furniture is going to live with them, right? We will have to just move it away after that. Again, go for a new furniture, right?

Raju Paleja: Yes.

Mahesh Atal: Again, the cost is going to come to us only. I mean, it would be a revenue for us, right?

Raju Paleja: 100%, yes.

Mahesh Atal: All right, okay, that's it. Thank you, thank you, sir.

Moderator: Thank you. Ladies and gentlemen, we have reached the end of question-and-answer session. I would now like to hand the conference over to Raju Paleja for closing comments.

Raju Paleja: Once again, thank you, friends, investors, shareholders. Thanks for joining us. In closing, I would like to extend our gratitude to our shareholders for their trust and continued support. Together, we are building a resilient, innovative, and globally recognized company. As we move forward, we remain committed to delivering consistent value to our shareholders by pursuing sustainable and long-term growth. Thank you very much.

Moderator: Thank you. On behalf of Naman In-Store India Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.