



Date: 31<sup>st</sup> January, 2026

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai — 400 001  
Scrip Code: 531548

National Stock Exchange of India Ltd. (NSE)  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai — 400 051  
Symbol: SOMANYCERA

Dear Sir/Madam,

**Subject: Transcript of the Earnings call for Q3 of FY 2025-26 pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In reference to our earlier letters dated 19<sup>th</sup> January, 2026 & 28<sup>th</sup> January, 2026 and pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of the Earnings Conference Call held on Wednesday, 28<sup>th</sup> January, 2026 on the Financial Performance of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2025.

The above information may also be accessed on the website of the Company at [www.somanyceramics.com](http://www.somanyceramics.com).

This is for your information & records.

Thanking you,

Yours Faithfully,  
**For Somany Ceramics Limited**

**Anuj Kalia**  
**Company Secretary & Compliance Officer**  
**Membership. No.: A31850**

**Encl: as above**



**“Somany Ceramics Limited  
Q3 FY '26 Earnings Conference Call”  
January 28, 2026**



- MANAGEMENT:**
- MR. ABHISHEK SOMANY – MD & CEO,**
    - **SOMANY CERAMICS LTD**
  - MR. AMEYA SOMANY – DGM,**
    - **SOMANY CERAMICS LTD**
  - MR. SHRIVATSA SOMANY – HEAD BATHWARE,**
    - **SOMANY CERAMICS LTD**
  - MR. SAILESH RAJ KEDAWAT – CFO,**
    - **SOMANY CERAMICS LIMITED**
- MODERATOR:**
- MR. NAVIN AGRAWAL – HEAD, INSTITUTIONAL EQUITIES**
    - **SKP SECURITIES LIMITED**

**Moderator:** Good evening, ladies and gentlemen. Welcome to Somany Ceramics Limited's Q3 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the management's opening remarks. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Navin Agrawal, Head, Institutional Equities at SKP Securities Limited. Thank you, and over to you, sir.

**Navin Agrawal:** Good afternoon, ladies and gentlemen. It's my pleasure to welcome you on behalf of Somany Ceramics Limited and SKP Securities to this financial results conference call. We have with us Mr. Abhishek Somany, MD and CEO; Mr. Shrivatsa Somany, Head, Bathware; Mr. Ameya Somany, DGM; and Mr. Sailesh Raj Kedawat, CFO.

We'll have the opening remarks from Mr. Somany, followed by a Q&A session. Thank you, and over to you, Abhishekji.

**Abhishek Somany:** Thank you. Good evening, ladies and gentlemen. Welcome to the earnings call of Somany Ceramics for Q3. I'll take you through the broad highlights and then transfer the call to Mr. Sailesh Kedawat, our CFO, for the numbers.

So the domestic demand saw a gradual improvement in Q3 on account of reducing pressure from exports and also have seen some uptake of the tiles offtake from the building sector, where buildings are getting completed. So we've been talking about it.

So more and more material is going there, and we will keep seeing this increased offtake over the next whole year. We are hoping that the export would be close to INR19,000 crores, INR19,500 crores level which is approximately up by about 8% to 9% from last year, which is really helping a lot of the offtake from the Morbi industry.

For us, specifically, sales growth has been 6% in Q3. We would have expected it to be slightly better, but it's at 6% in Q3. Gross margins obviously improved as a result of that by 2.2% from last quarter. Capacity utilization decreased in Q3 Y-o-Y from 85% to 80%, but there's an increase of approximately 4% from 76% in -- on quarter-on-quarter. Gas price remained largely stable, and we are seeing the future of the gas pricing also going to be largely stable.

The JV loss is primarily on account of Somany Max due to lower capacity utilization is still continuing, although it is slightly lower. And the steps taken to get that in the control has been already augmented. We will see production coming in, in February and March. That itself would start showing some results in quarter 4. And like we had indicated in the last call, in the next year, this loss would be brought down very significantly or probably we completely turn around the plant.

Depreciation impact was approximately INR5 crores in Q3 compared to Q3 '25 on account of reduction of life of certain key assets. As far as advertising was concerned, we had been on track and our brand spend is at that 2.5% level. What you see on the report is at 2% because we have reduced the expenditure this quarter of Mr. Salman Khan, who is no longer associated with the

brand. That's been a reduction and certain expenses around him has been a reduction. Therefore, you see this. But otherwise, every other thing has been maintained, and this will remain at that 2.5% of sales.

Working capital marginally increased by 3 days as compared to 14 days as compared to FY '25 of 11 days. However, the receivable cycle has been slightly better. And the net dealer addition was approximately 170 in 9 months, taking the total to about 3,050 and the showroom count is up to 530 now. There is no change in our guidance. We remain with the same guidance of a decent single-digit growth for the year and EBITDA margin should improve by 1%, 1.5% in Q4 FY '26.

This is as far as the broad highlights are concerned. Specifics of these highlights will be taken by Mr. Sailesh Kedawat. So I'm passing the call on to Sailesh.

**Sailesh Kedawat:**

Thank you, Abhishekji. So this quarter, our sales grew by 6%. Consolidated sales was at INR677 crores. There was a 16% EBITDA growth from INR53 crores, it became INR62 crores. EBITDA as a percentage was 9.2%, so 80 bps improvement in EBITDA. Our PBT from INR19 crores grew to INR25 crores, so around a 28% improvement in PBT and PAT almost doubled from INR9 crores to INR18 crores.

As far as the vertical-wise breakup goes, we grew close to 12.5% last year. We grew close to around 35% in adhesive and waterproofing vertical. Tiles growth was 3.6%. Overall growth, which was around 6%. The tiles segment constitutes now around 83.5% of our overall business against 85.3% of our overall business.

The GVT segment continues to grow. There's a 4% improvement in GVT over last year from 38%, it becomes 42% now. The gas prices predominantly remain stable. Outlook also for the gas prices remain stable.

Our debt continues to reduce. Our total outside debt, which was INR288 crores at the beginning of the year, reduces to INR231 crores now. Of this, INR121 crores is the term loan and working capital is at INR95 crores. Predominantly, this is in 2 entities, Sudha and Max. The term loan of INR121 crores gets paid majority in next 3 years.

By '29, we'll pay majority of this debt. And on the Max front, the plant is getting stabilized. The losses, which was around INR7.5 crores in previous 2 quarters have reduced to INR6 crores on account of improvement in capacity utilization. Quarter 4, we should see these losses coming down substantially.

We are open for questions now.

**Moderator:**

The first question is from the line of Sneha Talreja from Nuvama.

**Sneha Talreja:**

Just a couple of questions from mine. Firstly, related to domestic demand. You have mentioned in your PPT that you are seeing signs of export demand improving and domestic oversupply easing. But can we actually see some light at the end of tunnel in the domestic market itself because the volume growth still seems to be on a muted side?

- Abhishek Somany:** Yes. There is a light at the end of the tunnel. We're seeing better walk-ins in the market recently and also spoken to many dealers. So there's been an improved walk-in. So there is clearly a light at the end of the tunnel.
- Sneha Talreja:** Sure. That was on the retail side. Can we also get some flavor on what's really happening with the projects market? How has the demand been for projects for you? Where do we stand now as a percentage of sales in projects?
- Abhishek Somany:** So retail still is a significant portion, and it will remain so, although the project is increasing, but projects don't increase overnight. It's a whole cycle of getting it approved in sample flats and then the material going in the projects over the next 2 years. So currently, our retail is approximately 77% -- 77%, 78%. And this probably in the next year would be -- you would be looking at about 75%, which means that the private project would go up and also the government would go up a little bit.
- Sneha Talreja:** Understood. Understood. And lastly, on the debt repayment cycle, could you repeat the number? And where would we see this number falling to in FY '27? Some guidance there would be helpful.
- Abhishek Somany:** Debt number right now and what would it fall to '27 and '28?
- Sailesh Kedawat:** The outside debt today is INR231 crores. What we pay in this year is around INR9 crores, and we pay around INR70 crores in FY '27 and '28. So, this number will come down to around INR50 crores at the end of FY '28.
- Sneha Talreja:** That's a simple. Thanks a lot team and all the very best.
- Sailesh Kedawat:** Sneha, the working capital remains there. There's a small amount of working capital which we utilize in our subsidiary. So that will remain. That's around INR100 crores to INR150 crores, ranging between the 2.
- Moderator:** The next question is from the line of Keshav Bijarathan Lahoti from HDFC Securities.
- Keshav B. Lahoti:** Sir, currently, how is your gas and propane mix right now?
- Abhishek Somany:** We're hardly using -- so it depends. In the North plant, we're using natural gas. There's 3 different kinds of gas which we get. And also, we're using a lot of biofuel. In the Morbi plant, we are using -- depending on which month propane is cheaper and which month gas is cheaper, they're both fungible.
- But currently, we are on -- I'm not sure actually, it's exactly the same price. I don't remember exactly whether we are on gas or propane. And in the South plant, we are completely on natural gas.
- Keshav B. Lahoti:** Understood. Got it. And if I remember correctly, earlier, we were sort of expecting Max to breakeven in FY '26. And now the revised guidance stands that Q4, there would be a substantial reduction in loss, and we possibly might have some losses in FY '27 also. So it looks like it's taking a lot more than what we anticipated to stabilize. And how...

**Abhishek Somany:** No. I think there is a miscommunication with you. We had mentioned that in FY '26, the losses would be in the same range. In FY '27, we had said that the losses from INR25 crores, INR26 crores will be down to below INR10 crores, and we continue with that guideline, and we will demonstrate that from a moving average in quarter 4 itself. So you would be able to extrapolate what that would be next year.

Obviously, quarter 1 is a poor figure. It's the lowest figure, but you would be able to see where we'll be. We are very, very confident of lowering these losses or turning around in FY '27.

**Keshav B. Lahoti:** Understood. Got it. One last question from my side. You were planning to take some sort of price hike. How is that shaping up?

**Abhishek Somany:** No, we had not really said any price hikes. We had said that we were control more on discounting. That is work in progress. As and when the market opens and becomes slightly better, we get a better reason to reduce the discounting and hence, increase the prices from that point of view. We are continuing to do that alongside value addition, which is happening.

This is as far as tile is concerned. Of course, in sanitaryware, we are taking a fairly substantial - not in sanitaryware, I'm sorry, Bath fittings, we are taking a very substantial price increase. That would be known on the 1st of February. I would not wish to talk about it right now, which would be largely in line with the industry leaders.

**Moderator:** The next question is from the line of Luv Gupta from Counter Cyclical Investments.

**Luv Gupta:** I'm seeing your gross margins have reduced from like 60% plus levels during the FY '17, '24 period to now...

**Moderator:** I'm sorry, Mr. Gupta, your audio is not clear. Can you please increase the volume a little bit?

**Luv Gupta:** Can you hear me now?

**Moderator:** Yes, sir. Please proceed.

**Luv Gupta:** So your gross margins during the FY '17 to 2024 period were upwards of 60% and have now gone down to like 50%, 55% despite introduction of like higher-margin products like GVT tiles, etcetera. So what could be the reason for this?

**Sailesh Kedawat:** Two things. One is when you calculate gross margins, you have to calculate taking power and fuel costs also. I think you're only calculating it on material cost. So that's one correction you have to do. What has happened from '17 to '25 is there's a substantial reduction, which has happened like-to-like if I do inflation adjustment, the prices of tiles have actually not gone up, but the cost actually come down.

It has come down. Whereas the cost of material has not come down, though companies are doing a lot of R&D. We have done a lot of R&D, and we have reduced cost of input material, but the reduction in cost is not in the same proportion as the prices of tiles which have come down. So you see a reflection of that in margin, and that ultimately gets reflected into the EBITDA

numbers also. What we are doing is we are on trajectory now wherein we have worked on our cost.

We are also working on the product mix, bringing more value addition. So, you'll see our EBITDA coming up. I think that's the correct metrics to see and not the gross margin. And when you are taking gross margin, please adjust it for power and fuel.

**Luv Gupta:** And also, ROCE for that period was upwards of 20%. So, this would be the same reason for like the declining ROCE numbers?

**Sailesh Kedawat:** Yes, of course, the absolute profit is down, ROC, ROE is going to come down. It's ultimately a function of profit and capital employed.

**Moderator:** The next question is from the line of Nilesh Sharma from Anantnath Skycon Private Limited.

**Nilesh Sharma:** And sir, can you please tell me when we can see the Max plant will be neutralized from the loss perspective?

**Abhishek Somany:** Can you please repeat?

**Sailesh Kedawat:** Max plant getting utilized.

**Abhishek Somany:** Sorry, could you please repeat?

**Nilesh Sharma:** Sir, when we can expect the Max plant loss can be neutralized and we can see at least breakeven point from that plant?

**Abhishek Somany:** Hopefully, 18 months from today, but we will be able to reduce the loss of INR26 crores, INR27 crores this year to less than INR10 crores for next year for sure. So that itself will add to EBITDA. And this is -- I'm talking which is something which is absolutely given. We would try to achieve better than that. And next year, '27, '28, this would be in a profit situation.

**Nilesh Sharma:** Okay. Sir, our EBITDA margin has slightly improved in Q3, which is more than 9%. So can we expect it is on a growth trajectory or we can also expect in Q4, double digit?

**Abhishek Somany:** Yes, I have mentioned in my opening remarks, we are expecting another 1%, 1.5% in Q4.

**Nilesh Sharma:** Okay, sir. And sir, any guidance on volume increment?

**Abhishek Somany:** So there is slight improvement as far as volume is concerned. I would not want to quantify it specifically, but there is slight improvement as far as volume is concerned. And you can see that in our capacity utilization.

**Moderator:** The next question is from the line of Rahul Agarwal from Ikigai Asset.

**Rahul Agarwal:** Sir, just 2 questions further on to the fuel mix side. You mentioned in North plant, you have natural gas and biofuel and Morbi you have propane and gas. I believe there is some spike in

Henry Hub pricing purely because of the snowstorm and that should have some linkage with the natural gas which you are sourcing in the northern plants.

So just wanted to understand, does that impact -- doesn't impact the short-term, long-term contract? Second also is that Gujarat Gas, I think, cut pricing for gas for Morbi, I think, last month. So net-net, what is really happening on the fuel side in a bit more detail will really help. If you could just explain that.

**Abhishek Somany:** Sure. So we have 4 kinds of formulas in the North plant. Therefore, we are kind of insulated when the Henry Hub goes up. So we have Henry Hub. We have the RasGas pricing, which is linked to Brent -- sorry, linked to crude.

It's linked to crude, which is from the Qatar gas. We have JCC, and we have the HPHT gas. So GAIL has basketed all of that. So one going up, the other becomes cheaper. So therefore, we're kind of insulated as far as that is concerned.

So Henry Hub specifically spiking is really not mattering to us as we speak. This is as far as the Qatar plant is concerned. As far as the Gujarat plant is concerned, which is the -- our plants in Ahmedabad City and also Morbi, both put together. There has been a slight reduction in prices by INR1.5, but now propane and natural gas is kind of the same. So no major difference.

It went up by INR1, INR1.5. Now it's come down by INR1, INR1.5. So the total difference is approximately INR3 from a swing point of view from INR0.75 to INR2. So no major, major difference.

**Rahul Agarwal:** So let's say, third quarter '26, what was the average fuel price for Somany overall for own manufacturing?

**Abhishek Somany:** INR44. This does not -- this is only gas pricing. This does not include anything which we do on the biogas. So some of the industry people report it as a consolidated price where they mix up the biofuel and the natural gas pricing. What I'm giving you is only the gaseous fuel, which is our South plant, West plant and North plant, which we get from GAIL, GSPC and IOC.

**Rahul Agarwal:** Right. And this number, you're saying the swing factor was INR3 SCM, so we should see INR41 for the fourth quarter. Is that understanding correct?

**Abhishek Somany:** No. No, we should see approximately INR42.5, INR43 as a blend of all 3 locations because the other locations -- Gujarat going down, the other locations, if they go up, then it kind of compensate. So we should look at it about INR42 and INR43 and not INR41.

I'm saying there's no significant impact of gas. If you were only a Morbi player, then there was a difference of about INR3, INR3.5. But because we are a national player, and we get gas in the south and the north and the blended does not move that much.

**Rahul Agarwal:** Got it. Very clear. And secondly, you mentioned about price hikes happening on the bath fitting side. This is largely driven by the brass cost or is there anything else?

**Shrivatsa Somany:** Yes, Shrivatsa here. Yes, it's largely driven by the brass cost.



- Rahul Agarwal:** So what kind of inflation are we seeing on the brass side? I'm sorry, pardon me, I don't -- I didn't really follow that. But just in terms of ballpark, what is the inflation we are seeing on the brass side?
- Shrivatsa Somany:** Yes. So I mean, if I give you an idea, in April, we were buying brass at around INR570, INR580 per kg. Now we are doing INR780, INR770, so about 22%, 23%...
- Rahul Agarwal:** And this entire pass-through is what really happened since April. That's what you meant? Hello?
- Sailesh Kedawat:** Sorry, can you repeat? It was not clear.
- Shrivatsa Somany:** We have not passed through since the increase.
- Abhishek Somany:** Yes, because the increase has not been -- it's been a gradual increase since then. And there is a very large player in the industry, which -- without which the prices don't increase, and they have increased prices only 15 days ago, and therefore, everybody will follow suit.
- Moderator:** The next question is from the line of Ritesh Shah from Investec.
- Ritesh Shah:** A couple of questions. Sir, first is, how do we measure our distribution efficiency? Is our distribution strategy very different from the peers? And have we already resorted to bundling given we have new growth engines already in place? That's the first question, sir.
- Abhishek Somany:** No, bundling what? I'm sorry.
- Ritesh Shah:** Bundling, say, tile adhesives with tiles when we -- do we incentivize the channel to cross-sell or to sell together?
- Abhishek Somany:** Right. So, I think there's 2 parts to this question, how do we do the efficiency and the bundling. So, the efficiency part, obviously, it's a legacy company. We've been dealing with dealers and not distributors. So, it is different from various players.
- I don't know which players you would look at. But there are some people in the industry which have larger distributors, which means that, let's say, they have more dealers of a larger size. We have more number of dealers, but smaller in size. One could argue which is a better way. I personally believe that over time, time tested is that you have many more outlets, even though they are small because in case a proprietorship has to go down, you are well diversified.
- There are some other people in the industry which are newcomers. They are working with the principle of one dealer in one town. That has certain limitations. Once they grow beyond the size of that dealer, then they will have to make more dealers, which means the specific dealer which was enjoying a lot of the margins would go down and then they would be in the same boat as us.
- So our principle and our efficiency, how we measure this is how many net additions we've made to our Platinum Club, which is an x number of crores and above, how many net additions we have made to our Gold Club, which is slightly lower than the Platinum Club and there is another club which is lower than the Gold Club.

So how many additions which we made, that is one matrix. And what is our total sale from these 3 club dealers as part of our total and how we are increasing that. The second metric, which we do, the efficiency is when we add a dealer, for example, if we add 100 dealers, what -- in the entire year, I'm only giving an example now.

If we add 100 dealers in a particular year, what is my sales contribution from those new 100 dealers and how do we see those new 100 dealers going forward in the next year. The third matrix is that how we are seeing our exclusive dealers as to how many of them are growing and at what pace they are growing.

The other matrix is, of course, to basically see the -- some dealers which cease to be our dealers as to why they cease to be our dealers. So these are the 4 metrics which we use on a continuous basis to see how we are moving in the past. This is the first question.

The second question is bundling. Yes, we completely try to bundle as much as possible. However, as far as sanitaryware is concerned, all the other brands in India are also legacy brands, the top 3 brands of India and the other 2 foreign brands of India, which has been -- which have been -- who are in India, which have been around for the last 25, 30 and the other legacy brands have been there for 60 and 70 years.

They have the same relations with the dealers, which means that it is that much more difficult for me to get that sanitaryware counter. Right now, our growth has happened where approximately 25% of our tile counters are bathware counters.

But now that we've grown very large in bathware and formed our relations and proven to the market that we are excellent in quality and excellent in product, it is becoming easier for us to bundle this going forward with our tile dealers. The same is the case with adhesives.

Again, in adhesives, it is becoming more and more easier for us to bundle this with our tile dealers. So yes, our endeavor is to bundle as much as possible and milk the same counter as much as possible. I hope I'm able to answer the questions.

**Ritesh Shah:**

Yes, Sir, just a clarification on the first part of the answer. Are there any variables beyond the spread of dealers or something like turnaround time or say, basically, does the material directly go from the factory to the dealer? Or do we have depots on a pan-India basis? And is that business model consistent with other players? Or is it any different?

**Abhishek Somany:**

Yes, kind of consistent with the other players. It goes from factory directly to dealer. There are some depots. We used to have -- pre-GST, we used to have 19 depots and now we have how many about 4. We have 4 depots and that are also of very small sizes.

What we are keeping in this depot is a high-value product, where we can afford the depot. That is how it is. So from 19 depots, we are down to 4 depots. And I don't think this is really going anywhere. It's going to remain there. Maybe another depot will come up somewhere where we want to keep more value-added product, but that's it. So yes, it goes largely from factory to dealer.

- Ritesh Shah:** Perfect. This is helpful. Sir, second question, you did touch upon discounts, and you indicated that probably we will revisit it in the next few months. But sir, what do we make of competitive intensity in the marketplace? And there is a specific player called Infra.Market. I think they have tied up a lot of capacity in Morbi. How do you see that influence in the local market? Has it made any difference to us?
- Abhishek Somany:** No, not at all. We don't see them in the market. We haven't seen any competition from that. I can take that offline. I have my views on that, which may not be right to say on an open call.
- Moderator:** The next question is from the line of Nilesh Sharma from Anantnath Skycon Private Limited.
- Nilesh Sharma:** Sir, does the EU India FDA structurally improve the realization for Morbi exporter or it will be largely from volume-led opportunity? And how this deal eventually impact Somany Ceramics?
- Abhishek Somany:** So first of all, the EU deal will take more than a year to come to light. Let's see what happens. It's too early. It's just an announcement. Nothing really known on that. But I think the volume which has grown up -- grown in Morbi from INR16,500 crores to INR1,000 crores to about INR19,000 crores, INR19,500 crores this year of export. That is clearly benefiting the Morbi industry.
- Secondly, I think what will benefit more and is likely to happen faster than the EU deal is the Chinese apparently have reduced their VAT on tiles. I'm not sure whether it's 9% or 12%, but they have reduced or taken off the VAT, which means that they have become that much more expensive.
- So now the companies there have 2 choices, either to absorb that cost or then partially absorb the cost and pass it to the consumer. Any which way India will become slightly more competitive in the export market, wherever China was very significant. So that's something which we think will benefit the Indian industry.
- As far as Somany Ceramics is concerned, we don't export very much. It's only about 1.5% to 2% we export, and we think we will be at that figure only. So these strategic calls of EU, etcetera, doesn't really affect Somany Ceramics immediately.
- Nilesh Sharma:** Okay. My concern is just to understand if there Morbi export increase, then it will eventually better for us?
- Abhishek Somany:** Yes, of course, absolutely. Every time the export increases, it's better for the domestic industry and the domestic players because their offtake then happens in the export market. So you're absolutely right on that effect.
- Nilesh Sharma:** Okay. So, we can expect that China eventually reduce the price and so that export will be increased and that eventually impact Somany at positive front?
- Abhishek Somany:** China will increase the prices, not reduce the prices. They will increase the prices. Their VAT has gone. So, they've become 9% to 12% less competitive.
- Moderator:** The next question is from the line of Keshav Bijarathan Lahoti from HDFC Securities.

- Keshav B. Lahoti:** Sir, how much was the ad spend for this quarter versus last year? And what is the target for this year?
- Abhishek Somany:** Yes, sure. So if you remove the effect of the star, which we do not have associated with us anymore and the expenses around that, if we remove that because that happened in this quarter, then it's 2.5%. If we take that into account, then it's 2%. But this will catch up to 2.5%, and we will maintain an ad spend of 2.5%. That's where we are.
- Keshav B. Lahoti:** Sorry, I missed you. So you said it will be 2.5%. Before that, I missed what you said.
- Abhishek Somany:** What I said is that this year, this quarter, the effect of the superstar, which we had associated with us, that's no longer associated. So that money has been not paid out and the expenses around it has not been paid out. Therefore, you see a slightly lower ad expense. But other than that, it will catch up at 2.5%.
- Keshav B. Lahoti:** Understood. Got it. And one last question from my side. Depreciation has been inched up. So this will be the going forward run rate of INR28 crores per quarter?
- Sailesh Kedawat:** Yes, yes. This is going to be a run rate. It's going to be between INR26 crores, INR27 crores. That's going to be a stable run rate now unless and until we do some more significant additions. We adjusted life of some assets in quarter 4 of last year. That's where you see an increased depreciation number with corresponding quarter of previous year. So it's going to be a stable number.
- Moderator:** Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Somany for closing comments. Thank you, and over to you, sir.
- Abhishek Somany:** Yes. Thank you, everyone, for patiently listening. I think we are looking at better times. This quarter should be a good quarter on all accounts. A, we should be better in sales and also we should be able to reduce the losses of Max and very confident of increasing our EBITDA and in line with what we had discussed in our meeting and also in our calls -- previous calls and also this call.
- So, if this quarter goes well, it gives us that much more confidence for the next year where no investments are coming up. We will be better in capacity utilization. Loans will be paid down and also better on value addition and in our ASP. So overall, looking good after a long time. Very confident of that. Thank you so much and until we meet next time for the annual earnings call. Thank you.
- Moderator:** Thank you, members of the management. On behalf of SKP Securities Limited, that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines. Thank you.