



KRITI INDUSTRIES (INDIA) LIMITED

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Online filing at: www.listing.bseindia.com and
<https://neaps.nseindia.com/NEWLISTINGCORP/login.jsp>

To,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street
Mumbai – 400001(M.H.)
BSE Script ID: KRITIIND, BSE CODE: 526423

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
BandraKurla Complex, Bandra (E)
Mumbai – 400 051(M.H.)
Symbol: KRITI

Subject: Transcript of Earning Conference Call held on 29th January, 2024.

Dear Sir / Madam,

We enclose herewith transcript of Earning Conference Call of Kriti Industries (India) Limited with the Investors and Analysts held on Monday, January 29, 2024.

The aforesaid information is also being hosted on the website of the Company www.kritiindustries.com.

Please take note of the same in your records.

Thanking You

Yours faithfully,
For, **Kriti Industries (India) Limited**

Tanuj Sethi
Company Secretary & Compliance Officer

Encl: As above



KRITI INDUSTRIES (INDIA) LTD.

**Kriti Industries (India) Limited
Q3FY24 Earnings Conference Call**

Event Date / Time: 29/01/2024, 14:30 Hrs.
Event Duration: 42 mins 22 secs

CORPORATE PARTICIPANTS:

Mr. Shiv Singh Mehta

Chairman and Managing Director

Mr. Rajesh Sisodia

Chief Financial Officer

Mr. Tushar Pendharkar

Ventura Securities Limited

Q&A PARTICIPANTS:

1. **Ankit Gupta** : Bamboo Capital
2. **Dhwanil Desai** : Turtle Capital
3. **Madhur Rathi** : Counter Cyclical Investment
4. **Raj** : Aarjav Partners
5. **Rahil Shah** : Crown Capital
6. **Aditya Sen** : Robo Capital
7. **Rahul Jain** : Credence Wealth
8. **Aasim Bharde** : DAM Capital Advisors
9. **Miraj Shah** : Arihant Capital

Moderator

Ladies and gentlemen, good day and welcome to the Kriti Industries (India) Limited Q3 and 9M FY24 Earnings Conference Call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touchstone phone. Please note that this conference is recorded. I would now like to hand the conference over to Tushar from Ventura Securities Limited. Thank you, and over to you Tushar.

Tushar Pendharkar

Thank you. Good day, ladies, and gentlemen, on behalf of Ventura Securities Limited, I welcome you all to Kriti Industries (India) Limited Q3 and 9MFY24 earnings conference call. The company is today represented by Mr. Shiv Singh Mehta, Chairman and Managing Director; and Mr. Rajesh Sisodia, Chief Financial Officer. I would now like to hand over the call to the Managing Director of the company, Mr. Shiv Singh Mehta, for his opening remarks. Thank you and over to you sir.

Shiv Singh Mehta

Thank you, Tushar. Good afternoon, everyone. Welcome to the earning conference call of Kriti Industries (India) Limited for the third quarter of the financial year 2024. I am happy to share performance of your company for Q3. During this quarter, Agriculture part was sluggish. It rained both in the months of November and December in our major areas and markets. However, company achieved significant improvement in volumes of building material as compared to Q3 2022-2023. Total volumes for Q3 were 21,478 metric ton against 22,537 metric tons of last year.

During 9th month of FY24, the company registered an overall growth of 32% and 24% in terms of volume and value respectively. On year on basis with total sales volume of 58,101 metric ton against the sales volume of 44,064 metric ton. Sales volume from Agriculture segment grew by more than 17%, and Industrial Solutions grew by more than 2% and Building Products grew more than 75% YoY. I'll now hand over the call to our CFO, Mr. Rajesh Sisodia to give you financial highlights.

Rajesh Sisodia

Thank you very much sir. Good afternoon, everyone. Let me take you through the financial performance of our company on a consolidated basis. The Q3 of FY24, revenue is around INR 243 crores which indicates 62% growth on a QoQ basis. However, the Agriculture business achieved a sales of INR 174 crores as against INR 189 crores on YoY basis for this quarter. EBITDA of your company stood at about INR 18 crores with an EBITDA margin of 7.37% which grew 335 basis points on YoY basis.

Net profit was reported at INR 8 crores, which grew by 74% on YoY basis. In Q3 2024, the PAT margin stood at 3.29%. The revenue for the 9 months ended FY24 is around INR 672 crores which grew 23% YoY basis. EBITDA is INR 46 crores with an EBITDA margin of 6.79%, and net profit was around INR 18 crores. The PAT margin stood at 2.72%. Regarding the segment wise revenue, for 9 months FY2324, Agriculture, Industrial Solutions and Building Products contributed 66%, 23% and 11% respectively. Thank you. I would like to open the floor for questions if any.

Q&A

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. First question comes from Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta

Thanks for the opportunity, and congratulations for a decent set of numbers. Sir, on the margin side, in Q3 we have seen some volatility in the PVC prices, and the PVC prices had continued their downward trend. So, were there any inventory losses which were there in Q3? And if yes, how much were this?

Shiv Singh Mehta

See, I would not try to quantify inventory losses because you would see that generally in a market the prices have been changing within a small band and particularly in first two months they were declining. Thereafter they have stabilized. So generally, I would say that, yes, there could be a slight impact of the inventory valuation but not very significant.

Ankit Gupta

Sure. And how is the demand on the Agri side? Because last year was a very high base, we have seen a slight decline in our volumes. So, how is the demand on the Agri side shaping up? How was it in last quarter? How is it shaping up for Q4 and Q1, which will be our biggest quarter for Agriculture?

Shiv Singh Mehta

Agriculture demand for the Q3 was little subdued. There were rains in our major markets both in the month of November and December. But still we have not been very far off from the last year numbers. So, it shows there is an undercurrent which should be able to take our sales numbers on better numbers going forward. Now, how quickly they return, maybe a month here or there, but we are hopeful that there should be a positive growth.

Ankit Gupta

Sir, one thing we wanted to understand is despite significant correction in the PVC prices, and in last two-three years the demand has been pretty subdued. So, despite such significant correction in the PVC prices, why has the Agri demand not picked up?

Shiv Singh Mehta

We are still hopeful, because if you'll see the first two quarters and even up to month of October, we have seen robust demand growth. But thereafter, during these two months when the rains were throughout our areas of interest, they might have impacted. We are still observing market very closely and we are quite hopeful the demand should return because at these prices we expect customers should have interest in buying the product.

Ankit Gupta

Got it, sir. Any revival in demand in January till-date?

Shiv Singh Mehta

January has been better, yes, certainly.

Ankit Gupta

Okay. And my third question was on the Building Product side, we are seeing significant uptake in volumes in 9 months as well as Q3. So, do you expect that the current growth rate of around 50%, 60% or even doubling volumes is expected to continue in FY25 as well on the Building Product mix?

Shiv Singh Mehta

We'll appreciate that our base numbers are very small. So, on these numbers we should always expect a good growth going forward. We are hopeful, we should have better numbers going forward.

Ankit Gupta

And can you give us an update on distributors being appointed on the Building Product side, how is that development going on?

Shiv Singh Mehta

As I have been telling that we are not very keen to expand distribution. First, we want to consolidate and improve our network performance in the areas we are already active. We will certainly increase and add distributors going forward, but first we'll stabilize and then go forward with more aggression.

Ankit Gupta

Okay. Thank you. I've more questions, I'll come back in the queue.

Moderator

Thank you. Next question comes from Dhwani Desai from Turtle Capital. Please go ahead.

Dhwani Desai

Hi. Congratulations, sir, and congratulations for very good performance. Sir, my first question is, what we are hearing is that in some of the regions and geographies, the water levels are low compared to the historical averages. So, how do we see impact of that in our core markets and how do we see Q1 panning out for us, which is one of the largest part of product?

Shiv Singh Mehta

Can you repeat your question? Initially I couldn't get you clearly the first half question.

Dhwani Desai

Sir, what we are hearing from a lot of players in the segment is that the water levels are low in some of the regions. So, how does that impact the demand for our products in the markets that we operate in? Do we see any kind of impact of that, positive or negative, because of that?

Shiv Singh Mehta

So, certainly in some areas where there is a paucity of rains, we'll have some impact in terms of prospective demand. But certainly, the other areas should make up for that because there is adequate water and at this price level we are seeing a growth in demand.

Dhwanil Desai

Okay. Also, sir, very happy to see a very good scale up in the Building Product side. I think we have done INR 70 crores-odd in 9 months. So, we are on way to do around INR 100 crores this year. So, on the base of that INR 90 crore, INR 100 crore, do we expect to grow at 50%, 60% given the low base?

Shiv Singh Mehta

See, as I was replying to earlier question, on a small base as we have, it's always easier to grow, and we all have aspirations and readiness to maximize our efforts to increase sales. We certainly look forward to the coming year that the near 2024, 2025 with lot of optimism and positive growth.

Dhwanil Desai

Okay. And I think in the earlier call you had mentioned that because we are investing in Building Product side for the scale up team building, promotion, et cetera, there was some impact on margin on the overall company level basis. Now, as we scale up and if we go into FY25, do we see that normalizing and with increasing contribution from Building Products can we get to that double-digit margin number that we have been targeting for?

Shiv Singh Mehta

See, it is a scale up, we have continuous process and investment is also a regular requirement. So, we'll keep doing it. But yes, certainly the margin should improve as we go forward, because Building Products offer better margin than Agriculture. So, as the proportion changes we will see the impact on the margins and our expenses will also come down going forward after we have hit a minimum critical numbers.

Dhwanil Desai

Okay. And sir, I think you indicated and you've been very consistent in saying that we don't want to increase distributors, and we first want to capitalize on the lease that we have created currently. So, given that the number of distributors that we have on the Building Productside, do you see that we can do INR 200 crore-odd revenue only with those distributors even without having to appoint new distributors?

Shiv Singh Mehta

See, certainly if you see our market share has significant headroom to grow. So, we see very clearly a good possibility and we are quite assured that with the current distribution and some marginal changes here and there we can achieve these numbers.

Dhwanil Desai

Okay. And last question sir, I think we keep on asking this question almost every call. Any update on the new plant? How are you guys thinking about it? Any threshold numbers after which you will kind of be looking at making some decision on that? If you can talk a bit about that?

Shiv Singh Mehta

See, I have been maintaining that we would certainly like to go to different geographies, because logistics supply chain costs can be minimized and optimized if we have multilocation. But whilst we are developing markets, we are prioritizing our efforts in an area so that we consolidate our position. We'll certainly go for a multi-location once we are ready, both in terms of numbers and critical volumes from different areas.

Dhwanil Desai

Okay. Thank you, sir. That's it from my side. All the best.

Moderator

Thank you. Next question comes from Madhur Rathi from Counter Cyclical Investment. Please go ahead.

Madhur Rathi

Thank you for the opportunity, sir. When I look at our margins, they are comparatively lower to our competitor Jain Irrigation and what they have been guiding. Sir, so what is the reason, why our margins are significantly lower than them?

Shiv Singh Mehta

We are presently doing lot of focus on developing markets for building material, which is our focus area. So, this entails more expenditure to establish a new product and new line of business and new brand in the new areas of operation. So, it entails little more expenses than others. And as such agriculture offers lower margin as compared to building material. So, when our ratios of sales in building material and agriculture are towards what the industry generally offers, I mean have, our margins will certainly look up.

Madhur Rathi

What kind of margins can we expect in a steady state basis, when these developments and marketing expenses are enough for us to grow?

Shiv Singh Mehta

See, normally our expenses toward these efforts will be at least 3-4% more than the industry average. So, obviously that should reflect in our business performance once we are able to stabilize our numbers and apportion our expenses on a larger base.

Madhur Rathi

Okay. Sir, so when I look at our capacity in building products, we have done almost 5000 metric tons for this 9-months, and considering we have around 6,500-odd capacity. So, are our capacities fungible between different segments where we can use either some part of Agriculture or Industrial Solution machinery for the Building Product segment?

Shiv Singh Mehta

There are few products for which it is fungible, but for few it is not. So, there are few products which are fungible and we will do that. But there are certain products for which we need a specific requirement based on the product specific. So, that's where they are not fungible.

Madhur Rathi

Okay, sir. We'll need further CapEx on this side in building material so that our margin should improve going forward.

Shiv Singh Mehta

Yes, whilst we are hitting a critical volume we'll have to expand our range, we'll have to invest in new molds to increase our range. So then, at that time we'll need some CapEx. But that's a continuous process.

Madhur Rathi

Okay, sir. Can you quantify? Because we are doing 5,000 metric tons for this 9-months out of the 6,500 capacity. So, I think we'll be able to utilize almost more than 90% for this year.

Shiv Singh Mehta

See, as I said, some capacities particularly on PVC side is fungible. So that will be used as and when required, because in Agriculture you have trucks and peaks, and during trucks we have available spare capacity to be able to afford that for building material.

Madhur Rathi

Okay. Sir, you said that at a minimum threshold, we'll be able to do a double-digit margin when we'll use our capacity. So, what will be that threshold where we could do a double-digit margin?

Shiv Singh Mehta

It's a question, when you increase your sales and if you increase in the same vicinity or area of geography, then your per unit expenses come down and which would add to your bottom line. But this is where we will have to take a call whether we are limiting our area, we are expanding our area. But you will see a gradual increase in the margin, because as we grow in terms of top line as well as in our geographical spread, the sites will grow, but probably top line will grow faster and that would enable us to improve our margins. So, it's a journey. It's not any specific number, day or two or quarter, but it's a journey which we are going through. And you will see over little horizon of time. We'll see this continuously happening.

Madhur Rathi

Okay, just a final question. We had guided last quarter that we'll expect to grow 7-8% higher than the industry. So, are we planning to reduce our prices to gain this market share of other participants? Or if you could just highlight what are our thought processes?

Shiv Singh Mehta

We will always try to maintain our brand premium and pricing power the company enjoys in its major markets. So, we will not try to compromise on our margins, and we will try to maintain our brand positioning. So, it will be more of BDL efforts and ground level efforts that will help us to grow our sales.

Madhur Rathi

Okay. Sir, what is the minimum margin per ton that we expect before selling any of our products?

Shiv Singh Mehta

It's very difficult to define because it's such a large range of products, all products would have different level of margins.

Madhur Rathi

Okay. Thank you, sir. All the best.

Moderator

Thank you. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. Next question comes from Raj from Aarjav Partners. Please go ahead.

Raj

Hello. Am I audible?

Shiv Singh Mehta

Yes, you are audible, Raj.

Raj

Thank you for the opportunity. So, my question is, do you think FY25 could be a better year than FY24 looking at your sales and execution?

Shiv Singh Mehta

We are quite hopeful. Yes.

Raj

All right. Thank you so much.

Moderator

Thank you. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. We have a follow up question from Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta

Thanks for the follow up again. Sir, on the Industrial side, we have seen almost doubling of our revenues in 9-months of this financial year, and we have always maintained a stance of being conservative and being executing orders for the companies, for large companies with good payment cycles. So, how is this segment looking like for FY25? We must have got some indication from our customers or some advanced orders with them.

Shiv Singh Mehta

See, I've been always maintaining that on industrial supplies, we have been very cautious and careful. We are not going to increase our numbers because the market offers, because many a times these EPC contractors get into difficulty when payments from Government don't come through in time. So, you would see, in this quarter we haven't shown any growth, though in Q1, Q2, we had a growth, because we had not done much work last year, and this year we have consistently been doing that much of tonnage month-in month-out. So, we are still at the same level of operation of about 3,500, 4,000 tons, nothing more for a quarter.

Ankit Gupta

So, this is expected to continue for FY25 as well?

Shiv Singh Mehta

Yes. Yes, because we want to develop our retails business much more aggressively than institution where we always have challenges because of Government payments coming to the EPC contractors to whom we supply products.

Ankit Gupta

Thank you, sir. Thank you and wish you all the best.

Moderator

Thank you. Next question comes from Rahil Shah from Crown Capital. Please go ahead. I repeat, question comes from Rahil Shah from Crown Capital. Please go ahead.

Rahil Shah

Hello. Am I audible?

Shiv Singh Mehta

Yes, you are audible.

Rahil Shah

Hi, sir. Good afternoon. Can you please highlight and maybe outline certain strategies which you will be taking into the next year, which gives you confidence that you'll be posting better operational numbers than this year? What are the key things that will make sure the business is better?

Shiv Singh Mehta

We have been maintaining that for us, building products is with the focus as it has been during this year, because building material offer better margins and consistency of business throughout the year. So, we'll continue this effort. And you must have seen that our building material business is growing well during the year. So, we see that going forward that should help company to have better ability of maintaining profile.

Rahil Shah

But the other two segments will also keep growing as they have been hand-in-hand, as you keep more focus on Building Products?

Shiv Singh Mehta

Yes. Agriculture will go towards logical growth, because Agriculture, we have a distinct comfort of being a brand with a premium and market acceptance with a good market share. And there is a natural growth in Agriculture, because at these prices we foresee customers finding product more convenient to buy.

Rahil Shah

Okay. So, since you will be investing more on Building Products to grow that vertical. So, any certain CapEx number you have in mind which you'll definitely be spending?

Shiv Singh Mehta

Yes. Building Product as it grows beyond a critical number, we will have to expand our range and add new products to our portfolio. So, once we hit about another good number where we start clocking more than INR 15 crores, INR 20 crores a month, we will have to look for more investments.

Rahil Shah

Okay. And any aspirational target in terms of revenue, two-three years down the line you like to share?

Shiv Singh Mehta

It's better not to forecast. It is better to give you numbers at the end of each quarter. Because markets and efforts continue, but we are hopeful because industry is growing. So, we will grow with the industry and we'll try to better our rate of growth over and above industry growth rate.

Rahil Shah

Okay. So, you're very certain and positive that the market is very good and you'll be able to capture a good market share each and every year.

Shiv Singh Mehta

Yes, we are. Certainly. Thank you.

Rahil Shah

Perfect. Thank you and all the best.

Moderator

Thank you. Ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. Next question comes from Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen

Hi, thank you for the opportunity. Sir, coming back to the Building segment, you answered to the previous participant that it should give better margins than Agri. So, can you just let us know what will be the difference? Will it be able to cross double-digits initially or where should it be in FY25?

Shiv Singh Mehta

See, I have explained it in one of earlier earning calls that Building Material has a larger share of fittings as compared to Agri. And Building Material fittings offer a better advantage in terms of margins as compared to extruded products like pipes. So, Building Product, normally you will see any company who is fully focused on Building Product will have a better margin than Agriculture. So, as our building portfolio increases, certainly our ability to afford better margins will be reflected in our performance and working. Again, in Agriculture space you have two peaks and two troughs, and during peaks you are short of manufacturing capabilities and in troughs

you have excess capacity. And Building Product sells all the 12 months in a year. So, it will even out even the cyclical blips in the manufacturing space. So, this is all put together, better plant utilization, better margins, overall business should improve.

Aditya Sen

All right. Thank you.

Moderator

Thank you. Next question comes from Rahul Jain from Credence Wealth. Please go ahead.

Rahul Jain

Thanks for the opportunity, and congratulations on a good set of numbers sir. Just to understand, in one of the previous participant questions, you mentioned that from Building Products you expect that within the existing capacity that threshold would be around INR 15-20 crores, beyond which probably you will need some expansion. Is my understanding, right?

Shiv Singh Mehta

Yes. See, what happens that, when you cross a number, you also expand your range. Because if you have to offer the full basket, then you should have a full range in addition to some regular range, some specialized product as well. So that will all entail some investments which is quite required for creating a unique place in market or to be able to satisfy your major important customers.

Rahul Jain

Sir, I was trying to understand, basically with the distribution network which we have already built. You mentioned that first we need to penetrate those distribution network which we have built, number one. Number two, the existing capacity can give you somewhere around INR 15-20 crore sales per month. So, I'm assuming that for a top line of about INR 200 crores, 20 plus or minus, this existing distribution network which we have set up in last three-four years, and the capacity which we have, this is in place for getting a INR 200 crores of top line. Is my understanding right?

Shiv Singh Mehta

See, what happens, suppose if my sales are growing, on PVC side I have capacities which is fungible from Agri side. But sales in certain specific molds our requirements in certain areas is large where my capacity gets limited.

Because in a large range, if you are selling few products more aggressively, you have to build capacity for those products. So that is where if suppose on certain specific molds my requirement is high, I may have to go for investment, but this is a journey which we'll discover as we go on.

Rahul Jain

Sure. And sir, given in the current year, given the volumes of first 9-months or even if I take the last four quarters volume, we are somewhere nearing 70,000, 72,000 of volumes on the yearly basis. And typically, you mentioned, yes, when we look at the yearly capacity, it may not necessarily be the correct way of looking at our capacity, because during the months of the first quarter, our utilization of Agri is very high. So, if you could give us some sense at what kind of capacity utilization, what kind of overall production volumes, do you feel we may go for a larger amount of overall CapEx or a new plant? We are still not able to figure out at what kind of volumes do you feel that you will take that decision **[Hindi Patch]**

Shiv Singh Mehta

See, it is not that we will expand once in one go of everything. Every time we are reviewing that what is the extra needed. It's an incremental investment which keeps going on, some marginal here or there. But yes, as I've said, once we reach a critical mass in a particular geography, because we'll have to go multilocational over a period of time. At that point in time, we'll have to look at one consolidated investment which would be required to operationalize a new plant.

Rahul Jain

Sure. Sir, one observation from the volume numbers and the top line of Building Products specifically. In last four quarters our volumes have grown up from about 1200 to 1700 in the current quarter, and the revenue has practically remained the same on a quarterly basis. In fact, we have done exceedingly well on the Building Products on a 9 monthly basis for sure. But the realization, which was around 1,80,000 three-four quarters back, it went down to 1,50,000 for last two quarters, and in the current quarter it is down to 1,34,000. So, typically, is this 1,34,000, which has come down from 1,54,000, is it some amount of decrease of PVC prices, some amount of product mix changes? What is the correct way of looking at it?

Shiv Singh Mehta

Primarily it's a decrease in the raw material prices. It is not the product mix or anything. It's a decline in the raw material prices which are reflected in lower top line numbers in rupees, though the metric tons have grown.

Rahul Jain

So, from here on, can we expect this price is not too further? Because this average unit realization of Building Products in the last quarter, that is this current quarter which has ended December, it is down to 1,34,000. So, can we assume that this will be probably at the base or the lowest from here on, either it remains the same or it goes up only?

Shiv Singh Mehta

This is what is anticipated, because at these prices of internationally when we talk to most of the suppliers of raw material, they are quite uncomfortable at current prices. And in between the prices have gone up a little bit also. And with the kind of global uncertainties we are seeing and more importantly now with the disruption in the supplies or because of these problem with Hautis and this kind of movement of the ships. Let's see how things evolve. So, these prices look to be on a bottom side and going forward there is only headroom upward rather than downward.

Rahul Jain

Sure. Sir, last question from my side. With regards to the states, we have been always very strong on MP and Rajasthan in terms of our Agri, and then came Maharashtra. In last three-four years, we have been trying to penetrate other states on the south as well as on the north. So, given the kind of work which we have done below the line, interacting with the farmers, interacting with the dealers in the newer states. So, what kind of now network which we have built which gives you some amount of understanding, yes, now this next three states, because I'm sure MP and Rajasthan is matured enough now. So, to get the next level of growth on the Agri side, you will require, say a Maharashtra and maybe some other three-four states where we can have a sharp growth for next two-three years. So, how well we are placed in terms of that?

Shiv Singh Mehta

We are quite well placed. I have seen a positive growth in different states and the best part is the dealership morale is good, which is very important for development.

Rahul Jain

Sure. Thank you, sir. This is quite helpful and wish you all the best.

Shiv Singh Mehta

Thank you so much.

Moderator

Thank you. Next question comes from Aasim Bharde from DAM Capital Advisors. Please go ahead.

Aasim Bharde

Good afternoon. Can you just talk about how your volume performance has been for the 9-month period outside your key MP market? Nine-month FY24 versus FY23.

Shiv Singh Mehta

See, our markets and most of the markets have grown as per the growth we have shown overall. So, even MP or Rajasthan or Maharashtra have grown, including other states which are very small portion of our total sales have also shown growth. Though dealer wise it may have varied because in some areas it has not rained and some areas it rained. So, there will be shortage of water or excess of water that could be there. Overall state-wise, yes, there is a growth.

Aasim Bharde

But is the growth percentage number similar for MP and non-MP states all put together?

Shiv Singh Mehta

No. MP, you see, there is already where we are enjoying a market share. It is not very easy to grow the market share. You can marginally increase or little more than the average growth, but not really a major growth beyond what you have. So, we are seeing more growth coming from newer states.

Aasim Bharde

Okay, just to flip this question a bit. Of your about 58,000 metric ton volume that you've done in 9 months, how much would that have come from MP?

Shiv Singh Mehta

MP, I would not have exact number just in front of me here, but normally I think about 58-62% something in between should be MP, 57%, 58% to 60%. I don't have number exactly here.

Aasim Bharde

But approximately 60% would be from MP for 9 months. Would you have a corresponding rough percentage figure for last year? How much would that have come from MP?

Shiv Singh Mehta

I'll ask our people to get back to you, because I don't have it ready here. Okay?

Aasim Bharde

Okay, sure. No problem. Second question. I just was curious, everything beyond MP and Rajasthan you talked about certain other states where you want to grow. But is East India not a focus area for Kriti? There are quite a few players who have designs to grow their market share in the east and you already have, theoretically, you are close to that market. So, just want to weigh your thoughts on that.

Shiv Singh Mehta

No, we are not close to the east, we are quite far. The logistics are pretty exorbitantly expensive to manage. And presently, we have other markets where we should focus and develop them first before we plan and go to east. So, we are still focusing more on these markets where we feel that logistically we are well placed, and there is a scope to grow in those areas.

Aasim Bharde

Okay. I mean, I understand that you're not exactly close to the east. But I just thought, because in the other market that you're talking about there are entrenched large players already present, while in the east there's not that much from what I understand, except maybe the largest player. Okay, sure. Thank you very much.

Moderator

Thank you. Next question comes from Miraj Shah from Arihant Capital. Please go ahead.

Miraj Shah

Yes, thank you for the opportunity, sir. Just a couple of questions. I think you've answered this one, but I missed out on it. On the Building Product side, your 9-month volumes are 5,000 tons and your capacity is close to 6,500 tons. So, in case if there was more demand to be serviced, would it be possible to service it from any other capacity? Is it possible to fung the capacities? That's my first question.

Shiv Singh Mehta

The fungibility is possible in the area where agriculture pipes are made on PVC line and same can produce building materials products as well.

Miraj Shah

How much would be that capacity, sir, just in case, if you want to extend that?

Shiv Singh Mehta

I'll say we have adequate capacity, because in Agriculture we have adequate capacity in off seasons which can always produce requirements of building material. In season, we are short, but in off season we have adequate capacity which can be utilized.

Miraj Shah

Understood. Okay. And sir, what would be our maintenance CapEx annually?

Shiv Singh Mehta

Maintenance CapEx in terms of total rupee value?

Miraj Shah

Yes, sir.

Shiv Singh Mehta

I think I'll have to check, and we'll get back to you. I don't have it here exact numbers.

Miraj Shah

No worries. And as on December what would be our net debt?

Shiv Singh Mehta

Our total net debt will be about 180 to 100 including working capital.

Miraj Shah

Net debt. Okay. Thank you. That's it from my side. If you could just let me know the maintenance CapEx later.

Shiv Singh Mehta

Sure.

Miraj Shah

Thank you.

Moderator

Thank you. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad. I repeat, ladies and gentlemen, if you have any question, please press * and 1 on your telephone keypad. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad. There are no further questions. Now, I hand over the floor to management for closing comments.

Shiv Singh Mehta

Thank you for giving us time and taking this earnings call. We look forward to your support in the future as well.

Moderator

Thank you, members of the management. Ladies and gentlemen, on behalf of Ventura Securities, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.

Note:1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words.