

**Date: June 1, 2024**

**To,**  
**Listing Department,**  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1 Block G  
Bandra Kurla Complex, Bandra (E),  
Mumbai- 400051.

**Scrip Symbol: FOCUS**  
**Series: EQ**

**Sub: Transcript of the Earnings Conference Call for the Quarter Fourth and Financial Year ended on 31<sup>st</sup> March, 2024.**

**Ref: Intimation of Earning Conference Call – Quarter and Financial Year – Q4 FY24 dated 27<sup>th</sup> May, 2024.**

In furtherance to our Intimation of Earnings Conference Call dated 27<sup>th</sup> May, 2024 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Transcript of the Earnings Conference Call held in connection with the Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter Fourth and Financial Year ended on 31<sup>st</sup> March, 2024 held on 30<sup>th</sup> May, 2024, is enclosed and is also available on the website of the Company and can be accessed on the following link:

<https://www.focuslightingandfixtures.com/investors/soaiim-fy-2023-24/>

Kindly take on record the same.

Thanking you,

Yours faithfully,

**FOR FOCUS LIGHTING AND FIXTURES LIMITED**

**AMIT VINOD SHETH**  
**MANAGING DIRECTOR**  
**DIN: 01468052**



**“Focus Lighting & Fixtures Limited Q4 & FY'24 Earnings  
Conference Call”**

**May 30, 2024**



**MANAGEMENT:   MR. AMIT SHETH, FOCUS LIGHTING & FIXTURES LIMITED  
MR. TARUN UDESHI, FOCUS LIGHTING & FIXTURES  
LIMITED**

**Amit Sheth:**

Good Evening, Everybody, and Welcome to Quarterly Results and Yearly Results of Focus Lighting & Fixtures Limited. I had requested Kirin Advisors for a zoom call. We've been talking from a few quarters that we are doing this technology; we have patents, and everybody's been listening to us, and nobody has an idea, and nobody has seen what we are doing and it's not possible for everybody to come to our factory and see what is our factory all about.

So the whole idea of this presentation was that we showcase the technology what we've been working on and what we are developing for present and for future, also where we are heading to. And of course, there are few projects which we have executed and how it has made difference to our country and internationally and locally also. That is what we wanted to show. So, if everybody is okay and if everybody gives a thumbs up, then I will go with this presentation. It's a little technical presentation. If you find it that we are going overboard, you can always just put a thumbs down and I can skip a little bit and if you are interested, then I can explain things in detail. It's a very informative presentation and it also talks about the journey from where we started and where we are heading towards. So, if everybody is okay and Kirin confirms that, yes, everybody is okay on this panel, then I will go ahead with this presentation.

So, under Focus Lighting, we have three brands. One of the most dominant brand is Plus Light Tech So this presentation was done under Plus Light Tech.

We will just talk about the milestones what we had. As we all know, I will just go very fast. We started in 2008. We participated in Germany which is one of the biggest exhibition for retail industries, Mecca, for retail industry is called EuroShop.

In 2011, parallelly, we also participated in a bigger way. We were the first company to present LED technology in 2011 in Germany. There was no other company except us.

In 2013, we got a small factory in Kandivli which is shown here.

In 2015, we set up the lab in the same factory in Kandivli. The factory was just 4,500 square feet.

2016 was a very important year for Focus Lighting. If you see this, in 2016, we are tied up with this company called Bartenbach where we got all the patented technology, and this is just one of the image of the reflector of the optics what you see.

In 2017, after that we went public. We were on SME.

Now, in 2018 with that SME, whatever money we got, we started with this mega factory in Ahmedabad currently where I am sitting. This is 80,000 square feet.

In 2020, we got Red Dot Design Award, a German Design Award.

In 2021, we got associated with railways and we started working with railways.

In 2021, again, we were listed on the main board.

Tarun, over to you on the financials if you can just explain the financials please.

**Tarun Udeshi:**

Yes, Sir. Good afternoon, everybody. This is Tarun Udeshi here. Welcome to this call. So, if you see the quarter wise in Q1, we did 52.98 crores, in Q2, we did 57.86 crores, in Q3, we did 59 crores, and in Q4, we did 60.3 crores. So next to that, we have also shown the EBITDA, PBT, PAT and total comprehensive income as well. So, from this graph, this is very illustrative that throughout the quarters, we've been able to maintain our turnover. In fact, there is a growth if we compare it to the previous quarters. So, in this Q1, we did a PAT of 9.03 crores, in Q2, we did a PAT of 9.59 crores, in Q3, we did again 9.69 crores, and in Q4 there was a growth, we did 2.71 crores, the PAT in Q4 is 10.71 crores.

Next slide. So, this shows our year-on-year journey from compared to from Financial Year '21-'22, '23-'24. If you see in a Financial Year '21 we had a total income of 60.84 crores which increased to 106.6 crores in Financial Year '22 and in Financial Year '23 we did 169.94 crores and in this financial year, we have done a total turnover of 230 crores. So this is a growth which we are trying to show it to you.

And even if you see the profitability, the PAT in this financial year, it is 38.72 crores, and the total comprehensive income is 39.21 crores. So these two slides show a quarter-on-quarter and year-on-year growth of our company. This is very brief in financials.

Next slide is about verticals.

**Amit Sheth:**

So typically, we have four verticals -- Retail, Residential, Railways and Infrastructure. Infrastructure includes indoor as well as outdoor. These are the predominant four verticals where we are working right now. By next year, we'll be adding one more vertical, which is one of the largest verticals for lighting industry, which is called Trade. And we'll discuss that later or maybe in Q&A we will discuss it.

So, as a company, we always say we are a tech company, we rely on technology. So, we just wanted to give some idea what exactly these technologies are all about. So, we have patent for various reasons. One of the key patent is if you see these two images, on the left side, it's a beam angle for example 30 deg., but there is a spillover of light. So, the light is going outside the beam, whereas in our case we have been able to control 90% of the light and that is how we give savings to our customers wherein we say that if you are using 30 watts from the industry you can use probably 15 to 17 watt with us and you will get the same output in the angle, in the area where you want light. So, the first patent is for that. This is just an illustration to show that we just have a spillover of 10% as compared to industry has got 50% spillover, they cannot control light. This works very efficiently for infrastructure projects and retail, because in retail you want

to highlight the product, you don't want the light to go outside the product. So, this gives that uniqueness.

We've been telling that we have one of the smallest fixtures in the world. The fixture is of 10mm dia. And this is an image to show, if you can see the three dots on the top, it is just to give an idea that how small these fixtures are.

With these fixtures, I will just like to add, we have done with this dots, some of the largest offices in the world like SABIC. SABIC is one of the largest refinery in the world. They have installed more than 80,000 numbers. Amsterdam Airport also has been done with these dots. Most of the residential applications we use this dot. It's cause a multifunctional. It's also a patented technology, not because of the size, but because of the technology what it gives. It gives the control light. It has also got something called tunability. Tunability is wherein you can change the color temperature from sunrise to sunset. Sunrise to sunset is sun does not have one color, in the morning it is orange, red, in the afternoon it becomes white or cold colors, in the evening again it becomes orange, red. And in the night when we didn't had artificial light, we used to sit in front of fire. So, it will change the color to fire. So, that is the reason we have patent on this.

So, this page was included because this optics was specially developed for Focus and with this optics we could save on the energy, we could increase the output from the fixture, from the luminaire by almost 50%. That is the strength and that's also one of the reasons for patent.

On the images, we have a very unique wall washer. What is wall washer? So, if you guys have gone from Bombay Airport, when you walk from the aisle, you have a lot of images or history of Bombay on the walls, and they want to wash it from top to bottom. Typically, if you see the left side of the image, you get those scallops. With this wall washers, you don't get the scallops. We have one of the strongest and the one of the most technologically advanced wall washers in the industry. So that is the reason we are showing this and of course it is patented.

If anybody would have heard of, this is more for residential application Fibonacci Sequence. Fibonacci Sequence is nothing but it's all related. There is a pattern in nature like we have given an image of sunflower. Even a human face has got a pattern and we developed optics very close to that nature, the design is very close to nature. Again, we got this patented.

This is again a very unique wall washer which is washing from top to bottom. If you see the first branding on the top Plus Light Tech, that's the whole idea. It's very uniform, very constant and it has got one of the largest applications.

So, we work very hard on glare ratio. We have the lowest glare. Now, what is glare? Glare is something which it hurts eyes like typically when you have a car headlight in the night coming on your face, it irritates you. You get blind. So, glare is something which is most ignored in our industry. We worked very hard. This was a live demo which a physicist in Austria was doing to us and explaining how we can reduce the glare. And today, as per the industry standards, we

have the lowest glare in the industry. Now you see it and now you don't see the image on the left side, you see glare in one fixture and the second fixture you don't see the glare and we have patent because of that also in most of our luminaires.

So, the whole idea of how we design is how we reduce the wattage consumption, less heat release from the fixtures. So, of course, the air conditioning load goes down, reduce electrical load also, and also keeping design in mind where we are using sustainable materials now which is also one big breakthrough which we might get in a quarter's time, we'll discuss during Q&A.

So, this is just an example wherein we have reduced the manufacturing process in terms of energy, the weight of the product, in terms of manufacturing, assembly time by just using more sustainable materials is just an explanation on that.

In our trade business, we have tie-up with few fortune companies, upcoming iconic product design for disruption in trade business. 5 lakh tube lights from 140,000 spotlights per month. So, this is something what we are doing is in trade, we have tied up with some large OEMs where we'll be manufacturing fixtures for them in their brand. We'll be providing some disruptive technologies to them. This also we can discuss it during Q&A session.

So, this is something we are very proud of. I've just muted the voice of this gentleman so that I can explain you. So, till now this technology is not available in the world. What he's doing is he's making a light from a very narrow to wide with one single optic, whereas in industry typically if you want to do this, you need more than 30 to 40 optics investment in 30 to 40 optics inventory of the same. This, we have cracked, and we are doing it with one single optic which just by moving it, we can change the beam angle. This is again we are taking worldwide patent and exclusivity for this product.

Also, one more thing. The beam can be made very electrical, longitudinal and if you change, this is me who is changing it. video is sorry, but the video is a little low now, by just changing the film, the beam becomes vertical. Currently, this technology is also not available. We have cracked this. We've been working from the last two years, and we just got fantastic results, and this will give absolutely monopoly not only in India but worldwide to us.

So, with this technology, we will have the smallest beam. Why we need smallest beam, because if you have very tall monuments or if you have bridges and if you want to let those bridges, you need very narrow beam. Internationally. We did feasibility study of ten companies. No company has got less than 60 deg. beams. We have the smallest beam of 2 deg. And the same lens can go from 2 deg. to 60 deg. In industry, the minimum beam is 6 or 10 is what we have seen, and you have different, different lenses manufactured to go up to 60 deg.

This is the program for outdoor which we are developing or based on that technology these products have been designed and developed for outdoor application. This has been designed by a young German designer called Renee Roybal from Dusseldorf, Germany. Just to give an idea

of what outdoor is. So, this product will add to landscape light to facade lighting. What is landscape and façade? Beautification of forts, temples, monuments, heritage buildings, any places which needs to be beautified with lights. These products will have a sort of monopoly.

This is something we have developed for retail industry. So, this was a case study we had done. I will just go through the video. So currently in retail the normal distance between two fixtures is what we are showing is 1.4 meters by 1.4 meters. Sorry, I skipped the video. So yes, this is the distance normally what we have, and we achieve certain amount of lux levels. With the new technology, what we are introducing, we are reducing from 257 to 70 luminaires, that is less than three times. We are able to increase the grid by 2.5 meters. Now, this is a very, very disruptive technology. The products just been introduced for retailers. So, this is how typically the store looks. And with the new technology, the quantity is reduced to probably one-third of it. It saves on energy; it saves on electrical load. We have introduced one more technology wherein the light never used to curve from top to bottom. Now, it helps to cover from top to bottom. That's the whole idea of the technology. We've got the patent also done. Just for the information, this technology is currently not available with top three companies in Europe also, which is the largest market and most matured market for retail.

We've also gone ahead and developed some IoT for a retail industry. I will just play the video, it's a short video. So, it senses people and wherever the people are, the lights will come to 100%. Wherever the people move, there the lights will come to 100%. It is programmable. So, if the people are not there, you can reduce it to 20% or 30% or make it completely dark. Normally, that is not advisable to keep it completely dark.

We have gone one step ahead. Instead of motion, we are now monitoring the heartbeat so that if there is no motion also the place does not get dark, which is a common problem in most of the spaces with sensors. This technology is there from ages, but this was not there on IoT, this was not there as wireless bluetooth mesh, this is a bluetooth mesh technology, that's the reason it is disruptive.

Another technology what we are introducing is wherein a retailer when they have a large size showrooms, they don't know where the business is happening and which area the business is not happening. So, this actually looks into the thermal area, and it tells real-time to the retailer where people are going inside his store and which area people are not going. It can be a design issue, it can be a merchandise issue, it can be a pricing issue. That is their thing to find out. Our job is to just tell them that there is one corner where people are not moving and there is something wrong with that corner. So, retailers can change as per the requirement and this is one of the most informative thing which our retailer requires.

These are our designers who has built our company. I will start with a gentleman in the top right. Very dear guy to us. He was the one who helped us from way back from 2008 till date and he has built most of the products for retail George Kaluza, he's a product designer who helped us

for whom Gork and Sergei Alexander has been a very innovative person, and he is designing a lot of lights for infra projects for us.

These are some of the look and feel of the products what we are designing just to get an idea. We are not into bulbs, tubes, panels which are commodity items. But this is again as I showed you in the first slide, the wall I gave an example of the airport, now we have the smallest fixture in wall washer which is just 13mm. And typically, when you want the light on the walls as well as on the floor, you can have two sides and you can lit up both the walls and have center area also lit. The biggest application is airports, hotels where they have offices where they have long aisles. Also, residential where you don't want light on your head, but you want all the bounce light.

Some of the examples of how our dots look, how unique they look. This was the first introduction that happened for outdoor among the first, not the first. We realized that this type of decorative elements are used all over the country, but they are either very expensive when brought it from Europe and China. The quality is, as usual, very poor. So, we decided that we'll develop design these type of products.

We are doing some large infrastructure projects with the pole which you see on the right hand side for some of the government projects. Still, the orders have not been awarded, so I am not able to name the projects we are bidding for.

Again, some of the outdoor projects. USP of this product is that it has the largest coverage in the industry. When I say industry largest coverage today in the world with a single light fixture, it is just 14 watt, and it covers 8 meters. Normally, if you see any Hiranandanis or DLF societies they have hundreds and thousands of Olan or universities and they use at every 1 metre, 1 metre. We can stretch up to 8 meters, so we are reducing almost 7 textures in comparison to us.

Again internationally in Europe today they are very much concerned about the wildlife, how birds and animals are disturbed in the night. So, what is the quantity of light that is going in the sky? It is called light pollution. So, this has got the best rating. It is called Bug Rating, Backward Upward and Ground. This is one of the strongest fixtures what we design. And this is just a technical drawing how the light is flowing.

The same fixture we made it modular. What you saw was a site throw. This is forward throw of again 8 meters. This is a very, very unique streetlight, not meant for regular streets, not meant for highways but this is meant for societies. Again, the focus is on DLFs or Hiranandanis of the world, where they need something unique, but they need a very wide coverage. We are doing a very large project wherein they use at 36 meters. The street light is only 3 meters height, not typically 9 meters and 10 meters like we have it on the street and still it covers the largest area of 36 meters. These are actual renders of the same.



Very unique bollard again with very high quality, we have made with natural wood and all. And it covers again 8 to 10 meters at a height of 1 metre. Again, it's a patented technology. There is not a single product of this line today in the industry where it covers such a large area.

I've been talking from the last two quarters that we have developed a lot of products for railways and these are the typical products for railways we're using all these years. And again, we have not added any value to this product, we have just developed and we got approved. This was another product which is a reading light for railways, and which has got USP. Again, we have not added any value to this product. I will be very honest. This is a product, or if somebody has travelled by Vande Bharat, it's a reading light which is exactly on the passengers' head and they had lot of problems with the touch, with the light quality, it's been blowing up very often and a lot of glare was there. So, we designed. It was an initiative from Focus. This is a special product which was designed for railways, and they gave us a provisional approval last to last week and now we will be supplying it for one bogie, and they will test it for three months. After that it will be a regular supply. But this is a unique design. Again, we have got design registration to ensure that this product is not copied in the industry.

Different applications for outdoor. This is indoor or office lighting. This is outdoor again Bolage.

These are some of the infrastructure projects which we have executed and we've been talking about Kundalpur from last four quarters, probably one year and this is the size, it was bigger than Ram Temple in Ayodhya.

This is a project we did in Surat Fort. Again, it is up and running now. It's a three minutes video. I know it's a little annoying, but I will just run it for a minute or so just to get an idea. This is something unique we have done. It is called 3D protection mapping.

Everything is happening on the wall. We did three videos for them. This is one of them. This was the first presentation which was given to them. Now, it's executed.

This is something we are very proud of. We have developed for one of the beach, which we are executing it. Since the order is not finalized, we are not mentioning the name of the beach which we are doing it, but originally it was 6 meters, now we are extending it to 9 meters pole. There are no lights which are popping out. Everything is inbuilt inside the luminaire. And this is an area, this is the actual effect on the right hand side what you see. We are reducing the glare considerably because people come on the beach to enjoy the space, they don't need light pollution, there is zero light pollution, no glare. And these are the different types of effect what we are getting it from the same bullet has already been approved by the lighting consultant who's working on it. We are just making prototypes, and this will be executed. The project size is roughly 30 crores for this project.

We have not been allowed to take photographs after the project has been executed. But when the site was going on, this is Dial Airport, Delhi which we are executing. We just included it.

This is our manufacturing facility based in Ahmedabad or this is the reception area. This is a small display we have. This is the conference room where I am sitting right now. Some displays we show right and wrong. If you see the colors, the left side looks more brilliant than the right side. So, we give actual demo, and this is the aisle of our factory. This is again a showcase of three doors how powerful they are, what is the crisp quality of light in our factory, experience in retail and there are a lot of retail customers.

This is where the assembly happens. Complete manufacturing facilities indation, because we work with electronics, we maintain  $25^{\circ} + -1^{\circ}$ . Flooring is a special flooring which is called ESD flooring, because we work with the electronics so that there is no current from humans going on the circuit and circuits getting damaged. It's one of the factories in the country... in fact, I can say it's only the factory of this quality in country today.

Some of the SMT machines, this can populate, It's called Pick and Plates, it is used for electronics and for lamp manufacturing. It does 38,000 components in an hour. Some of the testing facility, aluminum cutting facility, electronic testing facility.

These are some for testing for safety and performance which we have. Again, as I told before also we have our lab which is NABL accredited, so our certifications are approved worldwide, and it's not challenged because we are NABL-accredited.

Just going quickly through it through different instruments. This is a vertical storage system which helped us to save almost two hours per day. Everything is computerized. So the material once goes in, the guy just says that okay, I need this product and it will take out all the components automatically. We just installed three for heavy duty components and six machines for electronic components and we have been extremely successful. This is how it comes out. And instead of two hours now, we are spending not more than 10 minutes for all the components.

And these are for electronics as I told you. We do a lot of R&D and research and we've got some major breakthrough. So, this is something where we do a lot of prototypes. These are prototyping machines. Some other certifications what we have. We are very proud to say that we've got a ENEC. ENEC is one of the highest safety certification in Europe. We've got it with Focus on our electronics. We had Red Dot and German Design award for our products, and this was a product where we got those awards. Red Dot and German Design award both are from Germany.

Some of the brands uh in automobile, which we have been associated is Mercedes, Audi, Volvo, BMW, Porsche, Citron and a few more.

Some of the marquee brands we work very closely, Reliance, Tatas, IKEA, Uniqlo, Lenskart, Jockey, Apple, with L&T we work very closely. So, these are some of the infra projects what we did, Kundalpur Surat Port, Delhi Airport, Central Vista, Central Secretariat, we did project for Sarsa. It is considered as world's best renowned architect. We did ITC, Shanghai.

Thank you very much. We can start with questions answers. I am sorry if I am bored, but the idea was that we make you guys understand what we've been doing, and it gives a fair idea.

**Moderator:** Mr. Naveen, I have unmuted your line. Please go ahead and ask your question.

**Naveen:** My first question is on the retail segment. This year, the retail segment has shown a slower growth compared to the overall growth of the company. Any comments on the same and what is the outlook for the next year?

**Amit Sheth:** The largest retailer in India is Reliance and we all know that Reliance had taken over Future Group some or the other and the name was changed from Future Group brands to Reliance Stores like Central was changed to Centro, which is a large format 1.5 lakh square feet, 2 lakh square feet. Most of the stores have been changed names. So, they are trying to reconcile it. They are doing consolidation in short. And we see as a major player as Reliance to be slow for the first two quarters also till retail is concerned. Overall retail, otherwise, we don't see major problem. Middle East is booming. With the technology what I was trying to show you where from 272-odd fixtures, I don't remember the exact number to 70 numbers. With those type of technologies, I think we will have a good traction in India as well as in Middle East. We don't see a very, very aggressive growth, but we see at least 15% to 30% growth for this financial year. As I told you that we are working on certain materials wherein we are reducing the weight, the density by five times. So, for example, typically today in our industry, we were using all aluminum fresh die cast which is not easy to recycle, which is not a sustainable material. We are trying to change it. We have got a thermal conductive material which we are working on. We are at an edge where we'll be able to prove, and we'll be the first mover in the industry around the world. Nobody has uses will be the first mover if we have been successful to use that material successfully for lighting industry and it's 100% recyclable, it is 100% sustainable, and it's a lightweight material, and it will disrupt the industry because of the cost. But that will take six months to eight months probably for us to develop it if it is successful.

**Naveen:** Which are the other segments for the current year you are seeing visibility? Home segment has been growing.

**Amit Sheth:** We are looking at home as an exponential growth. Last year we have our focus was in developing a complete portfolio for home industry. Home and infra are the two areas where we see exponential growth happening. We have some very large projects which we have bidded in infra and we see great traction coming this year. We are very bullish with this too.

**Naveen:** So, my last question is, this significant jump in receivables this year, any comment on the same?

**Amit Sheth:** See, infra projects are increasing. We started two years back and it's actually becoming bigger than home, maybe it will be parallel to retail. Now we all know that government money is secured. Infra is mainly with government or large contractors like L&T, Shapoorji Pallonji or Tatas. The problem is that till the time the project is not executed; the payment is not cleared and

that's where it is a little bit stretched out. But what I understand from our CFO, maybe Tarun, if you can come in and explain what you had during our annual sales meet how the payment has improved.

**Tarun Udeshi:** Payment in regards to retail, home and other sectors, we have controlled over it and as sir rightly said only in infra wherein there are government formalities are involved. In that, it is taking time. Otherwise, if you see in retail and home and in railways, we do not have substantial outstanding at all, I mean every outstanding has been controlling below 180 days. So, it doesn't go above 90 days in short, to be very honest. But it is well in control in those three verticals.

**Amit Sheth:** And also, the ticket size in infra is pretty large. Single size orders, they are from 5 crores to almost 40 to 50 crores currently what we are bidding, I think the highest order what we have is 40 crores right now. 15% to 17% of our turnover.

**Naveen:** But if we see the fourth quarter, the main contribution was coming from retail and home. But still our receivables jumped to 81 crores, while the turnover was just 60 crores.

**Amit Sheth:** It's an accumulated receivable. It's not of that quarter. You are looking at the turnover of the quarter, but the receivables are accumulated of the whole year, no. See, as a company, what we see is whether it is 30 days outstanding, 60 days outstanding, 90 days or 180 days. So, it has got nothing to do with the turnover of that quarter, but it is not possible technically that if you have 60 crores turnover, you will run outstanding of 80 crores, right? So that is an accumulated over a period of time.

**Naveen:** More than six months, what is the receivable we have?

**Amit Sheth:** I think what we can do is you can ask these questions on e-mail also because there are a lot of people waiting, they're almost 19 messages here so that it can just move a little faster and those questions can be answered in between also. Tarun, just remember this and answer it once you see it.

**Speaker:** Mr. Pika, I have unmuted your line. Please go ahead and ask your question.

**Pika:** Sir, I have a few questions. What is the typical timeline of your project business and what is the average ticket size?

**Amit Sheth:** Retail is very fast running. Homes average timelines are somewhere between 30 to 90 days. It depends upon the size also. So sometimes typically architect will approach us before they start the interiors or sometimes if he's building up the whole house, then it will be a year's time also. But lighting comes in the end, so normally we get to 30 to 90 days' time. Infra is somewhere around six months to two years wherein for Bombay Airport, what we got, the information what we got from Bombay Airport was way back in 2020 I guess. And the designing, specifications, everything was done in 2020 and now they have ordered it. So infra is something very difficult

to put a timeline. Sometimes if it's a fast running project then it happens in three to six months, but that's the minimum time, it takes three to six months and sometimes it can go for two to three years also. So, whatever we are bidding today, it comes after two years or three years. Typical ticket size you ask, retail typical ticket size is somewhere between 20 lakhs to a crore except for large format stores like IKEA, where it goes to 4 to 5 crores. Automobile Industries 20 to 30 lakhs per store average, I am talking except for Mercedes. Mercedes goes a little higher 50 to 1 crore. Home average ticket size is something between 5 lakhs to three crores. Infra, minimum ticket is 5 crores, it goes up to 30 to 40 crores.

**Pika:** Sir, can you please show any few more glimpse of products for railways?

**Amit Sheth:** So, railways, whatever products we have designed and developed I have shown it to you. Now we are designing for Vande Bharat, there's a new train for Vande Bharat which has been launched. It's not a sitting or a sleeper coach. So, there are some developments which are happening, but we have signed an NDA, I am not allowed to show it to you.

**Speaker:** We have received few questions in Q&A section. Amit sir, I will read out the questions for you and you can answer them live. Anonymous attendee, home business QoQ growth did not happen this quarter. What is playing out there? When do we expect the next inflection point in that segment?

**Amit Sheth:** I don't know the numbers what you have, but home, as I told you before also, and I am telling in every call, as a company we see not quarter-to-quarter, we see year-on-year, and year-on-year Home is growing almost by 100% and we are very happy with the overall growth and we still see that the home will grow with the speed with the type of investments what we are doing in this product line in this particular vertical, and whatever technologies we have, they are very, very unique and all are patented. There's a lot of science behind it. We are the only company who is working on light and health. And very few people know that it affects your health also. So more we market, more we open experience centers, more we allow architects, interior designers, consultants to know what technology is this all about, this business is going to grow till home is concerned.

**Speaker:** Next question is from Yashwanti Khelkar. What is the order book pipeline for the project business and by when outdoor products will be manufactured by Focus?

**Amit Sheth:** What is the order book pipeline? See, we know what orders we have bid for and once the order comes it is executed in another two to three months' time, supply is done, execution takes some more time because the site has to be ready, it should be able to take the infrastructure. But currently what we are getting is a very, very large number. And till outdoor space is concerned and price is concerned the product what we have shown you which has been installed in one of the beaches, that product value itself is single product value itself is 30 crores what we are doing with one of the beach in India. I am not again able to say the name because it's still not confirmed to us though consultant has approved it, it will be not fair for me to say on this platform. For us

retail is also project for us, infra is also projects, even in home lighting is also projects because we don't sell it at the counter, it's for us, it is B2B. So, what we see average growth is somewhere around 30% year-on-year overall as a company for project business. We are not into trade; we are getting into trade and trade will take another six months to eight months for us to launch also.

**Speaker:**

Next question is from Ananya Swaminathan. I wanted to know how much time it typically takes to develop a product or a technology?

**Amit Sheth:**

So when we were typically in this project and project business for whether it is retail or infra projects, what we are developing... because the technologies are very unique, nobody has developed till date, it normally takes us six months to one year to come out with the technology, get the patents done and then develop products. So average time is one year. Today, we have set up a very large team because we are entering into trade and we are bringing some uniqueness, some disruption in trade industry. And so, we have an in-house team of 13 to 14 people working only on it and the idea is that every month we'll roll out our new product for trade and retail once we know that this technology is working. What is the Mumbai airport tender coming along, do we still expect, it was 80 plus crores for that this year? No, there are four phases of Bombay airport. The first phase order has been released to us and another three phase is still pending till Bombay Airport is concerned. First phase is some 8.5 crores. So on an average will do 35, 36 crores for Bombay Airport but it is phase wise. I don't know when the second, third and the fourth phase will come. Probably, they are very keen to open up the first phase, set deadline internally what they were discussing was somewhere around July or August, but I am not sure whether they will be able to meet those deadlines. After that, they will start with the second and the third phase. So I don't think so it will be coming this year. Maybe the orders will be placed this year, but the execution will not happen this year.

How big is your design team and what is an average period? For the product development also, do we have any kind of patent for this product? I've already answered. 13 to 14 people are working only on the design team. We have some guys coming from NIIT. NIIT is one of the best institutes in the country. Guys who have done Masters in Product Designing, now they are working with us. You have seen I have already shown the designers internationally they are working with. The idea is that we will be doing it in-house.

For the other product development also do we have any kind? Yes, most of the products would be designed and developed. They're all patented. If it is not unique, if we are not getting some sort of monopoly or we are not adding any value, we as a company does not make any sense to invest on it.

What kind of revenue are you expecting now and that you are approved and how this will increase when you are reading light becomes fully approved versus approval right now? I don't know the numbers. I have no ideas on it. What we realize in railways, there are three bodies where they do tender system, but large chunk of business comes from private players, companies

like Alstom who executes coaches for them and they are the ones who are really worried about the quality because in the end they give guarantee to the railways and there are four companies like that, I am not able to recollect those names but we are meeting them. They are coming to our factory, seeing our facility and there's a tie up, there's a serious discussion going on. But honestly, I have no idea on the revenue part of it, what revenue it will add to our current financial year.

Vijay Chavan, elaborate on the product launch in FY'24 and the pipeline for coming period, elaborate on the product launch. Okay, I've already shown what we are doing, what technologies we are working for indoors or outdoors. Outdoors, we are getting it patented and we've already got it and now we are developing those fixtures that will be launched in December. Our complete portfolio of outdoor which I've already showcased to you in my presentation. Parallely we are working for trade. In trade, we are working in two areas. We have taken a conscious call. In trade, which are non-technical product but still we are adding some value in terms of materials. We are discarding aluminum and we are going with some special material which will reduce the weight, which will make the production very fast, where we will be able to assemble and manufacture products in few seconds. And which will differentiate in trade and that's where we have tied up with two companies where we'll be producing basic downlights and tube lights, assemble tube light where we add a lot of value in terms of every month, few lakh pieces for them, that is something what we are doing in trade. And we are just waiting for doing batch of samples where we can check all the thermals and everything, where the LED is the biggest enemy is thermals, heat and if we are able to discard aluminum, then it is very disruptive because it's a recycle material and Europe today is highly focused on recycled material, they want to get away from aluminum, but they don't have knowhow for it where if we are able to do this and if we are able to patent that, then this will give us a huge platform in European market also, and not only in trade sector, but it will also help us in retail, we'll be discarding aluminum, in retail as well as in infra projects also.

What is the sustainable EBITDA margin in future? 23% upward by us. The whole target is to maintain the EBITDA margins in terms of percentage more or less same, Plus/minus 2% to 3%, of course, we are looking for a plus not minus.

**Participant:**

Do you have a technology tie up for Luminaire range?

We don't have any technological tie-up for Luminaire range. We design Luminaires with product designers which were initially from outside, now parallely we are doing it in-house also. We do optical design outside which is with a company called Bartenbach.

What is the growth rate we can maintain? We have achieved around 35% growth in our revenues. And what is the profitable margin we can maintain? I have answered, we are looking for an average growth with all the verticals. We should be able to maintain 30% to 35% growth and profitability in terms of EBITDA and PAT somewhere between 17% to 19% we should be able

to maintain. Till the time we add innovation, we have disruptive technologies. I don't see any reason why we won't be able to maintain it.

We are facing headwinds in retail segment. Are we seeing any green shoots that are going to be in next FY? Yes, as I told you there are two technologies where one is I showed you in presentation where we are drastically reducing number of light fixtures for retailers. Please tell me which retailer will not allow to reduce the quantity to one-fourth. I think that is the most disruptive thing what we can do. And the second disruption is of course the CAPEX by reducing the weight by going for this new advanced materials and discarding aluminum which is not a sustainable technology. I think sky is the limit if we can achieve that. But that is something parallelly what we are working on.

We are facing headwinds. Are we working on any government projects? Yes, we are working on multiple government projects. like Surat Fort or the Beach project is also government, we are doing dams, we are doing some heritage buildings, a lot of things are in pipeline.

How many showrooms we have supplied in automobile? Whatever brands we said almost 80% of the jobs comes to us, in last two years only 4%, Tata Motors, we would have done 1,800 to 2000 stores. That's one number I remember. The size of BMW, Mercedes-Benz, Volvo or Citroen is not so large, but yes, there are considerable numbers for us.

**Speaker:**

Sir, we are taking one more question from Parikshit Kandpal.

**Parikshit Kandpal:**

I have two questions. #1 might be a little bit silly. Can you please explain what is the trade business, is that basically contract manufacturing?

**Amit Sheth:**

No, trade business is not just contract. Trade basically it's B2C. So, let's say if you know the names like Philips, Osram, Havells, Halonix, Panasonic, Crompton, Bajaj. Their market is predominantly trade. So they give it to the small, small retailers and retailers sells it to the end consumers. In the last two years we've been tracking trade business. The value of the product is very low, but the volume is very large. And a major problem the industry is facing is that it has become a commodity and everybody is fighting hard to save few paise and few rupees. So they compromise in the products, for example, if it's a tube light, originally it was four feet, now they have shrunk to three feet now, two and a half they are doing. So, they're trying to save on the material cost and doing it. Frankly, if you ask me if there is any end user, it doesn't matter to the end user if the product is of good quality if it is adding some value to it and product looks really smart or instead of being Rs.200, he's happy to pay Rs.300. With today, these companies have not understood it. If you remove the name from their tube lights or from their bulbs, or from their down lights, you can't even know that whether this is a product of Philips or Osram or Panasonic, they all look the same. They survive because of the brand value, but they are not surviving because of the product. That's the reason they have average trade business has degrown by 8% to 12% depending on company-to-company. And I know the numbers of Philips; they degrown by 10% average and which is a large sized business, almost 2, 2,500 crores what Philips



does in India. Now the first thing what we were doing was that how we can differentiate it in terms of product design, in terms of description in the materials used, in terms of assembly, how we can assemble the product. Typically, it takes four to six minutes to assemble whether we can do it in three seconds, 15 to 20 seconds, that was the whole idea. Whether we can make it completely screwless. There were a lot of influence from one of the brands we had and we really studied that brand. And we realize that there is a way and there is a process where you can cut down on the cost but not compromise on the product, improve the product, differentiate it from the others and that's where you get a good market traction. So that is what trade is all about. Now, as a company, if you want to enter trade, you need to be a brand. We are not a brand in the industry which we know very well, and to develop a brand, it costs a lot of money, marketing expenses are very high. So, the first step for us is to differentiate on the product. Second step is to become an OEM to these large players where we have an assured business of three digit numbers and parallelly we create our own brand, we invest the same money and create our own brand. That's the whole idea of brand. I hope I could answer this question.

**Parikshit Kandpal:**

The receivables have increased almost 50 crores YoY and the infra business was only 15 crores as per the presentation. So, the increase in receivables is it's looking a bit concerning. That's why I just want to repeat the question if Tarun can answer.

**Tarun Udeshi:**

So, if you see the total breakup of the receivables, so above six months, the receivable is 12.42 crores and below six months the receivable is 73.28 crores. So, if you see all the receivables are well below six months.

**Parikshit Kandpal:**

Then Tarun, would it be fair to assume that the receivables are not just from the infra business but also from some of the other verticals?

**Tarun Udeshi:**

So major contribution is of infra, yes from other verticals also there might be some receivables. If you want the break up I will give but below six months it is 73.28 crores. So major debtors is of below six months which is what I am trying to say.

**Parikshit Kandpal:**

I understand and hopefully I can connect with you afterwards on your e-mail to get this.

Any CAPEX is planned? Yes, we are planning for CAPEX. Though we have a spare capacity, but the way business is growing, maybe we have to plan ahead after what will happen after three years. So, we are doing the planning well in advance or we'll inform you once there everything is on the paper.

Who are your close competitors? We have lot of European brands in terms of pricing, we have to compete with local Indians and Chinese brands.

Are we working with Jewar airport? Yes we are. We are already bidding for Jewar airport which is in UP.

Do you stick with your guidance? Yes, we are very optimistic we will be able to touch those top lines whatever we are looking in '26-27 probably '27-28.

Can you explain on the new vertical on trade margin, average ticket size commitments available, what are the overall expectation for the next FY? Trade, we have just started. It's very difficult to say what will be the top line. OEM business we have expected turnovers, but I will not like to reveal it till the time we get those numbers because the numbers are very large, and we are not able to digest it. By ourselves, the commitment what I have got with the type of differentiation for the first year and it will be a 100% growth year-on-year. So, we are looking at two verticals, one is OEM business, and one is business in trade what we'll be doing it by ourselves. Our numbers will be minimum 50 crores. With OEM, sky is the limit what we can do with them.

Can you explain your what is our spend on R&D? I don't know the numbers on spend of R&D. Everything is in-house what we do. We develop our technologies in-house, we have labs, we have just created a new lab for outdoor in our facility, we had only indoor lab and that is also getting NABL certified. Yes, we mainly spend on softwares to develop thermal softwares or product design softwares which is done like we have 20, 21 licenses for SolidWorks. Our lab investment, it's a continuous process. So average 4 to 5 crores is what I think we invest on it.

What is our marketing and branding spend? We are B2B, so we don't need a marketing and branding spend as of now. Once we enter trade, we need it, but we plan to do it smartly rather than going for print media or radios and television, which certainly our size of companies cannot afford it. We will be more going with digital marketing. We will be keeping ourselves lean and we will be marketing it through Facebook, Instagram, LinkedIn, those are the platforms where we create our brand and that also we are now going to do it, Pan India, we are going to do zone wise where we are marketing it. For example, if we're entering Maharashtra, then Maharashtra will be the first target and that's where we will bombard it on social media. We'll use a lot of influencers for the same.

What is the name of the German company whom we have technology? I've already answered this. It's not the luminaire. It's a repeated question again.

Do we have a threat from Chinese imports? As a company, we don't have threat from Chinese imports. Reason, we are into technical or industry where they're nowhere close to us. In terms of non-technical commodity, there are a lot of companies who are highly dependent on Chinese supply. And in terms of pricing, yes, in terms of technical capabilities, no, they are no competition to us. In trade also, with this new disruptive technology what we are trying to bring inside the product, I don't think so. They'll be competing with us. Your company website looks like your work is in progress from last many months. Yes, you are right, we had done the website. Website is something which is very fluid. You need to update it every week, every month. So, it is always work-in progress.

Can you start putting exchange intimation for new projects that you are receiving; it will create more visibility for the investors? Yes, we are extremely sorry, we've not been able to put all our projects, which we have received. I think there's a 24 hour window or 48 hours windows in which once you receive the purchase order you have to do it and we have missed a few large projects which we could have informed to the exchange but we will be doing it. Thank you very much for the same.

What is sustainable EBITDA? I have answered.

Can you talk about FY'25 top line, 15% to 20%, it is a very wide range and are you confident of reaching? Yes, we are confident of reaching, we know it will happen. because we've been working, we've been making our vertical strong, verticals like home, verticals like outdoor, verticals like infra, even for that matter for retail, the technologies what we are proposing to the industry, I don't see any big challenges unless and until if there is something like COVID that happens or overall industry becomes slow, or if there's a war, I don't see that we should have any problems on that side.

Just to be clear, are you aiming 30% revenue growth? Yes, I've answered that we are.

Are you concerned about the price erosion in trade business? Price erosion in trade business, we are not in trade, number one, we're getting into trade and trade is large volume. Again, we are not paying a price, price war there. What we are trying to do is disruption. And through disruption, we will be very, very aggressive in terms of pricing, at the same time, we will be maintaining our gross margins, EBITDAs and PAT. That's the whole idea. We will not be doing trade.

Will trade segment bring down our margins? Trade segment will not bring down our margins when we are working with direct retailers, distributors, there will be little bit of margin when we are doing it for the OEM, but again the deal with the OEM with whom we have already tied up or we are under negotiation is that, listen, there is some uniqueness which you are bringing in and which will give these OEMs or some differentiation in the market. And there's a lot of R&D cost, there's lot of design cost what we include. Typically, if you work with companies, large OEMs like Philips Havells, they will say that this is your bomb cost, and you get 15% as a gross margin and that was the first discussion what we had. We as a company cannot give you the bomb cost plus the margin for this type of innovative products. If you are interested, then we will keep our margins, but we'll ensure that still you have 45% gross margin when you give it to your retailers and that is where our agreement is with them. But still, yes, the volume is very large with OEMs, like fairly large, typically just to give an example, any company who is becoming an OEM, they have a business of 300 to 400 crores. So with that large volume, your infrastructure cost is much lesser. So, I still don't feel that it will affect the bottom line also for us. I think in spite of that also we'll be able to maintain the bottom line. Of course, to reach those volumes, it's not the first year we can reach those volumes, it will take two to three years' time. It has a lot of confidence building, whether we are able to supply such high volumes to them and

that is an area where we are working today. We are working how we will reduce the assembly line, in 15 to 20 seconds, how we can assemble one product? So, we are going to those levels and working on those areas. We don't see that margins will erode in that. Thank you. And all the best. Any other questions? I think I've tried and answered everything whatever best I could.

**Speaker:**

I think we have covered all the questions. We can conclude the call. Thank you, everyone for joining the virtual earnings call of Focus Lighting & Fixtures Limited. If you have any queries, you can write us at [research@directkiranadvisors.com](mailto:research@directkiranadvisors.com). Once again, thank you everyone for joining the virtual call.

**Amit Sheth:**

Thank you so much.