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November 13, 2025

National Stock Exchange of India Limited
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BSE Limited
Corporate Relationship Department,
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Symbol: ELIN

Scrip Code: 543725

ISIN: INE050401020

Dear Sir/Ma'am,

Subject: Submission of Transcript of conference call held on November 10, 2025.

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call for the Q2 of the FY2025-26 held on Monday, November 10, 2025.

The above information is being uploaded on the website of the Company at www.elinindia.com.

We request you to take the above information on record.

Thanking You

Yours faithfully,

For Elin Electronics Limited

Lata Rani Pawa
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**Elin Electronics Limited
Q2FY26 Investor Call**

Event Date / Time: 10/11/2025, 16:00 Hrs.

Event Duration: 53 mins 02 secs

CORPORATE PARTICIPANTS:

Kamal Sethia

Managing Director

Sanjeev Sethia

Director

Praveen Tandon

Chief Executive Officer

Akash Sethia

Head of Strategy

Gulshan Singh

Sunidhi Securities

Q&A PARTICIPANTS DETAILS:

- | | | |
|---|-----------------------|---------------------------------|
| 1 | Kunal Mehta | : Sunidhi Securiites |
| 2 | Ananya Nichani | : Thinqwise |
| 3 | Samarth Ashok | : Janak Merchant Securities |
| 4 | Chirag Shah | : Whitepine Investment Managers |

Moderator:

Good evening, ladies and gentlemen. I am Karthikeyan moderator for the conference call. Welcome to Elin Electronics Limited Q2 FY '26 Investor Call. Today, we have with us from the management, Mr. Kamal Sethia Managing Director, Mr. Sanjeev Sethia, Director, Mr. Praveen Tandon, Chief Executive Officer, and Mr. Akash Sethia, Head of Strategy. As a reminder, all participants will be in 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 * then 0 on your touch tone phone. Please note this conference is recorded. I would now like to hand over the floor to Gulshan Singh from Sunidhi Securities. Thank you and over to you, sir.

Gulshan Singh:

Thank you, sir. Good afternoon and very warm welcome to everyone. On behalf of Sunidhi Securities, I welcome you all to Elin Electronics Limited Q2 H1 FY26 Earning Conference Call. afternoon, and very warm welcome to everyone.

Today, we have with us some management represented by Mr. Kamal Sethia, Managing Director, Mr. Sanjeev Sethia, Director, Mr. Praveen Tandon, Chief Executive Officer, and Mr. Akash Sethia, Head of Strategy. We thank Elin Electronics for giving us the opportunity to host the call, and we would now like to hand over the floor to management for their opening remarks, and post which, we will open the floor for Q&A. Thanks and over to you, Sanjeev, sir, for your remarks.

Sanjeev Sethia:

Thank you very much, Gulshan. Good evening, ladies and gentlemen. This is Sanjeev Sethia. We have on call today our Managing Director, Kamal Sethia, our Strategy Head, Akash Sethia, and our CEO, Praveen Tandon. Thank you for joining our earnings call for the second quarter and first half of fiscal year March 2026. Coming to our overall performance for the quarter operating revenue for the quarter was at INR 375 crores against INR 305 crores in the same period last year, up 23% on a YoY basis. Our revenue growth was robust primarily because of strong growth in our appliance and fan business.

This can be attributed to new product launches and customer acquisition, as well as an earlier Diwali this year compared to last year, due to which some sales were advanced to Q2 this year versus Q3 last year. Consolidated EBITDA for the quarter was INR 20.4 crores against INR 11.3 crores in the same period last year, representing a strong growth of 80%. This has been driven by robust revenue growth, higher efficiencies in operations, and overall benefits of operating leverage. Two anomalies in the current quarter, power cost was elevated due to unseasonal rain, which led to both higher diesel consumption due to load shedding, and lower than expected solar power generation.

Further, we also incurred high amount of international air freight to accommodate increased demand from some of our customers. Consolidated PAT for the quarter was INR 10.3 crores against INR 4.8 crores in the same period last year. Our liquidity position remains strong with net cash of INR 94 crores as at September 2025. Our working capital position is at net 53 days, driven by a strong improvement

in payable days. Our absolute amount of working capital has declined YoY even though sales have seen a strong increase. Our CapEx spend in H1 FY 26 was at INR 14.5 crores.

Cash flow from operations in H1 FY26 has come in at INR 36 crores versus INR 28 crores in the previous year. As stated in our earlier calls, the aspiration is to be a one stop shop for all high-volume home appliances and durable needs of OEMs and our customers. This includes our existing business, lighting, sands, small appliances and our planned new business, medium appliances such as air coolers, chimneys, oven, toaster, grillers, etcetera. We will continue to look for such products to add in our portfolio over the next several quarters. Now I would like to share with you the performance and the strategy in each of our business verticals.

In Lighting, Sands and Switch segment, the revenue for the quarter was INR 72.4 crores against INR 66.6 crores in the same quarter last year. This was primarily driven by strong increase in revenue from fans, which was partially offset by a marginal decrease in revenue from lighting. LED lighting, excluding flashlights, declined from INR 50 crores last quarter to INR 47.4 crores in the current quarter. As mentioned earlier on our call, this was largely led by volume decline from Signify, which was largely offset by gains from new customers. The revenue run rate on a quarter-to-quarter basis is on an improving trajectory.

As on date, we are serving four new customers in Lighting in addition to Signify. We expect to further add one or two more customers. We are reasonably confident that our exit revenue run rate of Q4 FY 26 will be higher than last year's overall average, which gives us confidence and comfort on the outlook of our Lighting business overall. Moving to our fan business we have seen strong growth of almost 100% in our fan business on a YoY basis. This has primarily been driven by our BLDC ceiling fan business. We are also working on diversifying our customer base and adding new customers. We expect this strong growth momentum to continue in Q3 and Q4 as well.

Moving on to the Home Appliance segment. Revenue growth was robust and increased from INR 83 crore last year to INR 140 crore this quarter. Kitchen and Home Care revenue increased by 98% on a YoY basis. This was on the back of new product launches, particularly OFR as well as earlier Bhiwadi this year versus last year. Personal Care segment was up 27% YoY basis with good growth seen across categories. Future growth is going to be driven by this segment and our strong focus on also growing ODM share of the business. While still nascent, we expect ODM growth strongly over the next several quarters. A quick update about the medium appliance category. While these will be built out of our Bhiwadi facility, which will start off next fiscal, we have already initiated discussions with customers for this. We had shared our optimism in our last call about our relatively nascent export business.

We remain in exploratory talk with a few OEMs to supply from India and export to the USA. The discussions are temporarily on hold given the uncertainty around the tariff situation. We are hopeful of a positive outcome once the tariff situation normalizes. Further, the government push for Make in India and disincentivizing import via BIS and QCO makes us further optimistic on our business going forward. Moving on to the FHP Motors segment. Revenue was stable at INR 74 crores in the quarter. Please note this segment reflects only third-party sales. Therefore, while segment sales appear flat, underlying growth is strong given that there is captive consumption of motor for the Appliance business. In terms of pipeline of new products to be launched, we will be launching cooler motors and

VLDC chimney motors by next year for both third party sales and captive consumption towards manufacturing the finished product.

Now I would like to set our guidance. We had started off the year with a revenue guidance of INR 13.50 crores, representing a growth of 15% over FY 25. As on completion of H1 FY 26, we are at INR 6.70 crores, which is 50% of the guidance, so we are exactly on track. However, our guidance included revenues from export to tie USA, which has been nil since August 2025 due to the tariff situation. Given that there is possibility of this situation continuing for the next few months, revenue for the year may be impacted by up to 3% approximately. You will appreciate that this is beyond our control. If the situation is resolved soon, we are hopeful of adding a few more explored projects over the course of next four to six quarters. EBITDA for the year was forecast at 6% to 6.5% margin.

As on completion of H1 FY 26, we are at 5.7% margin. Adjusted for the one off, we would be at 5.9% for the H1 FY 26. Further, please note that the margin on export is higher than domestic sales. Therefore, EBITDA margin could also be impacted and come in at about 5.5- 6% for full year FY 26. CapEx for the year will be INR. 100 to INR. 110 crores, split at INR. 60 to 65 crores for Phase one of the new plant at Rewari and INR. 35 Crores to 40 crores for growth of the existing businesses and factories. Once the new facility is stabilized in few years from starting, this will also help us drive up the return on capital employed since cash sitting idle on our balance sheet has been a drag on the ROCE. A quick update on the Rewari factory. Total project cost is estimated at INR. 100 crores.

Construction has commenced in July 2025 and is progressing well. Given the current progress, we expect the plant to be ready and operational by March or April 2026. We expect revenues of around INR. 140 crores in FY 27 and INR. 250 crores in FY 28. Reiterating that as per current estimates, revenue potential of the plant is at around INR 500 to 600 crores. Further, we expect a steady state EBITDA of 7-7.5% for this plant. At these levels, our return on capital employed for the plants will be at around 20%. With this, we conclude our opening remarks. We can now open the floor for Q and A. Thank you so much.

Moderator

Ladies and gentlemen, to ask the question, please press * and 1 on your telephone keypad. We will wait for a moment while question queue assembles. Ladies and gentlemen, to ask the question, please press * and 1 on your telephone keypad. The first question comes from the line of Kunal Mehta from Sunidhi Securities. Please go ahead.

Kunal Mehta

Very good afternoon, sir, and congrats on a good set of results. My first question would be on the gross margin. Why has the gross margin declined from the last quarter are we, I mean, because in the last quarter, you mentioned that there were procurement side efficiencies brought in. So, in this quarter, again, the gross margin has fallen by about 4% over last quarter. Any update on that?

Akash Sethia

Sure. Thanks, Kunal. Look, gross margin is a function not only of efficiencies in terms of sourcing, but also a function of the sales mix. So if you look at our current quarter, especially the components business, the components business is approximately, if I am not wrong, 20% of the total turnover, whereas in Q1, it was close to 24%, if I am not wrong. I could be off by a percentage point here. So that

is one of the key reasons. We have always mentioned that our components business is more profitable than our finished products business. So it's a function of the sales mix. This is subject to change QoQ so that is the key reason in terms of the variance in the gross margin.

Kunal Mehta

Just one question. We are the payable days improved, I think, four or five days. I mean, this is just something which I was thinking where can we maybe pay earlier and maybe get some discount on the, raw material if that is something that can be worked out that an option that we can consider to improve our margins?

Akash Sethia

Look theoretically speaking, that is always an option. However, one has to factor in the working capital impact that it has in terms of payment upfront but your point is well taken. We'll keep looking at various options in terms of what is best suited from all angles for the company and go ahead on that path. But I mean, to put it simply, your point is well taken we'll keep that under consideration.

Kunal Mehta

In the Personal Care segment, I think can you mention a few products that have seen an uptick in this quarter of you or is it across the whole basket?

Akash Sethia

It's by and large across the basket. So, the products that we manufacture, hair dryers, hair straighteners, trimmers, sterilizers, and heated hairbrush these are the five key products that we manufacture. The amongst the, you know, larger ones are hairdryers, hair straighteners, and trimmers and all three saw a reasonably strong, growth YoY.

Kunal Mehta

Okay and in the medical cartridges, I think since the last in this quarter, the last quarter and even Q4 there was about INR. 8 to 9 or 8 to 10 crores of revenue every quarter coming in. So have we found some customer who regularly requires the cartridges and can we expect this as a run rate going ahead?

Akash Sethia

Look, we currently have only one customer in this segment. That said, we were operating at pretty much full capacity, which was approximately INR 9 - 9.5 crores per quarter kind of number. Just about a couple of weeks back, we have just decided to expand capacity here because we are seeing that this business has become sticky and it's currently consistent. So we have expanded capacity. We ordered one full new machinery, which should expand capacity by approximately, 15 to 18% right that's what we are doing. But it will obviously take some time in terms of the whole project to come on stream right now, just the machine has been ordered. So it will take maybe one to 3 months for capacity to come on stream.

Kunal Mehta

Okay. I will get back in the queue.

Moderator

Thank you. The next question comes from the line of Ananya from Thinqwise. Please go ahead.

Ananya Nichani

Hi. Am I audible?

Akash Sethia

Yes, you are.

Ananya Nichani

Thanks for the opportunity. Fan I had one question. We've seen a strong growth. I wanted to ask if you're confident of this momentum sustaining and in the FHP division, because in H1, it's de-grown if we see fans pick up in the future, will the motor segment de-grow as more of them are used in response that's my first question?

Akash Sethia

So just in terms of motor, I think it's not really de growing. It's just that we have a certain capacity for production of these motors. What is reported in terms of FHP motor sales, sales to third party, very honestly, that number is not so important for us as is the total utilization of the motor plant. So as long as adequate number of motors are being produced and they're utilized captively, we don't mind that because once you utilize that captively, there is a higher value add that you are capturing. So we are not perturbed by the fact that third party sales of motors are kind of flat lining because just in terms of the overall growth of motors, that is doing fine. What was the other part of your question I just lost that.

Ananya Nichani

Sustainability of growth in fan segment?

Akash Sethia

In the fan segment?

Ananya Nichani

Yes.

Kamal Sethia

We are fairly confident of growth in the fan segment. I'll just hand over to Sanjeev ji for his views. He looks at the fan space.

Sanjeev Sethia

Like Akash mentioned, fairly confident, and we already have pretty strong orders for this quarter as well as the next quarter. We will be adding customers also in the especially in the BLDC ceiling fan category. Recently, we participated in fan exhibition in Delhi NCR and we have fairly good queries there.

So I mean, quite bullish on the overall fan business, which includes ceiling fan, fresh air fans and table to desk wall fans.

Ananya Nichani

Okay. So how much is the utilization of your SHP plant that you just mentioned that that's what you track.

Sanjeev Sethia

Mean, you're talking of utilization of the SHP motors as a whole?

Ananya Nichani

No, you just mentioned that the total utilization is what you keep an eye on rather than sales to third party. So just in H1, how much is the utilization just the FHP division?

Sanjeev Sethia

Broadly speaking, it would be maybe in the 75 - 80% kind of mark. But that's a very high-level number. It could be because there are multiple product segments within FHP Motors. I'm just giving you a ballpark number. It could be different segment by segment and this is for the last 6- months. I mean H1 FY 26.

Ananya Nichani

Just one last question. How much is the power cost that you mentioned, the one-off power cost for this quarter?

Sanjeev Sethia

You're talking about the elevated, I think what we're doing now, that approximately would have been higher by approximately INR 50 lakh for the quarter.

Ananya Nichani

Okay. Thank you so much.

Moderator

Thank you. The next question comes from the line of Samarth Ashok from Janak Merchant Securities. Please go ahead.

Samarth Ashok

Sir, am I audible?

Sanjeev Sethia

Yes, sir, you are.

Samarth Ashok

So, like, the Philips Group, which is which you are the signify Philips, were Versuni and the Philips personal care used to be a large chunk of our overall sales. So, and we were trying for last 2, 3 years to diversify away from this. So, can you can you elaborate, how much we have been able to diversify in this and what is the ODM share presently?

Akash Sethia

Look, if I aggregate all three customers that you said, Signify, Philips, and Versuni, maybe about 3 to 5 years back, they would have contributed to not the 50%, maybe towards even touching maybe 55%, 56%. If you look at the number, maybe last year or in these 6 months, this number would be down to maybe about 43% approximately. And these are approximate numbers. It could be off by, you know, percentage points here or there.

Samarth Ashok

And the ODM share, sir?

Akash Sethia

ODM share, this I'm talking only for the appliances segment. This would be approximately in the range of 25 odd % right now.

Samarth Ashok

Okay. So I had a question. Like, you know, historically, has happened is our components and motors, that business has been more profitable and in appliances, we consume a lot of these components captively. So at what scale you need in our appliance so that you are able to get the complete benefits of the backward integration and which are the categories where you, like, in fan and mixer, which are these categories where you are able to maintain 2, 3 years down the line where you are able to get this full benefit of the backward integration that we have?

Akash Sethia

I don't think I understood your question. We are fully backward integrated, so those benefits are available today also. Maybe I misunderstood your question. Can you just elaborate?

Samarth Ashok

Like in appliances, which is more of an assembly business, like in a mixer, we have like 25% will be the plastic moulding and the steel component and 40% will be motor. So, do we need a certain scale in every appliance so that we'll be able to reach a 9 or 10% margin in our appliance category also like, at what scale we can reach that?

Akash Sethia

No, look, firstly, I don't think it is possible to do 10% EBITDA margin in appliances. It is very, very difficult. We have never really even spoken of these kinds of margins because at least at the scale that we operate at today, we do not think it is possible. What is possible is to maybe go to around 7 - 7.5% margins, which we've always mentioned is in terms of there is always the concept of a floor and a ceiling. You know, this is towards the higher end that, you know, you can assume margins should be at. I don't think 9 -10% are sustainable or achievable.

Samarth Ashok

We did post these numbers in September 22 quarter, so that's why?

Akash Sethia

So that might have been a one off, but in general, it's not sustainable.

Samarth Ashok

Okay. Thank you. That's all from my side.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on your telephone keypad. The next question from the line of Achuth Pabat, an individual investor. Please go ahead.

Achuth Pabat

Hello. Am I audible?

Moderator

Yes, you are audible, sir?

Achuth Pabat

Yes, so I just wanted to know what is the full year revenue guidance for FY26 and FY27 possible?

Akash Sethia

For FY26, the guidance was 15% growth, which in terms of a rupee number, works out to INR 1350 odd crores approximately. What we have just mentioned is that given the uncertainty around the tariff situation for export of products to the USA, that business has been stalled and had zero since August 25. Now, we don't know when that situation is going to resolve. Assuming that it continues for the next maybe 3-4 months, revenues could be impacted by approximately 3%. That's the number that we have shared. So instead of 1350, it could be possible that we are approximately 3, 3.5% or maybe 2.5% lower than the guided number.

Achuth Pabat

Can I know what is a major revenue and which product we are getting major revenue?

Akash Sethia

Sorry. Can you just repeat?

Achuth Pabat

I'm I just wanted to know from which product we are getting major revenue. Like, what is our product wise revenue breakup?

Akash Sethia

So for I mean, for that, you are welcome. I would encourage you to look at our earnings presentation. We spell that out pretty clearly in terms of segment as well as some of the key products. But the largest category, at least in this quarter, was the appliances category that was the largest fall for this quarter.

Achuth Pabat

Okay. Thank you so much.

Moderator

Thank you. The next question comes from the line of Sahil Doshi from Thinqwise. Please go ahead.

Sahil Doshi

Hi. Good afternoon, team. Just on the export bit, just wanted to check. You know, last year, our foreign exchange earnings were around INR. 4 crores. I assume this was the exports which we did last year. So what is the 3% reduction in guidance. So, we were expecting this to go to 30-40 crores for this year. What segment was this expected from

If you can share some colour here and also, it seems like the margin impact this year would be higher. So, what was the expectation here in making?

Akash Sethia

So, Sahil, one is obviously, just in terms of the export business, it was very nascent. It just started off last year. This was predominantly for fans. So we were making fresh air stroke exhaust fans that were fitted in recreational vehicles in the USA, that is the product category. So that business was, you know, growing quite well. It grew quite well in Q1 this year. And then pretty much since, you know, August, it has been kind of zero. So we don't know when this tariff situation is going to resolve itself so just in the interest of transparency, we've just mentioned that there could be up to a 3% impact in terms of revenue. This is I mean, not only this, but in general, exports are far more profitable in terms of margin than domestic sales. So the value addition or the EBITDA margins for a similar product in export versus a similar product in domestic, the margins are widely different. It's at least 4%, 5%, 6% higher in terms of value addition. So that's why the slight margin impact also.

Sahil Deshi

Understood and are we factoring any of this in our estimates for FY 27 also and can there be a risk to those guidance's as well?

Akash Sethia

For '27, again, this was factored. So when we mentioned little more specific guidance for 2026 and a broad guidance for 2027, we had assumed export numbers. In fact, we assumed as of today, we only had this one large project to be USA, but we also assumed one more coming in because like we mentioned, we were in talks with more than two, three people to localize, and we assumed at least one of them would come in. But as of now, all of that is, as you can imagine on hold. So we don't really know the impact. So I don't want to give you a number right now for 2027 until the situation, you know, kind of normalizes. Once it does, we will we will, of course, let you know.

Sahil Deshi

Second, just wanted to check on this one time when you said INR 50 crores in power. Is there anything on the F rate and the etc. And what is the reason for that as well?

Akash Sethia

This is approximately the aggregate on these two accounts is close to INR 1.1 crores. INR. 50 lakh was on account of power, like we mentioned, because of higher than anticipated rains. There was very frequent load shedding. So we had to run, especially a Ghaziabad plant for a fairly elongated period on diesel, on gen-set, right so that is one and two, as a parallel corollary, generation from solar power plant was also much lower than anticipated because of the range, because of the lack of radiation. So the aggregate impact of both of these is approximately INR 15 lakh that's point one. On the airfreight, it's about, again, close to INR 16 lakh. This is predominantly to accommodate there was some last moment demand increase from customers. So rather than, you know, let those orders go, one never wants to let a customer order go. So we decided to, you know, kind of take the hit in terms of air freighting, I mean, the material and then supplying it to our customer.

Sahil Deshi

This is not....

Akash Sethia

Air freight is not an export, it's domestic order. Sorry, your voice was just breaking, I couldn't hear you.

Sahil Deshi

Sorry, air freight was about domestic order, not an export order.

Akash Sethia

No, domestic order but imported material is what I mean, this is input of know material.

Sahil Deshi

Understood. Second, just wanted to, discuss more on the gross margin. So this I understand QoQ variations could come in. But as we go towards appliances, our share of appliances increases and our, say, motor sales stand alone reduces, the blended gross margins, what should be the band which we should be comfortable with because we've seen 28% in last quarter and 24% now. So broadly, how should we think about this?

Akash Sethia

Look, in terms of the full year number, QoQ variations are going to be there. In terms of the full year number, we've always said that you should look at anywhere between 74-76%. That's the sort of number that we always guide for. But that said, QoQ variations are a part and parcel of the business. It's just that seasonal nature of the business.

Sahil Deshi

No, what are is your stand alone?

Akash Sethia

The voice is breaking, sir, I'm not able to hear you.

Moderator

Sorry to interrupt, there is a voice is breaking, sir.

Sahil Deshi

Hello, is it better now, by any chance?

Moderator

Yes, its better now, sir. Please go ahead, sir.

Sahil Deshi

I was trying to say, as the appliances business ends up for us, don't you think, you know, the 25% kind of raw material range should be the new normal in that 25% was not the new normal?

Akash Sethia

So look if, I mean, appliances have a slightly lower gross margin, but then, the way to look at that is that they also have a slightly lower, employee cost. So then the way to look at that if one would assume that, say, in 2 years' time, once Rewari plant is, say, \$2.50 crore kind of top line, so one would expect some contraction in terms of gross margin at that point in time. But that would be more than adequately compensated by lower employee costs. Our employee costs, which, say, was approximately 14.5% last year, full year, which has come down to I think if I'm not wrong 13.5% for you know the first half of the year will continue to then trend downward such that the EBITDA margin is not only maintained, but probably rises to about 7, 7.5%. That's the way you should look at it. It's probably a trade-off between gross margins and employee cost, especially in terms of medium and large appliances.

Sahil Deshi

Understood and lastly on, cash flow, you've done a decent job in terms of, you know, working capital management. Is there a further room here and you had once called out forty-five days as a target. Is that possible in the current environment?

Akash Sethia

It is possible. I won't say it's not possible. It's a bit of a stretched target, more aspirational, but we are on the right track. So we're working very hard to get those, you know, days down to 45 Like we've mentioned, we would have hoped to do that by September or maximum December, but probably it might be delayed by a quarter or so. But rest assured, we are working very hard towards line item as well.

Sahil Deshi

Sure. Thank you so much, and best of luck to you, the team.

Akash Sethia

Thank you.

Moderator

Thank you. The next question comes from the line of Chirag Shah from Whitepine Investment Managers. Please go ahead.

Chirag Shah

Yes. Thanks for the opportunity. So one question only one question. So with respect to U. S, who would be a competing country in the where there is a threat of losing the business if the current situation continues?

Akash Sethia

Not audible. Can you just repeat your question?

Chirag Shah

Am I audible now?

Moderator

Yes, you are audible sir.

Chirag Shah

Okay. My question was, for the export to US, assuming the tariff issue is not resolved for the sake of assumption, which are the competing countries with our beneficial or advantage position and which can see a shift in business opportunity?

Akash Sethia

Well, look, this was all a shift of business from or largely from China to India as a, you know, China plus one strategy that a lot a lot of OEMs are looking at. Assuming this does not get involved in either a China continues or maybe, I mean, I don't know, maybe Vietnam or someone. I mean, I'm not a 100% sure about that, but my guess would then be that it would continue from China.

Chirag Shah

Okay. But China, it's largely China as a supplier. I thought some of the smaller countries would also be supplying or making this.

Akash Sethia

I mean, look. It's very hard to make a general statement. Since your question was a little bit generic, I've just made the general statement, but I'm not sure how it varies product to product, customer to customer. Very difficult to make a generic statement. But in general, yes, China is a well-known fact that they are the manufacturing giants of the world.

Chirag Shah

Okay. Great. Thank you.

Moderator

Thank you. Ladies and gentlemen, if you have a question, please press * and 1 on a telephone keypad. We have a follow-up question from Kunal Mehta from Sunidhi Securities. Please go ahead.

Kunal Mehta

Hello sir My question is on the Bhiwadi facility. How much capital has been deployed till now or tentatively?

Akash Sethia

So approximately, I think the number is 20 odd crores of capital advances have been made towards the end.

Kunal Mehta

And, in terms of product approvals, are we seeing any hiccups when it comes to, let's say, air coolers or, cooling products that we are planning to launch there because a lot of brands have given flat guidance for FY 2627 also doesn't seem that promising. So are we seeing any hiccups where brands or OEMs are maybe delaying the approvals or something for the products?

Mr Akash Sethia

Do if you look at the product profile which we planned for Bhiwadi, it will include the OFR heaters. It will include chimneys, ovens and air coolers. So these are the four products which are planned to be launched from the Bhiwadi plant. Two of these products, I mean, one oil fill heater, we are already making in our Ghaziabad plant, and there will be a shifting of locations.

So that business is kind of assured. I mean, it just gets shifted from Ghaziabad to Bhiwadi because it we have much more space, and then we are building up that factory also to take care of medium sized appliance. So not much of an issue in this product line. The second product line, which we are going to launch in Bhiwadi is going to be the kitchen chimney. Here, the strategy is that a similar infrastructure is already available.

So we will get the product approved basically from our Ghaziabad plant and full-fledged production will start from the Bhiwadi plant. We have more or less, we already have aligned two customers, which are marquee customers who will be taking this product. So we expect that by the time Bhiwadi plant comes online and is ready for production, we would already have these products approved from our Ghaziabad plant. So kind of expecting a seamless transition from Ghaziabad to Bhiwadi plant for these two products. And similarly, OTG also, the strategy is similar.

So three out of our four products would already be preapproved for production from our Ghaziabad plant, and then there will be the infrastructure and some of the tooling's will be shifted to Diwali for

actual commercial mass production. Now air coolers, you're correct. I mean in terms of this particular season for both air conditioners and coolers, there has been a little bit of a downer. It's been very flat. Currently, we are in the process of getting our design and product approved by the customer.

We are trying to get a buy in from the customer before we start investing. There is a little bit of a delay because the whole key cooler season has been delayed, but we are still quite hopeful that we have some sure customers on our hand. So the investments in the plant and machinery of the air cooler will be in line with, let's say, the customer approvals. So there might be a slight delay, but still quite hopeful that we are able to add some customers, and then we'll proceed accordingly. So three out of four products, which we will start in Bhiwadi will be preapproved and will be ready for production and the fourth one, air coolers, there, we are trying to first have a handshake with the customer where we have a little bit of a short order from them so that we can start launching the project. So I hope this answers your question.

Kunal Mehta

Yes, sir and one more follow-up question. I think the FHP Motors, sales, as someone pointed out earlier, has been, QoQ for fans, has seen a decline because most of it was used for captive. But, are we facing capacity constraints to supply to them in the market as well and are we planning to increase our capacity for the FHP motors in these coming years?

Sanjeev Sethia:

So a, from our existing range, we don't have a capacity issue as such. Some of it, like we mentioned, was diverted for in house consumption because the fan production went up. And secondly, if you know this was an unseasonably wet monsoon. So a lot of the TPW, especially table press and wall fan requirements were a bit flat. So we lost some market there, but we gained some market in chimneys.

But in general, for our product range, there is no capacity constraint as such. As far as expanding capacities, the new ranges which we are getting into, that's the cooler motors and the BLDC chimney motor, that's where we are expanding our capacity. And the third category, which we are working on is the washing machine motor. Currently, not much of manufacturing in this category is happening. We are trying to work out a strategy by which we can start washing machine motors manufacturing in India.

And as you know, a lot of all these motors will be covered under BIS in the come probably in the coming year by August or September. So there is potential that other categories will open up. We are studying those also. So washing machine motor, maybe the motor for aircon, the BLDC indoor and outdoor units, those two motors are under study. So that would maybe there are avenues where we could further expand our capacities for motor manufacturing.

Kunal Mehta

Okay, sir. Thank you so much. And just one question, what would be the tentative lag in impact that can be seen once BI has implemented in next August?

Sanjeev Sethia

Could you lag?

Kunal Mehta

So, by lag, I mean once the BIS is implemented, I think, I mean, the impact might not be immediate. So, the actual impact of shifting of, let us say, the manufacturers to, let us say, LNN from China or other manufacturers, how will that happen? Will it be like a 6 to 8-month period once it is implemented?

Akash Sethia

Like I said, we are also working on certain strategies of making, starting those motors here before BIS comes in. So, there are two things to it. A, of course, you know, earlier Chinese companies were also getting BIS certification for the products so that they could be supplied to the Indian market. But if you follow the trend and the way the government has moved around, you know, getting BIS certification for Chinese companies has become exceedingly difficult. If now we have to wait and watch out whether, you know, the government follows up with that kind of strategy or they open up and they are willing to give the BIS to the Chinese companies also. And, of course, in the case if enough infrastructure and capacities are not built up, then you can imagine there will be a lot of resistance also from the product manufacturers to that, you know, kind of slow down BIS. So, a little bit of wait and watch how it goes. But generally, people are building up capacities and we are also looking to, you know, build up capacities for motors which are currently being majorly imported with the hope that the BIS will open up the Indian market as well

As so far as lag is concerned, there will be some capacity buildup in India. And then as a precaution or as a secondary because any supply chain manager for dissolvent have a secondary line of supply so that they don't really run into issue in case the BIS is not granted to the Chinese companies. So I expect some local buying to add and capacities to be added in India and local buying to start in these categories very soon so that there are alternate sources of supplies. But total shift, it could take 3 to 6 months, know, or maybe a little more also for really capacities to come for total shifting. Could be a little more because currently, the quantity of exports in certain categories extremely high. I had like probably 90% of the local demand. So there will be a lag for sure, extent, maybe 6 months to a year or something like that.

Kunal Mehta

And, sir, in which category do you feel that, Elin can most benefit when we ask them implemented is it the fan or is it the kitchen and home appliances, like, in the start?

Sanjeev Sethia

In terms of, see, if you look at the fans, there's still there's a lot of local manufacturing happening. So according to me, this category is in case of in terms of motor, washing machine would be one with a fairly large market, which is totally more than 90% is imports. AC, IDU, ODU would be the other category where there's massive demand, but imports are very high. In appliances and small appliances, you know, there's a product by the small new key vendor kind of those products or, you know, motors which are used in nebulizers, etc, there you could see your local manufacturing adding up, picking up. But the big-ticket categories would be washing machine motors and, aircon motors in our product range.

Kunal Mehta

Okay, sir. Thank you so much.

Sanjeev Sethia

You're welcome.

Moderator

Thank you. Ladies and gentlemen, to ask a question, please press star and one on a telephone keypad. The next question comes from the Runit Kapoor from Invest IR Investments. Please go ahead.

Runit Kapoor

Hi. Thanks for the opportunity. So I want to know that a few of larger players are expanding into the smaller appliance segment since the demand has been low for the AC segment. So how do you see the competitive intensity coming across? And my second question is about does the company plan to move into larger appliances like, you spoke about washing machine motors. So do you plan to move on to washing machines in the near term?

Mr Akash Sethia

I'll just answer the first question. Look, you're somewhat right. Competitive intensity is reasonably high already. So to that point, even if a new customer is coming in, it is not easy to displace current supplier because there are multiple options available to a customer for the same. So anyone coming in has to really think deeply in terms of what the USP is for them to get a new customer onboard that's point one. Just in terms of your second question, I'll just hand over to Sanjeev ji.

Sanjeev Sethia

Yes. If you see the movement, we've embarked on from small appliances then to medium appliances and our general strategy is if in terms of appliances, if a motor is required, we first get into motor manufacturing, if maybe some of the appliances are one or other types of motors and generally get into the product itself. So once we complete these 3, 4 products, which we've spoken about in Bhiwadi and then there are a few more which are allied to it, I think the washing machine category or other larger appliances would probably be a natural progression for us.

Runit Kapoor

Okay, fine. Thank you that's it from us.

Sanjeev Sethia

Just to elaborate, let's say, if we start, like, not if when we start air cooler manufacturing, our moulding profile, which currently, in general, is up to 400, 450 tonnes of machine to cater to our products, will move up to, let's say, about a 1,200-tonne kind of moulding machine to take care of the air coolers. Then to add the washing machine category in our range would probably require one or two mould holding machines of similar or larger range, and then we will be able to take care of that. So idea

generally build up the infrastructure, which supports manufacturing of medium and larger appliances and then add those appliances as a natural progression of our growth story.

Runit Kapoor

So apart from washing machine, is there any other product category in large appliance that we're looking at?

Mr Akash Sethia

I think we've already identified four categories to start within. Other than that, we've mentioned about washing machines. No other category immediately that we can speak of. There are there are multiple products that are under evaluation, but we only speak about them once there is a reasonable amount of, you know, clarity.

Runit Kapoor

Okay. And if when the company starts washing machines, existing CapEx is enough for that or you'll have to again go undergo further CapEx?

Akash Sethia

No, of course, we'll have to. I mean, in terms of, look, in terms of space creation CAPEX, we probably won't need much. But in terms of, you know, tools, moulds, maybe some limited machinery, all of that will of course have to be incurred.

Runit Kapoor

No, I mean the existing manufacturing facility would be enough, right?

Akash Sethia

In terms of state, it's yes

Runit Kapoor

Okay. Thank you that's it from my side.

Moderator

Thank you, sir. As there are no further questions, I now hand over the floor to management for closing comments.

Kamal Sethia

Thank you very much. I'm Kamal Sethia. I thank you all for sparing time for this earning call, and we're working hard to scale up our operations in a very strategic way. And so I assure you, in time to come, we are going to deliver as per your expectation. Thank you so much for your time.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes the conference call for today. Thank you for your participation and for using Door Sabha's conference call services. You may disconnect your lines now. Thank you and have a pleasant day.

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