Management Discussion

Ayushi Gupta - Investor Relations, MUFG Intime
Thank you. Good afternoon, ladies and gentlemen. I welcome you to Q2 and H1 FY '27 earnings conference call of Euro Pratik Sales Limited. Today on the call, we have with us Mr. Pratik Singhvi, Chairman and Managing Director; Mr. Kulmeet Saggu, COO; and Mr. Alpesh Sangoi, Finance Controller. Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the investor presentations and other filings that can be found on the company's website.

Without further ado, I would like to hand over the call to the management for t heir opening remarks, and then we can open the floor for Q&A. Thank you, and over to you, sir.

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Hello everyone, this is Pratik here. Good afternoon and a very warm welcome to everyone. I would like to take this opportunity to thank you all for joining us today, and I wish to extend my warm wishes to all our shareholders, investors, analysts, stakeholders for a happy, healthy, prosperous Diwali. I appreciate the opportunity to present an overview of the evolving interior decor landscape and introduce the strategic developments of Euro Pratik Sales Limited. Euro Pratik stands as a leading and, rapidly expanding enterprise within surface decorative sector.

Over the years, we have cemented our position as a pioneer of design innovation and fast fashion concepts f or the interior surfaces. Our market leadership in the organized decorative wall panel segment drives our growth. While we continue to strengthen our position in the industry, the quarter gone by witnessed a challenging operating environment marked by ongoing geopolitical uncertainties, volatility in the crude oil prices, elevated raw material cost and rising freight expenses.

These factors have contributed to higher input costs and supply chain disruptions, creating significant operating and margin pressures across the industry. Despite these external headwinds, Euro Pratik has maintained its growth momentum demonstrating the resilience of our business and the strength of our operating model, resulting in highest ever revenue quarterly, EBITDA, and profit in the history of the company. A key factor supporting our business resilience is our extensive distribution network, which spans across 195 Indian cities, supported by 208 distributors.

Through our flagship brands Euro Pratik and Glorio, we cater to the evolving preferences of consumers by offering premium, eco-friendly, durable, water-resistant antibacterial surface solutions specially designed for the upper middle class and luxury segments. Complementing this extensive market reach is our diversified product portfolio, which has over 30 specialized categories and more than 3,850 SKUs spanning decorative wall panels, premium laminates, interior films, and structural profiles. To support this wide product offering, we follow a resilient fixed asset light operating model, working with more than 45 contract manufacturers across India and key international markets including South Korea, China, US, Romania, Turkey, Indonesia, and Portugal.

This flexible manufacturing network enables us to maintain operational efficiency, ensure product variety, and respond quickly to evolving market trends. I will now request our COO, Mr. Kulmeet Saggu, to speak on our acquisition of Drashti Surfaces Private Limited.

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
Thank you, Pratik. Hello everybody, good afternoon. This is Kulmeet here. Let me brief you on an

acquisition strategy which has been guided by a simple objective: To build a stronger and more integrated decorative surface platform by adding complementary capabilities across geographies, products, distribution, and manufacturing. Taking the strategy forward, I am pleased to share that yesterday we announced the acquisition of 51% growth stake in Drashti Surfaces Private Limited for an investment of up to INR31.12 crores along with a loan commitment of up to INR20 crores.

To give you a brief overview of this company, Drashti Surfaces, it is a well-established manufacturer with premium decorative laminates and veneers with manufacturing facilities in Bhilad and Silvassa. The company has built a strong reputation from product innovation and quality. It is well recognized with pioneer specialized offerings such as synchronized laminates and relief paper laminates in India. In addition to its manufacturing expertise, Drashti has developed strong relationships with leading architects hospitality brands, developers, furniture manufacturers, and customers across international markets.

The acquisition is highly complementary to the capabilities we have built through our earlier acquisitions. While Uro Veneer World strengthens our presence in South India and Chawla Brothers expands our reach across North India, Drashti Surface adds a critical manufacturing dimension to our platform, along with specialized product expertise, institutional relationships, and export presence. Together, these businesses create a strong and integrated ecosystem. Combined with Euro Pratik's established brand, design and innovation, and pan-India distribution network, they enhance our product portfolio, deepen customer engagement, unlock cross-selling opportunities, and drive operational efficiencies.

With Uro Veneer World, Chawla Brothers, and now Drashti Surface, we are steadily building a more integrated decorative surface platform positioning Euro Pratik with sustainable long-term growth and value creation. As we move forward, we remain highly optimistic about the long-term prospects of the decorative surfaces interior decor industry. Increased premiumization for living and commercial spaces, rising urbanization, growing demand for design-led and sustainable solutions, and a continued shift towards organized brands are creating significant opportunities across the value chain.

Now we'll request financial controller Mr. Alpesh Sangoi to take you through the financial highlights of the quarter.

Alpesh Sangoi - Finance Controller, Euro Pratik Private Limited
Thank you, Kulmeet. Good afternoon, everyone. I will now take you through the financial performance for the quarter. Our revenue for Q2 FY '27 stood at INR 115.7 crores compared to INR96.6 crores in Q2 FY '26, registering a healthy year-on-year growth of 19.8%. Operating EBITDA increased to INR37.4 crores from INR31.7 crores in the corresponding quarter of the previous year. The EBITDA margin stood at 31.4%, EBITDA registering a strong year-on-year growth of 18%, supported by operating leverage. Profit after tax for the quarter was INR26.2 crores compared to INR22.8 crores in the same period last year, reflecting a year-on-year growth of 14.9%.

The PAT margin stood at 22%. Moving on to H1 FY '27 performance, revenue from operation reached INR[Indecipherable] crores against INR161.1 crores in the corresponding period last year, representing a year-on-year growth of 35.9%. EBITDA for H1 FY '27 stood at INR66.5 crores with an EBITDA margin of 29.6%. PAT for the first half came to INR46.2 crores while PAT margin stood at 20.6%. In our core business which is being driven by Euro Pratik and Glorio, e xcluding our acquired entities, we have achieved a gross margin of 44.8% in spite of material and freight cost pressure.

EBITDA margin stood at 36% and net profit margin stood at 26.5%. With this I conclude my remarks on financial performance. Thank you. We can now open the floor for questions and answers session.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session.

[Operator Instructions] Anyone who wishes to ask a question may press star and 1 on the touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Santosh Shetty from LGC Capital. Please go ahead.

Santosh Shetty - Analyst, LGC Capital
Thanks for the opportunity. Just a couple of questions. So working capital days have increased significantly over the past few years. So what structural changes are being implemented to improve the inventory turnover and receivables management?

Alpesh Sangoi - Finance Controller, Euro Pratik Private Limited
Santosh, thank you for the question. Actually, if you see in FY '26, the Uro Veneer World was being integrated on December 1, 2025. Hence, profit and loss for the four months was integrated. However, balance sheet as on 31st March 2026 was consolidated. And that has given the distorted picture of working capital.

Having said that, if we exclude that, our working capital remains in place in the same range, around 150 days plus or minus 10%, which is in line with the past few years.

Santosh Shetty - Analyst, LGC Capital
That's great. And just another question, what is the company's approach, towards the future acquisitions? Like will the focus remain on geographical expansion, strengthening the product portfolio, or forward integration?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Thank you for your question. I'm Pratik here. So there are few synergies, which we have worked on with the last acquisition.

The planning is, in today's world, we realize that we need to have some backup of manufacturing in India. which we did not have before, due to all the several factors, which is beyond our control. So we feel that going forward, there is a good opportunity of making goods in India. So, that is the plan. In terms of the forward integration, w e have already done a couple of acquisitions, so the third acquisition is mainly for like, making some products in India for catering our market.

Santosh Shetty - Analyst, LGC Capital
Perfect. That's all from my end. Thank you so much and all the best.

Operator
Thank you. The next question is from Soumya Raghuvanshi from Nirva Securities. Please go ahead.

Soumya Raghuvanshi - Analyst, Nirva Securities
Good afternoon, sir. Thank you so much for the opportunity. So decorative wall panels currently contribute 55.5% of Q2 FY '27 revenue, while laminates contribute 24%. Does management expect laminates and other product categories to contribute a larger share of revenue going forward?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Soumya, this composition would remain constant for even next year also in all our segments. We are putting equal efforts to grow the business. So 50% to 55% would be the broad range which will be contributed by the wall panels, and rest of the composition would be contributed by laminates. And now with Drashti, we will have significant contribution from the veneer. And all these products are part of a surface decorative industry, and the motive or the vision of the company is to provide a one-stop solution for surface decorative needs of the Indian customers. And we are building our business model in the same direction.

Soumya Raghuvanshi - Analyst, Nirva Securities
All right, so just a last question from my end. The company follows a fast fashion approach, I guess new designs and catalogs regularly. How does management assess the commercial success of new launches, and what percentage of new designs typically translate into meaningful revenue?

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
See, we have always been a company driven with innovation, and that has been our strength over the years, and the aggression continues to remain the same. If you ask us about the output of the result that we generate out of our innovations, then year- on- year, with our maturity, with our better understanding for the market, we have a better track record and better cycle. It has grown over the years compared to last 10 years what we have done. And we have a better insight or you can say better understanding how the market is growing and to what are the current trends in the market. And that's what we keep in mind when we do our innovations and, designs. And, did I get your question right, or is there anything more you want me to ask?

Soumya Raghuvanshi - Analyst, Nirva Securities
Yes correct, absolutely correct sir. Yeah,

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
I would like to add here something, like if you see, almost 75% of the sales, driven in the core business is of the products launched within 12 to 14 months, which we have launched. So that is what the innovation that we bring in drives the sales of the company.

Soumya Raghuvanshi - Analyst, Nirva Securities
Okay, all right sir that is really helpful. Thank you so much. All the very best.

Operator
Thank you.

[Operator Instructions] A reminder to all the participants, please press star 1 to ask any questions.

We have next question from Prashant Sanghavi from SME Universe. Please go ahead.

Prashant Sanghavi - Analyst, SME Universe
Yeah, good afternoon. You are getting my voice?

Operator
Yes.

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
Yes, we can hear.

Prashant Sanghavi - Analyst, SME Universe
Yeah, so with this acquisition of Drashti, what has been mentioned, so in terms of capacity, in terms of turnover, how much would it contribute at the peak level? And, how would it affect the margins? I'm sure because this is a manufacturing capacity, so the margins certainly will be improving. And, apart from Drashti, what are the other plans of acquisition in the near future?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Yeah, so, in terms of the capacity utilization, currently Drashti have 70% to 75% capacity utilization in the laminate plant, which they are achieving at present. In the veneer plant, they are achieving close to 45% to 50% capacity. So there is ample headroom for the growth in the present capacity. Having said that, in the Bhilad factory we have a surplus FSI close to 180,000 square feet which we can utilize for the further expansion if needed. And, these two products, the laminates and veneer, these are being added in the Euro Pratik.

Previously we were not into the paper laminates and the veneer. So this will give the added synergy to Drashti to pump these products into our distribution network. So it's a cross synergy on which we are working. Having said that, in future, a similar opportunity if arises and if it fits in the Euro Pratik's larger vision to provide the one-stop solution for the surface decorative, we will consider those type of opportunities as well.

Prashant Sanghavi - Analyst, SME Universe
So the core point I wanted to really understand is what is the peak level capacity in terms of value, currently which is installed? While you mentioned, yeah, you mentioned about the percentage utilization, capacity utilization, in terms of value terms, what is the peak level capacity and two , how is it adding to the margin? I mean to say, because, it wouldn't have added to the margin in the previous quarter, it will certainly be adding it in the forthcoming quarters. So, what will be the additional percentage margin that will improve with this capacity available at our disposal?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Okay, so at a peak level, if you convert the present capacity into INR terms, you can generate safely INR180 crores of turnover at a peak level capacity utilization, point number one. Second point, currently the margins are at 16% to 17% in at EBITDA level. Going forward, moment the capacity utilization increases, there would be a margin expansion as well in the present, scenario because spare capacity would be utilized, which will give us the headroom to more absorption of a fixed cost. So there would be a margin improvement in terms of the EBITDA as well as PAT level at Drashti's balance sheet.

Prashant Sanghavi - Analyst, SME Universe
Sorry, I just, I'm missing on one front. In the blended numbers of, the company as a whole, because the number that you are mentioning probably is the erstwhile number of Drashti. Correct me if I'm wrong.

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Yeah. Yes.

Prashant Sanghavi - Analyst, SME Universe
On the blended basis, at Euro Pratik Sales global level, how will it impact the margins? How far would it improve?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
So as I said earlier, in terms of the Euro Pratik and Glorio, we have core products wherein the margins levels are pretty high. In the acquired entities, of course, the margins are not comparable as what core business has. So 18% to 19% of the EBITDA margin at the acquired entity level and blended level, there would be a corresponding margin what we are achieving at present. Same margin would be continued at the blended level, which is around, say EBITDA level we would be achieving 37% at EBITDA level and at PAT level it would be a 25% to 26% .

Prashant Sanghavi - Analyst, SME Universe
Okay, sure, thank you.

Operator
Thank you. The next question is from Mr. Harsh from [Indecipherable] Group Offices. Please go ahead.

Harsh - Analyst
Hi, good afternoon. Can you hear me?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Yes, we can hear you.

Operator
Yes sir.

Harsh - Analyst
Yeah, my question is, wall panels are about half of Euro Pratik's revenue. Will this acquisition help Euro Pratik manufacture wall panels in the future?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
So wall panel is currently more than 50% of our revenue. Today we source them from our contract manufacturing partners across globe. Drashti does not make wall panels, and this transaction is about veneers and laminates. However, it lays an important groundwork for a future, further wall panel manufacturing base, as Drashti has surplus land and room to build a manufacturing facility in 180,000 square feet balance FSI, which is enough to expand. It has a working plan manufacturing team and workforce, with the experienced production team, and it has a location advantage.

We shall evaluate the wall panel manufacturing in stages in future. First, we integrate veneers and laminates and build our manufacturing capabilities. Then we will look at extending into the wall panels, where producing them ourselves gives us a clear edge on the cost, quality, as well as speed. Any such project of wall panel manufacturing will need its own evaluation of technology, capital cost, and other parameters which companies will consider in future.

Harsh - Analyst
Okay, thank you.

Operator
Thank you, sir. The next question is from Suhani Singh from Ross Capital. Please go ahead.

Suhani Sing - Analyst, Ross Capital
Hello?

Operator
Yes, you're audible.

Suhani Sing - Analyst, Ross Capital
Good afternoon sir. I have two questions. with company expanding its portfolio and distribution network, how does management see the growth trajectory shaping up for the next two to three years?

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
Can you just repeat the question once again?

Suhani Sing - Analyst, Ross Capital
Okay, so with the company expanding its product portfolio and distribution network, how does the management see the growth trajectory shaping up over the next two to three years?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Our intention is to grow at least, 25% to 30% CAGR in the next three years.

Suhani Sing - Analyst, Ross Capital
Okay. And so the EBITDA margin declined to 31.4%. in Q2 FY '27 from 32.5% in Q2 FY '26. So what were the key factors responsible for the moderation and should we expect margins to stabilize at current levels?

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
So, I would request you to go through the presentation which has been uploaded. There are two verticals in our business. One is the core business, others is the acquired entity. So the core business margins have remained steady at EBITDA as well as the PAT level. The acquired entities work at a lower margin, which in a way tops the margin in the consolidated business. But having said that, also there were a lot of challenges in terms of most of our products are made outside India. So in terms of the crude logistics, the costs have gone up, but still we have maintained the margins, profitability of the core business. And I guess once you see the presentation, you will have a fair idea about it.

Suhani Sing - Analyst, Ross Capital
Okay, I'll do that sir. Thank you. All the best .

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Thank you.

Operator
Thank you. The next question is from Rajiv Jain [Phonetic] from [Indecipherable] Investments.

Please go ahead.

Rajiv Jain - Analyst
Thank you for the opportunity, sir. So I will just ask a couple of questions. so firstly, do you see any opportunity to increase direct engagement with the end customers rather than relying predominantly on the distributors? Could you throw some light on that?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Yeah, so we are in a process, where we have a very active digital page, where we get a lot of inquiries from the end customers. Also, the last acquisition which we have done, they are mainly into projects. They are supplying to all the top builders in and around Mumbai like Lodha, Adani, Rustomjee, Godrej. So there we'll have a synergy where we can tap directly into the projects. Also, when we have the distribution network all across India, it gets sometimes, logistically challenging to directly cater to customers all across the country. So yeah, there are steps which are being taken to have a direct sales to our end customers. But on the whole, majority of the sales, comes in through our distributor network.

Rajiv Jain - Analyst
[Indecipherable]

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Our last acquisition U ro Veneer World was that particular step in the same directions where we acquired a stake in the retail outlet, which gives us the benefit in terms of the customer preferences, customer taste, and the direct feedback we get from the end user. And similar type of acquisitions cannot be ruled out even future which will give us the direct connect with the end user.

Rajiv Jain - Analyst
Understood, sir. A nd so secondly, with a reported almost 15.87% market share in organized decorative wall panels industry, what is your strategy to further strengthen your leadership position in this?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
So first of all, I wanted to clarify that 15.87% market share is based on the financials numbers of '23-'24. Post that, our market share have increased. I n the organized sectors, Euro Pratik and the Glorio brand are the preferred brand amongst the architects, interior designers, contractors, and end users. And we provide a one-stop solution with wide range of designs, which is more than 3,800 designs at a single stop and with a constant new innovation in the products as well as in designs. This itself gives us the edge over our competitors and ultimately it reflects in the increase in the market share.

Rajiv Jain - Analyst
Understood, sir. Thank you for clarifying my doubts and all the best for the future quarters.

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Thank you.

Operator
Thank you.

[Operator Instructions] Ladies and gentlemen, a reminder to all the participants, anyone who wishes to ask a question may press star and 1 on the touchtone telephone.

The next question is from Mr. Vivek Gupta from Star Investment. Please go ahead, sir.

Vivek Gupta - Analyst, Star Investment
Yeah, hi, am I audible?

Operator
Yes sir.

Vivek Gupta - Analyst, Star Investment
Yeah, so I just wanted to understand what is the expected timeline for the operational integration of Drashti Surface? And when can investors expect the acquisition to start contributing meaningfully to the consolidated revenues and also the profitability?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
So, the long-stop date in the agreement which has been executed between Euro Pratik and Drasthi is 90 days from the date of agreement. So we have executed yesterday on 5th of November. So according to the timeline, it's 90 days from the 5th of November. But, both the teams are working relentlessly on the deal, and we are expecting to close this particular transaction by end of 30th of November 2026.

Vivek Gupta - Analyst, Star Investment
Okay. Sir, like how do you evaluate the acquisition opportunities, particularly in terms of valuation, return expectations, and the integration risks?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
So acquisition strategy has multifold factors. In current situation, the synergy is the most important factor which is being considered. Here i n this case also, we wanted to expand our product portfolio. So Euro Pratik has gained in terms of the product portfolio expansion, number one. Number two, Drashti is strong in institutional and direct project sales where Euro Pratik wants to strengthen its position. So that's the second advantage from a Euro Pratik point of view. Third is the overseas market.

Drashti is very strong in terms of the overseas market, so this will strengthen Euro Pratik including its US and UAE subsidiary. From a Drashti point of view, they will get the direct network of more than 200 distributors on day one once it has been integrated to penetrate their products. The architects, interior designers who are our loyal partners with Euro Pratik, that will be the extended market for the Drashti. And third important point is that manufacturing base. Drashti was having a manufacturing base. So Euro Pratik wanted to have stability in terms of the freight and logistic cost and all that headwinds which currently due to geopolitical issues we have faced it. So that manufacturing expertise also over a period Euro Pratik will gain. So all these synergies are very, very important before identifying any target and getting engaged with him. Having said that, when it comes to the financials, we always look from an ROCE point of view return on capital employed. Whatever money we are paying, we should get the good return, around 18 % to 20% ROCE, what we expect from the target entity.

And that is being calculated or evaluated from both qualitative as well as quantitative numbers. And we would [Indecipherable] to say that in the last acquisitions what we made when we are tracking

the ROCE, we are getting that type of ROCE, from a Euro Pratik point of view.

Vivek Gupta - Analyst, Star Investment
Got it, sir. Sir currently we operate through more than 45 contractors, manufacturers across India and international markets. So, how do you, manage dependency on these manufacturers, particularly in terms of pricing, production capacity, and the supply continuity?

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
So yeah, these contract manufacturers, the top 20 contract manufacturers have been aligned with us for for more than a decade, and, we understand the sourcing part pretty well. having said that, if, if a product sales, crosses a certain threshold, we are not dependent on a single contract manufacturer. There would be two, three, four for the same, raw material. So that's how we have created these 45 contract manufacturers not being overly dependent on a single contract manufacturer.

Vivek Gupta - Analyst, Star Investment
Okay sir, got it. Thank you, sir. That was all from my side.

Operator
Thank you.

[Operator Instructions] Participants, to ask any question, you may press star and 1 on your touchtone telephone.

The next question is from Nimish Verma from Vexora Securities. Please go ahead.

Nimish Verma - Analyst, Vexora Securities
Good afternoon, sir. Am I audible?

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
Yes.

Operator
Yes sir.

Nimish Verma - Analyst, Vexora Securities
Sir, my first question would be cash and cash equivalents declined from INR116.4 crores in March '26 to INR8.4 crores in September '26, while total borrowing increased. With multiple acquisitions and proposed Drashti investment, how does the management plan to maintain a comfortable balance sheet without compromising financial flexibility?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
We have done all the acquisitions through the internal approvals. Yeah, you are correct. Previously in March '25, we were having healthy cash balances and, we were evaluating the opportunities for acquisitions, so that surplus cash was being maintained. In current year also, after the acquisition of Uro Veneer World and Chawla Brothers which was having a cash outflow of INR110 crore, t he company is in a comfortable cash flow position. Even cash flow, net cash from the operations on a monthly run rate basis, we currently enjoy a net cash surplus of INR7.5 crore on a monthly basis, which adds fuel for our growth expansions and inorganic acquisitions.

So company has always remained and tried to remain a net debt-free company, and comfortable

cash positions was always there. So all the acquisitions or any business expansions are being considered very, very diligently and conservatively from a cash flow point of view.

Nimish Verma - Analyst, Vexora Securities
Got it, sir. And my last question would be, will the acquisition of Drashti Surfaces help improve the company's margins by reducing dependence on third-party manufacturing?

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
I have answered this question previously, but I will, for the sake of clarity, I will repeat. Drashti is into the manufacturing of paper laminates and the veneer. Currently, these two products were not on the platform of Euro Pratik. So, these are the different products from what we are dealing into. These are the additional products. So, in the existing products, Drasthi will not be able to contribute in terms of the margin expansion with respect to wall panels is concerned.

But having said that, in future, considering the spare capacity what Drashti have, we might consider the wall panel manufacturing in-house within the Drashti premises, but that particular decision would be purely based on the technology and the cost-benefit analysis considering the future cost structure.

Nimish Verma - Analyst, Vexora Securities
Got it, sir. Thank you. Thank you for answering the questions and happy Diwali to all.

Kulmeet Saggu - Chief Operating Officer, Euro Pratik Sales Limited
Thank you.

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Thank you. Same to you.

Operator
Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Ms. Ayushi Gupta. Over to you, ma'am.

Ayushi Gupta - Investor Relations, MUFG Intime
I would like to thank the management for taking their time out for the conference call today and also thank all the participants. If you have any queries, please feel free to contact us. We are MUFG Intime India Private Limited, Investor Relations Advisors for Euro Pratik Sales Limited. Thank you so much.

Pratik Singhvi - Chairman and Managing Director, Euro Pratik Sales Limited
Thank you.

Operator
Thank you. On behalf of Euro Pratik Sales Limited, that concludes this conference. Thank you for joining us.

[Operator Instructions] And you may now disconnect your lines. Thank you.