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**Date: - 08<sup>th</sup> August, 2025**

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| <b>BSE Limited</b><br>Dalal Street,<br>Phiroze Jeejeebhoy Towers,<br>Mumbai 400 001<br><b>Scrip Code: 543923</b> | <b>The National Stock Exchange of India Limited</b><br>Exchange Plaza, 5th Floor, Plot No. C/1,<br>G Block, Bandra-Kurla Complex,<br>Bandra (East), Mumbai 400 051.<br><b>Symbol: IKIO</b> |
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**Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of Q1FY26 Results Conference Call**

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Results Conference Call for Q1 FY26 held on Monday, 04<sup>th</sup> August, 2025 is attached.

The same is also being hosted on the Company's website at <https://ikiotech.com>

You are requested to take the same on record.

Thanking You,  
FOR IKIO Lighting Limited

SANDEEP  
KUMAR  
AGARWAL

Digitally signed by SANDEEP  
KUMAR AGARWAL  
Date: 2025.08.08 16:05:20  
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Sandeep Kumar Agarwal  
Company Secretary & Compliance Officer



**“IKIO TECHNOLOGIES LIMITED  
(Formerly known as IKIO Lighting Limited)**

**Q1 FY '26 Earnings Conference Call”**

**August 04, 2025**



**MANAGEMENT: MR. HARDEEP SINGH – CHAIRMAN AND MANAGING  
DIRECTOR – IKIO LIGHTING LIMITED  
MR. SANJEET SINGH – WHOLE TIME DIRECTOR,  
GROUP CHIEF EXECUTIVE OFFICER – IKIO LIGHTING  
LIMITED**

**MODERATOR: MR. SUYASH SAMANT – STELLAR IR ADVISORS**

**Moderator:** Ladies and gentlemen, good day, and welcome to the IKIO Technologies Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Suyash Samant from Stellar Investor Relations Advisors. Thank you, and over to you, sir.

**Suyash Samant:** Thank you. Good afternoon, everyone, and thank you for joining us today. We have with us today the Senior Management team of IKIO Technologies Limited, Mr. Hardeep Singh, Chairman and Managing Director; Mr. Sanjeet Singh, Whole-Time Director and CFO, who will represent IKIO Technologies Limited on the call.

The management will be sharing key updates and financial highlights for the quarter ended 2025, followed by a question-and-answer session. Please note, this call may contain forward-looking statements which are completely based upon the company's beliefs, opinions and expectations these statements are not a guarantee of the company's future performance and involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

I now hand over the conference to Mr. Hardeep Singh. Thank you, and over to you, sir.

**Hardeep Singh:** Yes. Thank you all for you for joining the Q1 FY '26 earnings call. Our presentation has been uploaded on stock exchange. I hope you have had a chance to look at it, at glance. In Q1 FY '26, continue to diversify our business mix without impacting overall revenue achieving a healthy 7% quarter-on-quarter growth to INR120 crores. This growth was primarily driven by strong performance in the Product Display, Energy Solutions and other segments, which collectively offset softness observed in the ODM home lighting business.

Our strategic transition from single customer ODM home lighting model to a broader diversified customer base across emerging verticals have been started yielding results. Revenues from other business segments grew 35% year-over-year and 10% on quarter-on-quarter to INR81 crores, now contributing 68% of the overall top line. As a result, our reliance on a single customer ODM Home Lighting segment has been significantly reduced from 52% in Q1 FY '25 to 32% in Q1 FY '26. This shift not only strengthened our revenue mix, but also positioned the company for long-term sustainable growth.

Additionally, I would like to highlight that we are expanding our customer base in the lighting segment by onboarding leading Indian and international brands as ODM supplier. We are also foraying into high-end lighting categories, including indoor, industrial, office and outdoor applications.

Now I will request Mr. Sanjeet Singh to provide his thoughts on the quarter and discuss the financials. Thank you very much.

**Sanjeet Singh:** Thank you. Allow me to take you through the key strategic initiatives undertaken during the quarter to drive growth, along with additional insights into the progress we have made. As previously mentioned, we have successfully entered the Gulf market through exports under our Product Display segment.

The region has shown encouraging traction with strong growth momentum and profitability achieved within the first year of operations. The RV business in the U.S.A. is gaining traction with other expansion initiatives in the region also progressing well.

Overall, revenue from outside India rose to INR30 crores marking a growth of 3% year-on-year and 84% quarter-on-quarter. Revenue from international markets contributed 25% in quarter 1 FY '26 underscoring steady progress in our global expansion strategy.

Now coming to our financial performance and the utilization of our IPO proceeds. As highlighted earlier by Hardeepji, our growth trajectory continued in quarter 1 FY '26 with revenue increasing by 7% quarter-on-quarter to INR120 crores. EBITDA for the quarter stood at INR11 crores, reflecting a robust quarter-on-quarter growth of 83%.

Profit after tax improved to INR2 crores in quarter 1 FY '26 compared to a loss of INR1 crore in quarter 4 FY '25. Additionally, cash PAT grew by 74% quarter-on-quarter to INR9 crores, further reinforcing the operational and financial momentum we are building. On the IPO proceeds, the repayment of debt was completed immediately after the IPO, Block 1 is now operational.

For Block 2, civil construction is nearing completion. We have now deployed around 75% of the IPO fund and are on course to complete the deploying of -- to complete deploying the rest within the time line we set for ourselves.

In summary, our expansion into new markets play a vital role in diversifying our revenue streams across both products and geographies. We remain optimistic about the long-term value and impact of our strategic initiatives.

With this, we conclude the company's presentation. I now request the moderator to kindly open the floor for questions.

**Moderator:** Thank you very much. The first question is from the line of Nilesh Sharma from Anantnath Skycon Private Limited. Please go ahead.

**Nilesh Sharma:** Sir, I want to ask regarding the margin, ODM margin, which are very significantly reducing quarter-on-quarter, as we were the player of 2-digit margin, 17%, 20%. Now we are struggling to maintain 10% margin. Can you please give the guidance when we can achieve a good margin and guidance for the next year in terms of top line and bottom line?

**Sanjeet Singh:** Thank you, Mr. Nilesh for putting up the question. So basically, when it comes to margins, if you look at this quarter or even the preceding quarters, most of the current factors in part impacting the margins are temporary in nature in the sense that as you are aware that we are in

the process of diversifying into new product categories beyond our ODM home lighting business.

And as is typical during the initial phase, lower volumes in these new verticals have resulted in higher input costs due to smaller procurement quantities. However, as volumes ramp up and we achieve scales in these segments, we expect gross margins to gradually return to their historical levels.

But this will -- this is taking time because, as you know, all the new product lines and categories, you have to achieve a certain level of quantities in order to gain efficiencies in terms of your buying and in terms of your manufacturing.

So -- and on top of that, a lot of -- so basically, a lot of onboarding of expenses are also happening. So all these new verticals, we are adding teams like we've been talking about this and a lot of the new initiatives are actually now showing the results, and it is pretty evident if you've had the chance to look at the presentation that we have uploaded today, as you can see that our reliance on a single customer has been going down drastically.

So within a year from 52% revenue share, now it has come down to 32% and with steady top lines. So all those -- this new revenue is coming from all these new initiatives that we have taken and profit margins or EBITDA margins, gross margins will definitely follow once we achieve certain volumes and quantities.

**Hardeep Singh:** Because we have already started the delivering the new products and all, so -- all in these categories. So on a quarter-on-quarter basis, you will see the improvement.

**Nilesh Sharma:** Okay. Sir, what about guidance in terms of top line?

**Sanjeet Singh:** I think Nileshji, guidance, we will be able to provide probably some idea in the next quarter. We are just going through the process because a lot of initiatives are new as of now. So we are also trying to understand where this year, we will be landing.

But I think last year, we did give an idea. So we'll stick to that as of now. But I think by the middle of the year, probably next quarter or the third quarter -- next quarter, we'll give you some idea regarding the guidance and the margins.

**Nilesh Sharma:** Okay. Sir, my last question is regarding...

**Hardeep Singh:** Please be reassured, all the new verticals we entered into are now -- have been started because the development time, R&D time, everything is passed, now the results will start coming.

**Nilesh Sharma:** Okay. Sir, my last question, our one customer businesses for Philips Lighting. Can we get the idea regarding other vendors or other customers in terms of our other business? Is there any customer concentration over there other than Philips?

**Sanjeet Singh:** In that sense, there is no such concentration because then the list of customers is pretty wide when it comes to -- we have multiple verticals. And within those verticals, we have a huge list



of customers. So I mean, it's not even possible to pinpoint the percentage in that sense because the percentage, I think, of the second top most customer, I don't have the exact number right now with me, but I don't think it's even more than maybe 2% or 2.5%.

So just to give you a reference, it's not the exact number that I'm pinpointing but just to give you a reference. So that is not a concerning part going forward. And that is how we've also planned going ahead in terms of the products and verticals. And in fact, even geographies that we want to diversify in such a way that -- because this was the most questioned during our investor meetings and I think we are working in that direction like we discussed during our early times of the IPO.

**Hardeep Singh:** When we went to IPO, we were almost 75% dependent on one single customer. Now it comes to 32%.

**Nilesh Sharma:** Okay. And these contracts are recurring in nature in other business?

**Sanjeet Singh:** Absolutely.

**Hardeep Singh:** Absolutely. Absolutely. And these are the new startups and these will grow like anything that we are working with the -- whole team is working on that.

**Sanjeet Singh:** And the reason why it takes time to reflect those in the balance sheet is because we are like -- we are ODMs when it comes to all the categories that we are in. So it's a long process of developing a product, getting the approval, they're getting the certification. So there is a long list of we developing till the time it hits the manufacturing lines.

And that is where the stickiness is also there because it's our design, we develop for everyone. So it's not like we start manufacturing today; and tomorrow, the same product goes to someone else. So that is why it takes time initially. But then what the relationships that we make, they stay for quite a long period of time.

**Moderator:** Our next question is from the line of Sonmath Paul from Relay Investments.

**Somnath Paul:** So sir, I think we have been hearing this commentary from past few quarters that the contribution from the Lighting business is going down, but we recently also read that Signify has tied up with one of the leading manufacturer company in Noida, I think that was Dixon.

And I think -- so is it like taking away our share and going to that company? So that is one. And secondly sir, I think in the ODM space, which is a fast-growing electronic space. So historically, the products which we have done have given us good margin and a good return on capital. But I think post IPO, we have not seen that, although we understand that the new factory has been commissioned.

But I think the return on capital employed on the products which we are doing is pretty low. So I mean what is like the plan for the management because I think the return on capital has been significantly low, although there has been a big capex.

And thirdly, sir, I would like to ask that pardon my understanding. But are we not doing significant technical products because I think the other ODMs in the electronic space are growing at a good CAGR with a good future visibility. So why is that the case that we are not able to miss the bus?

**Sanjeet Singh:**

Yes. Thank you, Mr. Somnath, for the question. So coming back, I think you had 2, 3 questions in one. So I'll start from the first part of your question regarding Signify. So as everybody knows that they've entered into a JV. And we being the ODM, so definitely, we are still continuing to supply the products that we do for them.

And we are also looking at this association very closely. But if you look at the silver lining of the entire procedure, whatever has happened, so that has actually opened the doors for us as well because strategically, we were -- we sort of restricted ourselves to working with them, looking at the long-term association and we've been working for quite some time now more than, I think, 13, 14 years now. But that has sort of opened the gates for us as well.

And we are, like Mr. Hardeep mentioned during the opening, we are working with a lot of companies now. In fact, some of them -- the products have already been approved and initial few orders have also started coming in the trial orders or you can say the first few orders. So that progress has already -- we've covered that part of the journey until now. And so we are a well-known name in the industry.

So a lot of brands are also very happy to work with us. And likewise, for us as well. So this is a new development that is happening within the space where we used to -- where we are working with Signify. So we'll continue to work with them. We are now working with a lot of other brands as well. So slowly and gradually, you will get to hear more names during our earnings call once you know the business becomes substantial. So we'll definitely keep the investors in the loop.

**Hardeep Singh:**

The approval stages and onboarding changes has already passed. So I think within this -- end of this quarter or next quarter, all the major plants, you will see that we are going to do for that.

**Sanjeet Singh:**

And now coming to the second part of the question where you were asking about where our peers are doing some technical products. So in fact, for that matter, if you look at what we do, more than 90%, 95% of the products that we manufacture are all ODM products, so we design, develop and manufacture for our customers. So in that sense, not just lighting.

So if you look at our presentation today also that will give you a much better picture of how we are growing and how we are developing. And in fact, we are now getting ready for a sustainable growth in the future with reliance on a single customer on a single product type or a single vertical is gradually coming down.

And in fact, we are diversifying when it comes to products. So for example, the hearable and wearable category that we launched just -- that we started just less than a year back, that has become profitable. And there also, we are one of the very few in the industries who started

manufacturing the actual products in India instead of just importing and assembling the products, which the rest of the industry is doing.

So we are taking a lot of initiatives in these directions. But some of the things we restrict ourselves from talking about just to make sure that it becomes like a substantial size and where we can talk or give that confidence to our investors. Likewise, I'm talking about the Hearable segment.

Similarly to that, even if I talk of the export business that we are doing. So again, one more vertical which we started less than a year back, which was the Product Display segment in the Middle East, so within 1 year, again, that has become profitable, and we are doing substantial business now in that vertical as well.

So again, all the products that we do in that category, they are all ODM products designed, developed, manufactured in-house. So everything that we do, they are all technical products. And now going forward, in fact, automotive is going to be one more segment. So I think by the next quarter, this quarter 2 or quarter 3, we'll definitely give you some very promising news when it comes to the automotive segment, which I think you will really appreciate.

So there are a lot of initiatives that we have taken, which are now slowly and gradually giving results. And I'm sure before the end of this year, you will not have any such doubts when it comes to the kind of products that we do. And in fact, one major silver lining that you can take from the association that you just referred to in the first part of your question.

So that was also part of our plan all along since we started our journey because that was one of the most picked out questions, our dependence on a single customer. So in fact, with that, that is automatically now coming down, and we have opened our gates to all the major players in the industry.

So that -- we look at it as a positive side, and we are working with Signify. We will continue to work with Signify, but now as a plan of our overall diversification, we continue to do that going forward. So I hope I have answered your query, Mr. Somnath?

**Somnath Paul:** Yes, sir. I will get back in the queue.

**Sanjeet Singh:** Sure, sure.

**Moderator:** The next question is from the line of Pushkar Bothra from AJ Investments.

**Pushkar Bothra:** Sir, I wanted to talk about -- like I ask a question about the other business segment, which has grown pretty well in the last 5 quarters from 48% to 68%. So if you can break down the growth, how it has been and what will be the strategy going forward, how much percentage of the number it will look like going forward?

**Sanjeet Singh:** So as you can see from the presentation, close to around the -- our share of the business outside of India has been growing constantly. And that is one strategy of diversifying geographically. That is playing out really well now. So we are focused on outside of India and as well as the new



setup that we have created because of which the numbers temporarily seem low in terms of the margins, the EBITDA margins because of depreciation -- PAT margins because of depreciation and everything kicking in.

So right now, the new growth that is going to come is going to come from the markets outside of India as well as the new verticals and -- which we will -- we are at a juncture where we are now starting some sample ordering, prototyping. In fact, small shipments have also started from the new plant. So I think it's just a matter of another couple of quarters where the new plant revenue from the new plant will also start kicking in and will substantially improve the top and the bottom line going forward.

**Pushkar Bothra:** Understood. And sir, as you mentioned as your growth strategy would be expanding into the new countries, but in presentation, I saw two names, one is U.S.A. and another one is Middle East. So recently what tariffs has come on. So what impact are we expecting because of that? Because in the same presentation you have also mentioned good traction we are getting in U.S. as well.

**Sanjeet Singh:** Yes. So actually, it's too early to talk about that as -- I mean, I'm sure you must be following how things are panning out. So today, it is something and tomorrow, it is something else. So last few months have been a little too crazy, I would say. So I think we are just waiting for things to settle down so that we can make sense of what is happening around us.

And for that part also because we are competing primarily with China when it comes to the U.S. market. So the belief is that our tariffs are always going to be lower as compared to the tariffs on the Chinese product. So that is one comforting factor. But at the same time, to truly answer your question, I think we'll have to wait a bit more to understand how this entire thing is going to pan out.

**Hardeep Singh:** This is -- U.S.A. is one of the segment, but here like we are entering into values -- like already developed the product and the sampling stage for automobile lighting, automobile electronics, then building safety systems, which we are working with a brand like Honeywell. So these are all -- like all the certification, sample approvals, everything done. And we have already started getting the orders for -- So it is not only we are dependent on U.S.A or say, it is a multiple.

**Pushkar Bothra:** And also, how much was the revenue bifurcation between U.S. and Middle East, if you can number something?

**Sanjeet Singh:** So just to give you an idea, it was close to around -- in percentage terms, I can say U.S.A. was around maybe 60%, 65% and remaining was from the Middle East, but Middle East, because U.S.A. are, I can say, around 6-year old market, although the subsidiary, the subsidiary that we opened up in the U.S. was just last year, but UAE is a pretty new market, which we just started the business and everything last year, so it's progressing really well for that matter to have a contribution of, let's say, around even 30%, 35%. But this contribution will also continue to grow from the Middle East as well.

- Pushkar Bothra:** So to number at roughly INR18 crores to INR20 crores was from U.S.A., right, as what numbers have given?
- Sanjeet Singh:** Approximately. I don't have the exact numbers right now in front of me for the...
- Pushkar Bothra:** Okay. I just back calculated as you mentioned...
- Sanjeet Singh:** Yes. I know. I was doing the same in my mind, so roughly, roughly around that figure.
- Pushkar Bothra:** Okay. Okay. And I have also one more question on the new segments, which you are entering into wearables and wearables category. So how has been the performance there? And what are we expecting going forward? Because there's also a lot of competition from China and players are doing here in India?
- Hardeep Singh:** Yes. For that also, what we are doing, we are just started the relationship with all 4, 5 big companies, which are in this segment. We have started with everyone. Everyone is -- like we are entered what we are there doing. So this is a first month where we are going to produce first Made in India products for them.
- We were happy to announce that we are the first one to get the order offering, say, 50,000 pieces of that, which we have developed in-house. So similarly, we have the pipeline to develop products in our infrastructure. So this is like the strategy what we have taken. So we will not see competition because we are not importing the boxes or the CKDs or SDAs in longer term, like we have done in the lighting.
- Sanjeet Singh:** And just to give you an idea of how that vertical is progressing, this -- the existing quarter, I think we should be touching a double-digit top line or top number, I would say, revenue, double digit. So without giving out too much, I think this will give you just an idea of how this is progressing.
- Pushkar Bothra:** Right. Got a fair idea. One last question. As you mentioned that for U.S.A. we'll be competing against China, but if you can give me a pricing difference, supposingly, if you're manufacturing at INR100, China is doing at INR60, so how is the calculation over there?
- Sanjeet Singh:** So before Hardeep, sir, answers this question. Just one thing I want to add to this is that we are not competing on a product-to-product level when it comes to what we are doing in the U.S. It's more of -- some part of it is definitely product, but it's more like a solution that we work on.
- So whether it's the RV industry, we are not working on a specific product, it's a solution. It's a package that we give with constitutes of a lot of products lighting, non-lighting solar, charge controllers, batteries, a lot of things put together. So it's more of a solution. And when it comes to pricing, I think Hardeep, sir, will answer -- take that part of the question.
- Hardeep Singh:** So the costing in China is also increasing because the labor cost and other things, it is not easy. So we were competitive before also. So there is no way that we are less competitive than China also. And because we are producing everything here, so we are not dependent on the Chinese

products as all the designs, everything moved everything we have done in-house. So it is not affecting us much.

**Moderator:**

Our next follow-up question is from the line of Somnath Paul from Relay Investment.

**Somnath Paul:**

So sir, I think like we have seen in the historical numbers, I think the general EBITDA was on a higher double-digit side. But now as you have mentioned that you are moving into a lot of new products. So generally, what is the target return on capital employed for the capex that you have incurred for the last 2 years-or-so?

And secondly, sir, I think mentioning about the hearing electronics and the products which we are making and other than that. So do you think that there would also be a certain level of scalability in the products at certain point of time where we will be able to have the margin? Because generally, this is not a very high EBITDA margin kind of thing. So what is your general thought maybe for the next 3 years starting 2025? So if you can throw some light there, sir?

**Sanjeet Singh:**

So yes, I'll answer with the second part of your question. So basically, in the hearable, wearables segment, definitely, like you said, the higher the volume, the better the margins become because in order to run the show, your fixed cost will remain the same. But as and when the volumes start kicking in on the volumes become substantially high. Your operating expenses come down, and that is what our target is. And in fact, this market is also all about.

But the good thing is that we are already working with all top brands, I would say, all to companies who are into this segment, and we have already started working with them. And going forward, the plan is to make everything in-house like we did with the lighting category.

So in fact, as a matter of fact, like I said, it's just a year old vertical. But even just after a year, the space that we had dedicated to this vertical is already short. So we are adding more space or allocating more space to this vertical going forward.

So in fact, by the next or second or the third quarter, we were just discussing internally also, we'll start showing the results in a slightly different manner so that it becomes easier for the investors also to understand how the other verticals are also performing because up until -- I mean, at the time of the IPO and the beginning of the IPO, we were majorly a lighting company, although we were doing a lot of other electronics also, but at the face of it, we were majorly a lighting company.

But things have been changing drastically. And we'll also present our business in such a way so that it becomes easier for everyone to understand. And I think by another couple of quarters, our new vertical will become substantial enough for us to present them in such a way that you will get to understand where exactly the business is moving ahead. And I'm sorry, I think I missed the first part of your question, if you could repeat that?

**Somnath Paul:**

Sir, I think that was again along the same lines. I understand that this is more like a volume game, and this has been more or less to absorb the fixed cost of the new space, which you have

commissioned, which is very understandable. But my point was on the return on capital. Sir, what is your general letter on capital?

Because you mentioned NIMs that you are targeting in terms of customer. But your competitors were much larger in size, say the Dixons, the Ambers, so I think they have scaled up pretty well. So I mean, I'm just trying to understand on the return on capital part. So the amount you've invested and when do you think will be the payback including the hearable/wearable plus the other higher-margin products?

**Sanjeet Singh:** Yes. So if you look at the ROCE, maybe 1.5 years earlier, then we were somewhere close to -- sitting somewhere, from what I remember, I don't have the numbers right now, but from...

**Somnath Paul:** Sir, but those were numbers of fully sweated assets, right? So those assets were long back, and those were highly depreciated. So obviously, that number will be optical. So I'm trying to understand from next 2, 3 years point of view because now we are putting in the money for the last 2 years, and we are still doing. So I'm looking further into future because those numbers look optical in the sense, they were very high numbers and the margins were also very good because you had very highly sweated assets and the throughput was also high, but I'm talking about now and way forward?

**Sanjeet Singh:** So -- yes, so at that point in time, from what I remember, it was -- I think the ROCE was anywhere between 30% to 32%. And like you said, everything was -- the assets and everything were fully -- almost fully utilized. But to reach to that level once again, I mean, we believe that the way we are working by the end of next financial year, we should be closer to that or comparable to that value, I think, by the end of the next financial year. But we'll have to make some calculations. This is just a rough estimate that I'm giving out.

**Somnath Paul:** Sir, I also wanted to ask that in 2020 is your sales were closer to the INR200 crores kind of number. So do you think in the next forthcoming time that sales number could probably be your EBITDA if you have a good run rate. So I mean, on a longer-term trajectory, can you share some thoughts about that?

**Sanjeet Singh:** So basically, I mean, what you said is correct, that is what the target is. And moving forward, we are just waiting for all these new relationships to come out to that level where the revenues from each one new product category or account becomes substantial. So it's just a matter of time of how these things progress.

But the good part is, whatever initiatives that we have taken in the past one year, we have not gone back on any one of them. So everything that we have started is moving in the right direction. It is just that, like I said earlier also in the call, because we design, develop everything in-house so that for each product, it's a time of about anywhere between 3 to 6 months to 9 months depending upon the complexity of the product.

So that time plus the certification approval, so that's a very long journey that we have to travel for one product to begin with. It's not that we -- the relationships that we have there, they share the design with us and we start manufacturing the next day.

Our way of working is completely different to some of our peers in the industry. And that is why, hence, it's taking a lot of time for us as well. But at the same time, like I said, once you've crossed that bridge, which we are in the process as of now, then it's just a matter of ramping up the volumes and the numbers. So I -- what I can say is that by the end of the third quarter this year, you will start actually seeing what I'm saying right now in the -- I mean, in my answer.

**Somnath Paul:** Okay, sir, I think we will wait for that. And I wish you to probably more focus on the return on capital part because that, I think, will help us get the valuations, which we should get. All the best, sir.

**Sanjeet Singh:** Absolutely. Our FA has always been around 5x and 5x, 5.5x historically, that is what our target is. It's just a matter of the time that it takes for all these things to mature. And in fact, the plan is to return to that level as early as possible.

**Somnath Paul:** Because this is time of ODM electronics, and I think you are on the bus, I just wish...

**Hardeep Singh:** Like we cannot tell anything futuristic here, but we are very positive because whosoever visited our plant, it has -- we have a very good appreciation for our plant, system or whatever infra we have put during this 1.5 years, so it state of art and I will tell our Stellar people to get some visit -- plan some visit that where we are and we can show that what we have done new and those things we can see through them also.

**Sanjeet Singh:** So once you visit the plant, you see where we are today, what we have developed. You'd automatically get the confidence of where we are headed in the near future.

**Somnath Paul:** Yes. And I think this company is built from scratch, so I'm all the more positive and I wish all the best, and hence, I'm more concerned that probably we should have a good fruitful journey for everybody. Hardeep sir, thank you.

**Sanjeet Singh:** Thank you so much, Mr. Somnath. Thank you.

**Hardeep Singh:** Thank you.

**Moderator:** Our next follow-up question is from the line of Nilesh Sharma from Anantnath Skycon Private Limited.

**Nilesh Sharma:** Sir, my question is regarding our corporate decision that we have taken this week. Could you share the rationale behind CFO, how the company ensure the strong governance and independence in the financial decision making and how our financial decisions will impact our company's future by adopting this decision that Sandeep -- sorry, Sanjeet Singh will be our new CFO?

**Sanjeet Singh:** Thank you, Mr. Nilesh for asking the question. So I'll be more than happy to answer it. So as you must be aware that our CFO recently resigned. So we are actively working to identify a suitable replacement over the next 2 to 3 quarters because this is a very important position in the company.



While there are no statutory restrictions, if the CEO becomes the CFO, but like you said, we are fully committed to maintaining strong corporate governance. And given my involvement in overseeing the finance function over the past 2 years, I have taken this responsibility to ensure continuity. However, we remain focused on appointing a dedicated CFO within the stated time frame, it's like maybe next 2 to 3 quarters.

**Nilesh Sharma:**

Okay. Okay. And sir, my question that we were earning INR21 crores of PAT in 2020 and after the growth of 2.5x in top line, still we are running INR22 crores. Being a shareholder of the company, we have the great belief in management and the product and the setup that you have done in the last 1, 1.5 years. How we can see this picture?

Because at various points of time, we have requested Stellar to schedule a plant visit, but we are never like get any mail from investor relations managers. So we didn't get any idea what is going on there. Please excuse me if you get offended by this question?

**Sanjeet Singh:**

No, no, not at all. You have all the rights to ask anything that you feel of concern. And I'll again be happy to answer or take up this part as well. So like you mentioned in 2020, the PAT was like you said around INR20 crores. So if you look at the PAT, which we made last year, which was 32, but if you look at the cash PAT, so in cash PAT, we are just adding the depreciation of the new plant, not anything to do with the old plants.

So that was close to around INR56 crores. So basically, INR20 crores can be comparable to INR56 crores of last year. And at the same time, this INR56 crores was also under a lot of -- I would say a lot of stress from the operating expenses and everything that we have sort of incurred which the results will start coming in later.

So the employee cost went up and the operational expenses went up. So this is part of the journey when you try to sort of break the shackles of where you are and in order to move from 1 level to another, there is always a transition phase. So we are just going through the transition phase right now.

But the -- I would say, the silver lining or the good part with all of this is that we are still operating -- we are still making revenue or PAT. And in terms of operations also, I think we are progressing really well. It's just a matter of this transition that is happening. And I think next year, I'm sure you will not have any such doubt with the way the company is performing, and you will start to see that from probably quarter 3 of this year, that transition.

**Nilesh Sharma:**

I wish the same, sir. Sir, as you had given the guidance of 30% ROCE at the end of financial year '27, can you please give some guidance...

**Sanjeet Singh:**

No, that is not a guidance from my side. It was just -- I was referring to where we were earlier and where we want to -- because honestly, I don't have any calculations right now in front of me. But just to give you an idea, we were close to around 30, so like I said, by the end of the next financial year, I believe we should be somewhere comparable to where we were at that point in time.

**Nilesh Sharma:** Okay. Any idea where we are closing our financial '26 books in terms of ROCE, any idea?

**Sanjeet Singh:** Honestly, I'll come back to you on that. We'll make some -- through Stellar, maybe we'll get back to you on the ROCE part because we need to make some calculations. I don't have it right now in front of me, but we'll definitely get back to you on that.

**Moderator:** Ladies and gentlemen, as there are no further questions, I now hand the conference over to Mr. Hardeep Singh for closing comments. Over to you, sir.

**Hardeep Singh:** Thank you all for making it our -- it to our quarterly earnings call for Q1 FY '26. If still if there are any formal queries, please feel free to reach out to Stellar IR Advisors. And again, I thank you, everyone, for joining the earnings call, and have a nice day. Thank you very much.

**Sanjeet Singh:** Thank you so much.

**Hardeep Singh:** Thank you.

**Moderator:** Thank you. On behalf of IKIO Technologies Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.