

Date: November 18, 2025

To,
BSE Limited
Corporate Relation Department
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir/ Ma'am,

Subject: Update on Earnings call for the half year ended September 30, 2025-H1 FY26 – Transcript.

Ref: Inflamm Appliances Limited (Security Id.: INFLAME, Security Code: 541083)

In continuance of our earlier intimations dated November 11, 2025, November 15, 2025 and Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Company's Earnings Call held on Saturday, November 15, 2025, at 02:30 P.M. to discuss the financial results for the half year ended September 30, 2025. The transcript has also been made available on the Company's website at www.inflammindia.com

Kindly take the same on your record and oblige us.

Thanking you,

Yours faithfully,

For, Inflamm Appliances Limited

Aditya Kaushik
Chairman and Managing Director
DIN: 06790052

Place: Panchkula

Encl: A/a

INFLAME APPLIANCES LIMITED

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Inflame Appliances Limited

H1 FY26

POST EARNINGS CONFERENCE CALL

November 15, 2025 2:30 PM IST

Management Team

Mr Amit Kaushik - Chief Executive Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the H1 FY26 Post Earnings Conference Call of Inflame Appliances Limited. Today on the call from the management we have with us Mr. Amit Kaushik, CEO.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to detail us about the business performance highlights for the period ended September 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

Amit Kaushik:

Good afternoon, everyone. First of all, I would like to thank each one of you for trusting in us and giving us this opportunity to take this company forward on the plans and visions we have for this company. On behalf of Inflame, I would like to give this information to all our investors that company has registered a growth of over 40% in the first half of this year and registering a remarkable profit after tax as compared to the last years of operations. We will continue this momentum of H1 in H2 also and target a better result for this financial year.

As far as our consumption of raw material and gross profits are concerned gross profits over consumption of raw material are concerned they have already reached to the level of our expectations. We have targeted about 28% to 30% of gross margins, which we have already started almost started achieving from this financial year. We have almost achieved 21,000, 22,000 numbers in Panchkula plant. Hyderabad plant has also started giving very good results where we are dealing with the premier customers like Crompton and IRB and KAFF, also doing special products from there, such as built-in refrigerators, wine coolers and built-in ovens.

Very shortly, we would be coming out with 2-3 more products, which are again going to be the first in India in terms of manufacturing. Presently, they are all imported from China. However, the names of the products cannot be revealed as of now, as it has not been made the statement for the same has not been made as yet. However, in next 2, 3 months, 2, 3 new products would also come up.

With the BIS implementation on Hobs going to be is round the corner and it is going to be compulsory for manufacturers to have BIS license for Hobs also. We assume in the next financial year, Hobs is also going to contribute majorly in our growth and increase in revenue. For the next financial year, at least from the Hyderabad plant, we are planning a capacity increase for which we have to increase the land space, the working sheds. And one of the sheds which we already have is being converted into a multi-storey building. And the details of the same has already been notified to everyone through a disclosure on the exchange.

All-in all, the productivity in the plant has improved, the rejections and efficiency levels of the product and the productions have increased. The rejections have been lowered. We have done a couple of small joint ventures with some of the companies and some of the people who are specialized in their activities for creating more components, for getting more components at more effective price, better quality. Because this is their specialization, so we have given the operations to them. However, the company holds a majority stake so that we control the operations of those companies through strategic involvement and financial involvement. And we hope the next financial year is going to be again a bumper and very beneficial from the growth point of view.

Thank you very much.

Question-and-Answer Session

Moderator:

Thank you. Sir, we will take the first question from, Mr. Sheikh Ahmed to go ahead and ask his questions.

- Sheikh Ahmed:** Yeah. Sir, just I have a few questions. It's very good to hear, first of all, that this company started doing the profit. It has been a tough time for all of us since last two years. We were having some issues were coming every quarter. Now what is the capacity utilization in Hyderabad plant?
- Amit Kaushik:** The Hyderabad plant is almost doing 50% now, whereas the Panchkula plant is almost at its peak.
- Sheikh Ahmed:** Okay. And the capacity which you just told that you are going to additionally add in the same plot, but with, I think, multi-storey building. Is it also for the same Hobs and flames or is it for different thing?
- Amit Kaushik:** No, this is going to be -- one floor is going to be for the existing products. However, the second floor is being added for the built-in series, basically built-in ovens, built-in wine coolers and all those products for which we have already started the working from Hyderabad plant.
- Sheikh Ahmed:** So the existing capacity cannot fulfil the requirement of these wine coolers and other new items which you are planning to get it, correct?
- Amit Kaushik:** Yeah, actually, Sheikh Sahab, all our products which we are dealing in except for the Hobs are very volumetric products. While designing the first plant and even the second plant, we kind of overlooked that particular point, but now we need a lot of space for FGs. Also, we need a lot of space for FG because we are dealing with multiple OEMs and to keep that material separately for each OEM and the number of models they have to maintain that type of storage system. We realized later on that we should have a better place for keeping their finished goods.
- So it is not only about manufacturing or assembling the products, it is also about keeping the FG intact. Sometimes a customer gives us a loading plan for Chennai, for Cochin, for Bangalore, Kolkata and say Gurgaon plant. So earlier we were sending material to only one location, now we are sending 3, 4, 5 locations. So, to keep the material for 5 locations until the container is not available or the load is not

complete, you need to stock that material. So there are a lot of things which have come up off late as the quantum and the numbers are going up. We need to update; we need to modify our own systems also to cater to those requirements.

Sheikh Ahmed: Okay, noted sir. So what will be the CapEx amount for this new construction approximately and how it is going to be funded?

Amit Kaushik: The CapEx for the construction alone is one part but when we are going to the new premises and this plant is already 7, 8 years old, we also need to improvise upon the assembly lines. We need to add on new assembly lines also for the new products. The test labs would also be modified with the present-day requirement for testing. Earlier a lot of products were coming from China, premium products were coming from China. So we need to now replace them completely. So we need to replace a lot of other infrastructural things also which are incomparable to Chinese suppliers. So looking at everything, we assume that the total CapEx for this project could be INR9 crore to INR10 crore.

Sheikh Ahmed: And how it is going to be funded, is it going to debt or internal accrual?

Amit Kaushik: We are going for a debt with the bank. Debt has already been sanctioned and the construction has already started.

Sheikh Ahmed: This is in Panchkula or in Hyderabad sir?

Amit Kaushik: This will be in Panchkula sir.

Sheikh Ahmed: In Hyderabad, we don't need to do any additional modifications for the finished goods and other things?

Amit Kaushik: No, we do need there also but every plant cannot be touched upon immediately. We would like to first reach our capacity utilization there which is 18,000-20,000 chimneys a month or even slightly more. So first we achieve that, after that we will see what to do in the Hyderabad plant. So as of today, because we have achieved our targets of production in Panchkula plant. We want to expand it to 35,000-40,000

per month of installed capacity so that we are able to do 35,000-33,000 from this plant at least.

Sheikh Ahmed: Sir, one more question, does this extension in Panchkula, does it lead to any shutdown in the existing plant or it will not be having any impact on that one?

Amit Kaushik: No sir, we cannot afford to shut down our plant even for a day. We are designing it in a way that the production continues and we are using some empty spaces and some warehousing spaces to convert it into multi-storey and for that purpose we have taken some temporary rental premises outside our factory to store those materials. So once this project is complete, which we are targeting anyway by 31st of March, so that from 1st of April the new premises is completely in use, we will shift that material to the plant.

Sheikh Ahmed: Sir, at the end for the guidance, do you like to give any guidance in terms of top line and bottom line and how are you seeing the momentum now in the second half, just one month, one and a half month completed, how are you seeing the trend now?

Amit Kaushik: So the momentum is maintained. As such the Q1 and Q2 were 1:2 ratio in the H1 also. Similarly, after Diwali some period is lean period which has already gone now. The production is full swing and the momentum of H1 will be continued in H2 also, sir.

Sheikh Ahmed: What about that means this path, is it sustainable in the coming quarters also, sir?

Amit Kaushik: Yes, sir. It does look like it is sustainable.

Sheikh Ahmed: Okay, sir. Okay, Mr. Amit, thanks. That's all from my end.

Amit Kaushik: Thank you.

Moderator: Thank you. We'll take the next question from Resha Mehta. Resha, you can go ahead.

Resha Mehta: Yeah, thank you. So one is I think just a clarification on the capacity utilization. While you said that the Panchkula plant is fully utilized and Hyderabad plant is at 50% capacity utilization, but if I look at your presentation, it says that the exit run rate for chimneys for both plants put together is 30,000 units per month, which actually -- and if I look at it from an annualized perspective, that translates to 3.6 lakhs units versus our capacity being at 6 lakh units for chimneys, which is a 60% capacity utilization. So can you please clarify on this?

Amit Kaushik: Yeah, actually, the run rate is in excess of 30,000 wherein Hyderabad plant is doing about 50%, contributing about 50%. So I am talking about the run rate as on today, what we are doing in a particular month, and Panchkula plant has already done 22,000 chimneys in a month. So we hope by the time new facility will come up, we would have touched about 23,000, 24,000 from the Panchkula unit also. And so, it's from our side, it's almost utilization of capacity and 100% capacity in manufacturing utilization is very, very challenging, Visha ma'am. Sometimes there are minor or major issues in manufacturing, which stops or halt the production process.

However, having said that, Panchkula has already gone beyond 90%. And from that standard, Hyderabad has also gone beyond 50%, almost 50% we have touched. And we hope another few months down the line, 5-6 months down the line, Hyderabad would also achieve 80%-90%.

Resha Mehta: All right. All right. And for this BIS certification, if you can just clarify that so now both our facilities have BIS certification for all the products that we manufacture, right?

Amit Kaushik: Of course. Without BIS certifications, we cannot undertake any manufacturing process for any product, which is covered by BIS for certification. And there are about 4-5 different types of certifications we have taken for Panchkula plant as well as for Hyderabad plant. In total, I think about, if I'm not mistaken, it's about 9 BIS certifications in both the plants we have taken. For example, glass qualifies for BIS certification. So both the plants have glass processing facility, which covers under BIS certification. So we have that. And chimneys have a

different BIS, so 1 plus 1, 2 for chimney. Hobs and gas stoves is one category, so 1 plus 1, 2 for that.

Then you have got, also have to get BIS for refrigerating units, like built-in refrigerator and wine cooler. So we have for them also. So likewise, we have got many BIS things. For OTG also, you have BIS certification required. So, we have got for OTG also.

Resha Mehta:

Understood. And so since chimneys is a major product, right? And so just purely for now restricting the conversation to chimneys, and this was largely imported from China. So are there any Chinese factories, which have actually got BIS certifications? And also how many other local players or our competitors would have received BIS certification? Some sense on that would be helpful.

Amit Kaushik:

See, after 6 months, if Chinese suppliers have BIS certification, it really does not matter at that moment of time, because it would be difficult for the Chinese manufacturers to enter Indian market. There are multiple reasons for this. The foremost and the biggest reason is the cash flows. When you deal with the Chinese suppliers, you have to give 3-4 in advance plan to them and then you need to give 3 to 4 months of inventories for their products. So, overall, you are not able to rotate your investment more than three times, three and a half times in a year. And then there are a lot of models which before they enter Indian market, their trend goes away, fades away. And a lot of companies have a lot of products which are imported from China, which are not selling, slow moving or dead moving.

So, the companies have realized at least their financial teams have realized that the core strength of Indian companies is not only the pricing, it's not only the cost of it, but it is the financial implication imports are putting on their system. So this is one very, very, very important thing, which is in favour of Indian suppliers.

Number two, almost two years have one and a half years have already been given to Indian manufacturers post implementation of BIS for us to understand. And we started much before that. We thought much before that, that someday these products would be completely Indian

products. We have the base for supplying suppliers who are supplying material components to us in India. It's not that some of the components that we are buying from China, we are dependent upon them right now. Our dependency upon China for any component is not there. It's only the price factor that we are buying from them.

We have developed alternatively these components from reputed Indian suppliers. For example, some of our products which we are buying from China have already been developed by for us by a company called IFB. Now uses of those products with those price implication is correct or not correct is a strategic decision which management of Inflame has to take. But the products have qualified for the users in Indian market. So tomorrow, if we have a competition with China, then all these things will matter.

One and a half, two years back, people were buying because it was convenient to buy from China and the support industry and the components were not available in India. But now the case has changed. Our product quality have gone up. Our manpower has learned how to manufacture chimneys. We have people who are trained on these product lines now. So now, we are in a very, very comfortable and good position to compete Chinese suppliers. And unless they come and set up their units in India and work under Indian circumstances, wherein they do not have any -- much of experience. I'm not talking about companies like Haier who are very big organizations in China and in India also. But a normal company like Inflame's level of operation in China, if they have to come and manage Indian manpower and Indian systems, it is not easy for them also to come and do it.

So I think Indian manufacturers, including us, are in a much commanding and better position to compete with them in today's scenario, today's situation. Yes, two years back, it was difficult, but not anymore. Basically, we are not worried about their threat anymore.

Resha Mehta:

No, which is fair. But I think, I mean, my understanding of BIS is that, completely knocked down units or semi-knocked down units still are outside the purview of BIS. And also, as things stand today, are Chinese factories getting BIS approvals?

Amit Kaushik:

No, as of now, none of the Chinese suppliers have got it. And CKD and SKD in products doesn't work, ma'am. It is good on paper. But when you have to actually go, for example, somebody has got the bodies from China, motors from China, but when it comes to adding a glass to it, they have a lot of problems. They brought 5,000 pieces, but they could not convert 3,000 also in three months. I have got an example of a very big company.

So what will they do? Ultimately, they will find a company like Inflame who can supply them goods. So they are not easy things to do. And as I said, glass is covered under BIS, so you cannot get a product in CKD form from China with a glass fitted to it. Glass you have to source from India only. Cable and cord you have to source from India only because this is also covered under BIS. Shortly if motors also get covered by BIS, what will you do from China? What will you bring from China? Only body part.

So it will not be viable for you to get it from there because India has a lot of maturity in supplying sheet metal parts. We have such a huge automobile manufacturing in India, so a lot of people are doing sheet metal. How can we keep getting sheet metal from China when the same is also available in India? Another six months down the line, this SKD-CKD business will be finished. Already it's on decline, ma'am. In last six months, people are tired to do it anymore.

Resha Mehta:

Yeah. And since 16 lakh chimneys are imported from China majorly currently. So in terms of number of units, volumes, what would be the Indian market size for chimneys? And if let's say some part of it is being sourced from India, so apart from us, are there any other major local Indian players who are doing this?

Amit Kaushik:

Yes, there are people who are doing it in CKD and SKD format right now for different companies, but they cannot be considered as of now in real terms, the manufacturers except for the big three which are already in manufacturing since last over a decade or so, almost two decades now. So if we do not count them into the fray, then there are very few people who are doing it as a complete product here. Yes, there

are people who are getting SKD-CKD from China and they are trying to convert it in India.

They might get into complete manufacturing in time to come. That could be a stage two for them after six months, one year. But as the market size is increasing day by day, the demands are increasing day by day, all these people, all these companies are required to give, to meet the Indian market and they are just going to replace the Chinese suppliers. So the competition or the supplies which were coming from China would be met by Indian manufacturers, including Inflame.

Resha Mehta: Sorry, so my question actually.

Moderator: Resha, I will have to request you to come back in queue, we have a lot of participants. Yeah, I will request all participants to limit in the initial round to two questions. Abhishek, you may go ahead with your questions, Abhishek Agarwal.

Abhishek Agarwal: Sure, thank you for giving me that opportunity and congratulations on great set of numbers now. Finally, things seem to be turning for us now after a couple of years. So, my first question being, sir, a few quarters back, we were faced with Chinese dumping and then despite having good relations with some of the Indian customers like and Hindware and of this kind, we were faced with Chinese competition and then we were unable to sell our products to the extent we would have hoped.

So, I know things have changed now and so how sticky can these relations going on forward be for us and then what gives us the confidence that we'll be able to grab that share and then we're targeting to grab 40% of market share going forward five years down the line. So what gives us that confidence and how sticky is our relationship with our customers?

Amit Kaushik: Thank you, Abhishek, for this question. Actually, you see the biggest positive with Inflame is that they are in the market for last 7, 8 years and we have already performed, our products have performed. A chimney is a typical product which wherein 8 to 10 years or 12 years of warranties are given in terms of lifetime warranty and this and that. And

lifetime warranties are sometimes 7 years or 8 years or 10 years also on motors. So no customer of Hindware or KAFF or Havells status would go to the market with a product which is not tested enough for a longer period of time.

Fortunately for us, when Chinese suppliers were flooding the Indian markets, we were given small shares of orders, maybe 5% somewhere, 10% somewhere, 20% of their total consumption. And they tested us over a period of 6, 7, 8 years. They have tested our facilities, our products, our quality of our components including motors and PCBs and switches. So we have a proven track record.

Anyone who comes into the manufacturing today, they have to prove, they have to travel those 3, 4, 5 years. And another 2-3 years down the line, we would still be a much bigger force in kitchen appliances segment in terms of manufacturing. So it is not easy for anyone to get into this trade overnight and surpass Inflame or take our share.

Market is ever growing. If we have to do 60,000, for example, 60,000 chimneys a month, I don't think it is very big challenge for us. It would be a challenge for other companies to come to 30,000, 40,000 level. But for Inflame to get going and achieving that number would not be a big challenge. I am just giving a hypothetical number. And the clients we are catering to now is Crompton, IFB, Wonderchef, KAFF, Livpure, Hindware, Sunflame, V-Guard, Havells. All these customers under one roof cannot sustain if your products are not good, if your qualities are not doing good in the market, complaint ratios are higher, or you do not have trendy products. And the biggest of all is our innovative capabilities. We have innovated a lot of new products.

And let me give this information here that we are working on an exchange chimney for which the prototype would be ready within December itself. And 9 out of 10 times chances are there that this product would be a very huge hit. It has not been given by Chinese suppliers also until now. So we are bringing a revolutionary product which will be introduced to our customers for testing in December. And every customer knows that if you want a new product, if you want an innovative product, if you want a new design, it is only Inflame which

is capable of doing it right now, by virtue of our experience and the design and technical team we have at this moment.

So I don't think any customer will run away from us. The share might go up and down, but all these customers are going to stick with us.

Abhishek Agarwal:

Yeah, that is great to hear that. My second question being, sir, the products that we're talking about, two, three products that we're going to launch. I know you will not be able to divulge much of detail, but if you can just share us what kind of timeline are we looking at for the launch of these products? And also, how big are these products in terms of technology or market size? If you can just throw some light on that.

Amit Kaushik:

So the products are being launched from two point of views. As we have all understood that chimney is going to be our bread and butter. It is going to be our major product. Most of the revenues are going to come from it. The percentage would definitely go down subsequently in years to come. For example, it could go down from 80%, 85% to 60%-55% and other products are going to take the rest of the share. However, the major, major reason for doing all these products is to de-risk our business opportunities, business deals with these customers.

For example, a customer has all their imported products with us. Now where do they run away with the chimneys? If they have to survive for their present other lines of products, which we are doing for them, which includes hobs, which includes, for example, built-in refrigerators and wine coolers, which nobody else is doing for them, and nobody is capable also because we have invested one and a half years in setting up these things, including taking a BIS license, which alone took us four to five months to get certified by BIS. It's not an easy task for anyone to just enter with those numbers and get into the market.

And for us, what is important is that the chimney business with them has increased from 3,000 per month to about 7,000, 7,500, 8,000 per month. So chimney business is secured because we are doing those products also. So, sometimes it is a strategical decision also, not just the volume and the size of the market.

- Abhishek Agarwal:** Thank you for that and wish you all the very best.
- Amit Kaushik:** Thank you, sir.
- Moderator:** We'll take the next question from Pritesh Chheda. Pritesh, you can go ahead, please.
- Amit Kaushik:** Namaste, Pritesh bhai.
- Pritesh Chheda:** Namaste, sir. Sir, just a few questions. So, when you started H1 of this year, what kind of order visibility on a quarterly or a monthly whichever you're comfortable with in volume numbers did you start with? And when you're now you're in H2, what kind of order visibility or quarterly monthly whatever you're comfortable in volume numbers are you starting with? So, that we understand.
- Amit Kaushik:** Yeah, I think this issue we discussed before also. April was 14,000, 15,000 only and last month was more than 32,000. As far as the orders are concerned, April was about 17,000, 18,000 numbers of orders and last month was about 45,000 orders.
- Pritesh Chheda:** Last month means October?
- Amit Kaushik:** Yeah, September. October, Diwali only, we were working till 16, 17 because of Diwali. After that, the supplies became very soft. For 5, 6 days, the plant was also closed, Pritesh bhai. So you know that in the month after Diwali, there is not much work but November is good. November will again be over 30,000 and the order for November in both the plants is also 38,000, 39,000.
- Pritesh Chheda:** So, I'll just reconfirm. You started April with 14,000 and then as you headed in September, you had visibility for 42,000 and now when you are in November, you are starting with a visibility of 38,000 to 40,000. Correct?
- Amit Kaushik:** Correct, correct Pritesh bhai and we will be achieving about 30,000, 32,000. This is the present run rate which we continued in July also,

August also, September also. In fact, every month we have been consolidating the number.

Pritesh Chheda: So basically, now the run rate that we see as of now is about 30,000 to 32,000 on an average basis.

Amit Kaushik: Correct Pritesh. You are absolutely right.

Pritesh Chheda: Now when you are talking about adding another 15,000 unit capacity in Panchkula, is it that we are now sure that this capacity of 40,000 which is basically Panchkula plus Hyderabad put together is kind of have a reasonable visibility of being sold out and hence we are adding this 15,000 or this 15,000...?

Amit Kaushik: Yes Pritesh bhai. Now what is happening is that day before yesterday one customer came and they said we want 7,000, 8,000 from April onwards from you. Another team is here today and they also wanted 7,000, 8,000 pieces per month from April onwards from us. But we have told everyone that whatever is the constraint of our capacity here, we will not be able to give you more than this till March. And there are a lot of orders for labels as well but we are not able to accept those orders.

Same is the case with Hindware. Earlier we gave Hindware 10,000 pieces per month. Now we are not able to go beyond 6,000, 7,000. So, we feel that if we plan 30,000, 35,000 here, then we can see the visibility of orders. Baring two months in a year which we don't count. There is a problem in the months after April and Diwali. In the remaining 10 months, we can see the number of 35,000, 40,000, 45,000. The highest orders for a particular month we had were 60,000 in fact. Our order book has gone to 60,000 in some month. But we are targeting 30,000, 32,000, 33,000. This new setup is important because there is a heavy demand for built-in. Havells is behind us, customers who came today need built-in. Customers who came the day before need built-in. Everyone wants built-in. Everyone has understood that built-in is also not possible to import in those numbers and quantum from China as we were doing earlier.

So, we need built-in in India. In today's date, there is no preparedness of anyone other than us. No matter how you understand, it is of 100 pieces, 500 pieces, 200 pieces. At least the infrastructure has been set up. We have made the goods 3-4 times, given 100 pieces, given 70 pieces. But the process has started. In the process, 3, 4 times the material has been made and gone. All the small issues in it have been sorted out. The boys have got training. We have sent people to China to learn and understand. They have also come back. So we are in a much forward position as far as built-in is concerned to supply in India.

Pritesh Chheda:

Okay. So just lastly to conclude, what I understand from the conversation is basically in H2, we will see barring October, which is being the month, barring October, we will see about 30,000, 32,000, 35,000 type run rate in H2. So, which is closer to let's say 170,000 180,000 units versus 130,000, 140,000 that we did in H1. And then when we go next year, we are comfortable at about 4 lakh units. I am just assuming that you do about enough 40,000 units for 10 months. Because as you said, April is a month which is lean. And post-Diwali is a month which is lean. So is this correct in our assessment?

Amit Kaushik:

Correct, Pritesh. And I think, again, you had told me that if there is an order and you don't perform, and it won't be made and sent, then there is some problem. So I remember, Pritesh. And I had no words to say that on that day. It was actually circumstantial. I am sorry to everyone for not being able to perform in the past. But it was all circumstantial. It was never from our side. But now the situation is that we will perform. I can only assure you from here onwards, you won't have to complain again for anything.

Pritesh Chheda:

Okay. So over and above this 4 lakh, now what we are seeing is visibility is improving for the hobs business as and when it fructifies. And visibility improving for built-in business as and when it fructifies and materializes. Correct?

Amit Kaushik:

Correct. Pritesh, I will be back from China. I am going for the new products on 1st of December. I will be back from China on 8th or 9th. By 10th or between 10th and 15th, I will give a disclosure after finalizing with the Chinese suppliers.

Pritesh Chheda: So these are new products with respect to hobs.

Amit Kaushik: These are new products, correct.

Pritesh Chheda: This is over and above hobs.

Amit Kaushik: Over and above hobs. Correct.

Pritesh Chheda: Over and above hobs, over and above the identified built-ins. Right?

Amit Kaushik: Correct. And hobs also, we are not following the CKD, SKD route in hobs also. We are on a different platform and different strategy, which cannot be disclosed, of course, for the secrecy point of view. But knowing us, you can only understand that it is not the normal route we are taking in hobs also. We want to, today if I bring CKD, SKD, Hob, I am not able to give it to my customer for less than 120% price, because Chinese suppliers are not reducing the price. They are just removing the price of a particular component, which we are not buying. For example, glass in this case. However, when I am talking about we are taking a different route, we are targeting the INR100 product should reach customer at INR98. So that much of difference we want to create for other people who want to bring CKD, SKD and they become completely out of viability for any buyer to buy.

Pritesh Chheda: But have you got the order visibility in hobs and built-in or you are going to get the order visibility in hobs?

Amit Kaushik: We are already doing for Havells. Even if the quantum is small today, we don't assume that Havells will be good enough.

Pritesh Chheda: No, over and above.

Amit Kaushik: Sir, KAFF and their order visibility is there, sir. And very recently, two customers came, they are pushing us even to start doing again hob Top, which is a cooktop, which we stopped four years, five years back. So they have insisted to start supplying 3,000, 4000 pieces a month to them.

- Pritesh Chheda:** Okay. So basically, next year, so next year we see Chimney also and most likely we see sorry, next year we see Chimney for sure that 4 lakhs. But we also see some volume ramp up on hobs.
- Amit Kaushik:** Correct. Absolutely right, sir. So, next year Chimney -- percentage of Chimney revenue from Chimney sale will drastically drop down. Whereas it will be a real increase in terms of value, but in terms of percentage, it is going to be dropping down substantially.
- Pritesh Chheda:** And when will this 15,000 Panchkula per month unit operation, the expanded capacity will become operational?
- Amit Kaushik:** We will shift to the new premises on 1st of April. It is under some government approvals, lying and files are lying under government approvals. We hope two weeks everything will be sorted out and we will be on our way to construct.
- Pritesh Chheda:** So, when you are saying that Chimney revenue as a percentage dropped down, which means then you are now looking at a much higher number than the INR200 crore number because the 4 lakh units into INR5,200 into Chimney business and when you say percentage will drop down, which means now you are gunning for a much higher number than INR200 crores in FY27.
- Amit Kaushik:** We always had good plans. And this time is now to perform and speak this.
- Pritesh Chheda:** And the other thing is the costs have stabilized for you. So, now I hope there is no moving parts in the cost.
- Amit Kaushik:** Sir, my cost of material has come down to 70.2% of raw material consumption Pritesh. And didn't I tell you 30% is my target. And I can always calculate it on 28%.
- Pritesh Chheda:** Okay. Thank you, sir. And all the best to you.
- Amit Kaushik:** Thank you, Pritesh, thank you.

Moderator: Thanks Pritesh bhai. We will take the next question from Karan Singh. Karan, please go ahead.

Karan Singh: Thank you for the opportunity and great set of numbers, Amitji. Actually, I wanted. Thank you. Currently, our PAT margin is around 4.5%, right? And what are we targeting for in the next 2, 3 years? What kind of revenues and PAT margins can we expect in the next 2, 3 years?

Amit Kaushik: Karan bhai, I can't say anything on PAT margin. I think it is not appropriate if we discuss PAT. Neither it is appropriate if I give any number for revenue target. But as far as the business plan is concerned, I have already explained in details. And you can very well calculate at your own what sort of growth we are looking forward to. And the time has come actually. It has just started. And if you see the performance over the next 6, 3, months, and I am sure you will all be satisfied with the numbers and the growth.

Karan Singh: That's great. And our market share was roughly 10% in 2022. How much market share will we have currently?

Amit Kaushik: I think we are quite capable of reaching in excess of 30% in next couple of years. We are in a good driving situation. We are in a good position. The momentum is created. The customers are coming. And we are responding well in time. We have taken this call of expanding here without reaching. The scope of 5%, 10% was still there but still we have started and taken this call. I think we are very progressive in nature. We don't sit home thinking that we have achieved something. We always think we are learning. We have to go a long way ahead. And we are striving for good growth and good numbers. And I feel we will be able to penetrate the market as much as possible.

Karan Singh: Sir, in the previous PPT, we mentioned that we are thinking of planting a new plant in Gujarat for export. Do you have any update on that or any future plan?

Amit Kaushik: We have already done the expansion in Panchkula. Earlier we were thinking of planting four such plants. We have done it in Panchkula

because the glass plant is responding very well here. And the work that we have to do in Gujarat basically for exports, we want to export. But after BIS, the Indian market has opened up so much that if we take a sizeable -- if I say the present number is just the beginning, if we take a sizeable number here and then put CapEx towards exports. The work that is going to be done by putting INR35 crore, INR40 crores, we will complete it from here in INR10 crores, INR15 crores and snatch the Indian market once. So doing it at both places at the same time, with 30%-40% penetration in the Indian market and give some attention outside, the management feels it will be more challenging. The management wants to consolidate the Panchkula plant and then Hyderabad plant and take it to the maximum numbers and then look for the third plant.

Karan Singh: I would like to add one more thing as a person who is trying to understand BIS. After BIS, according to you, the demand for local manufacturing in the Indian market, how much more can it increase? What are the implications of this?

Amit Kaushik: Sir, the more consumption there is in the Indian market, the more it will increase in the Indian market. Like the gas stove, the entire Indian gas market of 1.5 crores, INR100 crores a year, the entire Indian manufacturer feeds it. Similarly, sir, the chimneys that cost 20 lakhs, 25 lakhs, all have to be fed to the Indians. I mean, only Indian companies will give.

Karan Singh: And one last question..

Amit Kaushik: You go ahead, sir.

Karan Singh: Like our EBITDA margin is roughly 12% right now, what are we trying to improve the margins?

Amit Kaushik: Sir, as the quantum increases, the EBITDA margins will continue to increase. If you see last year our manpower cost was around 14% which has come down to about 10%, 11% this year. So you will find when we will go for higher volumes, EBITDA margins will be directly affected. It will be positive.

Karan Singh: Thank you very much. I hope we do great.

Amit Kaushik: Thank you sir.

Moderator: Sir, we will take one question from chat, from Ravi S. He's asking where do you see Inflame in terms of revenue and profitability in FY28. Do you see us reaching INR400 crores, INR500 crores topline?

Amit Kaushik: We are looking to from here onwards, sir we are looking for the same growth rate what we had a vision of achieving 15% year-on-year and I think the time has come that we should be achieving it year-after-year for next 3-4 years.

Moderator: We will proceed to the next participant, Kaushal Maru. Kaushal, please go ahead.

Kaushal Maru: Thank you for the opportunity. Sir, Hyderabad plant, what kind of EBITDA margins are we now in H1? When do you expect it to reach that 15% margin which Panchkula was making?

Amit Kaushik: Hyderabad has already picked up momentum. Every month we are doing better. I think by April-May both the plants should be operational on the same level of margins and profitability. As such Hyderabad is doing very premium products so their ASP is also higher than Panchkula plant. So we have kept Hyderabad -- of course this is a off-late strategy, second thought strategy that we keep one plant for very premium products and very premium customers. Hyderabad is doing its own best in terms of development and delivering the products which are really, really good in quality and to the customers which are very quality conscious. So 5, 6 months down the line that plant would also be delivering at its best.

Kaushal Maru: Got it. And if you can talk about how is the order visibility from Havells and Compton in particular and for their new products also. You talked about monthly orders of 40,000. Are they giving you monthly orders for chimneys? Or is it a...?

Amit Kaushik: We get monthly orders and one month of tentative procurement plan. However, I would not be able to give any specific information about any specific customer sir. That's not...

Kaushal Maru: And they are still using samples for the built-in products or they are now sourcing it regularly every month from you?

Amit Kaushik: Whatever products we have started, we have started supplying regularly now.

Kaushal Maru: And they are out in the market in their channel already?

Amit Kaushik: Yeah, they have gone to the market straight.

Kaushal Maru: Understood, got it. Sir, and last question, 4 lakh chimneys we talked about. Our capacity already is 6 lakh chimneys between Panchkula and Hyderabad?

Amit Kaushik: How much we will achieve in the next year is something which I do not want to spell right now. You have the capacity number. Of course, we will try to go as near as possible, as closer as possible. This is a matter of speculation. How much we will do, whether it is 400,000 or 500,000 or 350,000. But I can only tell you we are on a good run rate. We were expecting this type of numbers from November-December onwards which we started achieving from July-August onwards.

So, I think we are ahead of schedule when it comes to our own targets. And we will reach a sizable quantum of numbers of chimneys delivered in a particular year, in next year to come. So, 4000 is not something which we are really looking forward to. We are looking forward to better numbers. How much we will be able to achieve, let's see.

Kaushal Maru: So, physically from that 6 lakh capacity to produce, if you have demand, you can produce 95% to 100% of that capacity, right? In some industries, it is...

Amit Kaushik: Manufacturing is very difficult to achieve because these are not machines operation. In the machine operation where you have to load and then things will come, they have capacities. Okay, it will produce this much per minute, it will produce this much in an hour. This is the work of manpower involvement, sir. And assemblies are also involved, glass processing is also involved, sheet metal is also there, powder coating is also there. You see we are one of its kind industries in India and China for these products. No one has got any capacity closer to our capacity.

So, if we were not doing all these things, it would have been difficult for us to reach quantum. Having said that, I would like to inform you that 90% or 95% or 100% of capacity is not something which we are disclosing right now. But I can only tell you that the numbers are going to be sizable numbers.

Kaushal Maru: Got it. Thank you so much sir and all the best.

Amit Kaushik: Thank you.

Moderator: Thank you. We will take the next question from Pavan Kumar. Pavan, you can go ahead.

Pavan Kumar: Hi, thank you for taking my question. First of all, congratulations for the very good set of numbers. I have one or two small questions. What is the total debt level of the company both long term and short term combined right now?

Amit Kaushik: I think they have already been given in the balance sheet part. I will have to take this information from my finance team as they are not available on this call. Nevertheless, if you can send me a mail, we will reply to you on this.

Pavan Kumar: I will send it, no problem. The second one is, who are our closest competitors in making chimneys and what is their market share right now? If you can help me with this.

Amit Kaushik: There are two types of chimney manufacturers in India. One, brands who have their own manufacturing setup. There are three major brands who are doing this in India. Then there are some assemblers in India. When it comes to Inflame as a company with this type of setup, there is no competitor at all. However, there are people who are importing CKD or SKD from China right now. And they are procuring some parts from India from different suppliers and trying to finish the products and supply. But that business is a limited time business unless these people upgrade their facilities and have these other components and products available and made in India. It is difficult for them.

So as of now, technically there are 3, 4 people. But if you really talk in real sense, there aren't much of competitors. I hope you understand the nature of the manufacturing setup for these products in India.

Pavan Kumar: Yeah, I am new to this, but I am trying to understand, yes.

Moderator: And just to answer your first question, we have long-term borrowing of INR19.2 crores and short-term borrowing of INR28.5 crores as of 30th September.

Pavan Kumar: Okay, thank you very much for that. Other my questions are already answered. So wish you all the best.

Moderator: Thank you. We will take the next question from Pratham. Pratham, you can go ahead.

Pratham: Yeah, hi. So just one thing. So while your comment on the business has been very positive, but when I just see your shareholding pattern, so it doesn't reflect the same. So it is just contradictory. And one of our directors has also been selling the shares. So just wanted to know your opinion on this.

Amit Kaushik: Which Director is selling? Are you talking about promoters or Directors?

Pratham: Directors, Ashwani Goel, I guess.

Amit Kaushik: So he is free to buy and sell. Who's stopping them to buy and sell? How does it matter? Are promoters selling?

Pratham: Your promoter since March 28th has also come down from 61% to almost now 40% roughly.

Amit Kaushik: So what is the reason for that please? Look at the reasons for that, Pratham.

Pratham: Just want to understand the same from you.

Amit Kaushik: There has been fundraising twice. So your share will definitely come down.

Pratham: Okay.

Amit Kaushik: But there has been no selling. There has been no selling by promoters. Whatever shares we had on that day, we have added some to it, but not sold. And any Director of the company who is not part of the Promoter Group can buy or sell. That is their personal wish. How can I...?

Pratham: Other than this conversion of warrants, so there has been no selling, right?

Amit Kaushik: Yeah, yeah. There is no selling. In fact, the number of shares in the last three years have been increased by I think 3%, 4%.

Pratham: Okay.

Amit Kaushik: Not reduced.

Pratham: Works, works, works, works. Right. That's it from my side. Others have been answered on peers.

Moderator: All right. Thank you.

Pratham: Thank you.

- Moderator:** Thank you. We'll take another follow-up question from Bala. Bala, please go ahead.
- Bala Murali Krishna:** Hello. Hope I'm audible. Yeah. So, somewhere in the previous investor presentations, I see that we have mentioned the product name as a washing machine. So whether that product is still under cards or we are not going ahead with that one?
- Amit Kaushik:** In some of the presentations, we have mentioned washing machine?
- Moderator:** Sir, in the past, in our presentation, we used to say that what products we could look at. One of them we used to mention was washing machine. So, he's just trying to understand, is that still on the radar?
- Amit Kaushik:** No, no, it's not there in the radar.
- Bala Murali Krishna:** Okay. So, one more thing regarding Hyderabad plant.
- Amit Kaushik:** We have decided to stay in the kitchen only. We don't want to go to the washing area.
- Bala Murali Krishna:** Okay. Fine. So, on the Hyderabad plant utilization, so it's around 50% of the level of Panchkula plant. So I think you are mentioning that by April or May, maybe it will reach this Panchkula level also. Is it right?
- Amit Kaushik:** Yeah. In terms of capacity utilization, yes.
- Bala Murali Krishna:** Okay. So, and regarding this pipeline products, which you are mentioning three. So, this is also I think related to kitchen only. But the ASPs of the projects, what is the range of the ASPs? Could you please share some ballpark numbers on the same?
- Amit Kaushik:** Please wait for our next disclosure on these products. It will take another one month for consolidating the information and share with our shareholders through a presentation or disclosure on the exchange. However, it has not been approved by the Board as yet. So I am not in a position to give any further information on this.

Bala Murali Krishna: Okay. Lastly, on this other products, which are other than this chimneys, so dishwasher, we have built-in ovens and wine chillers. So, traction in these products, I think dishwasher and wine chillers are the higher ASP products as compared to chimneys. So how is the traction over here and what is the approximate percentage of these products in terms of revenue contribution?

Amit Kaushik: Of the new products?

Bala Murali Krishna: Yes, dishwasher, wine chillers and also built-in ovens.

Amit Kaushik: As such, the market size for wine coolers, built-in refrigerators and dishwashers is not very huge as of now. However, collectively, because their ASP is high, collectively they could contribute everything other than chimneys could in next couple of years could contribute about 30%, 35% of the total revenue. This is our target in next couple of years. So say by 2028, we should have a different revenue mix coming from different segments. And we do not want chimneys to be more than 60%, 65% in FY2028.

Bala Murali Krishna: Okay, that's great, sir. Lastly, on balance sheet, I think our working cycle is little bit longer. So is there any plans to reduce that one and also in terms of asset turnover, I think we are at 3 to 3.5 asset turns. So, is it the standard number or maybe we can achieve 4 to 5 asset turns also?

Amit Kaushik: I think working cycle, what you are talking about is high because the large inventories we keep for the imported goods and we are supposed to keep large inventories of imported components because we cannot afford to stop the factory even for a day. Anytime in China, anything can happen. So we normally keep high inventories for Chinese goods whereas some of the numbers reflected in our debtors are pertaining to LC payments. Even though the bills are discounted at very reasonable discounting charges, but they show in our books as outstanding debtors until those bills are realized in actual situation.

So but as far as our working capital is concerned, we are very comfortable. We are not facing any stress whatsoever as of now.

Bala Murali Krishna: Okay, and asset turnover, any ballpark number, industry can achieve that?

Amit Kaushik: I think we can improve upon it. We have a scope of doing good numbers as we have discussed that Hyderabad is still at 50% level. So even in the same situation, there is a chance of increasing the total revenue by 25% if we achieve say 50% of more from Hyderabad. Similarly, by investment of this land and building, which we have initiated already, the numbers could go up which could add substantially to our revenues. So these asset turnover ratios will increase substantially. Next financial year also, it should have a remarkable improvement.

Moderator: Thank you, Bala.

Bala Murali Krishna: Okay sir.

Moderator: We take the follow up question from Sheikh Ahmed. Sheikh, you want to go ahead?

Sheikh Ahmed: Yeah. Thank you very much sir for giving me the one more opportunity. Sir, just one question. Like the quality companies like Haier and other, do we have any plans to board them? And do our facilities meet their qualification requirements?

Amit Kaushik: Sir, we are already supplying to IFB, Crompton and Havells. And what if Haier has come from China? These companies in India have long credentials, long performance credentials. So I treat them even bigger and better in terms of performance and quality, qualitative requirements from the Indian perspective.

Sheikh Ahmed: Okay.

Amit Kaushik: So, once we are supplying to them...

Sheikh Ahmed: No, because usually the big brands or big companies, they are having some special requirements that means for their contract...

Amit Kaushik: Sir, on the same pattern, after some stage, everyone is equally big, sir. The systems, I am talking about systems, system requirements. After some stage, everyone is equally big, sir. For me, the most difficult customer once upon a time was Hindware because we were entering there and we had to install the systems. It took us one, one and a half years to start supplying to Havells. So, they had grilled us like anything. So, for us, every customer is same, sir. Be it Haier or be it Hindware or be it Havells because we have to work upon our own system, sir. We have to work upon our own working culture and we have to satisfy the customer.

End of the day, everyone, every customer wants a very reasonable price and very good quality which doesn't give them a lot of headaches once it goes to the customer. So that is the very simple terminology of quality. It has to come at a very reasonable price and a quality that doesn't give you headaches after selling. So, we have to ensure that. For that, whatever system or whatever qualitative measures they want us to follow, we are capable of following. We have people and we have system in place which is following those guidelines.

Sheikh Ahmed: Sir, do we have any plans to launch chimneys under our brand name?

Amit Kaushik: No, not at all, sir. Not at all.

Sheikh Ahmed: We don't have that.

Amit Kaushik: We don't have any such plans.

Sheikh Ahmed: Okay, sir. That's it from my side. Thank you. Thank you very much.

Moderator: Thank you, Sheikh. I will invite Risha Mehta to ask her follow-up question. Resha, you want to go ahead?

Amit Kaushik: Where is Resha? I think she has gone.

Moderator: Okay. So she has put two, three questions in the chat. What is the market size of chimney in terms of volume in India? If 1.6 million chimneys

are imported, then the balance chimneys are sourced from which three big players locally in India?

Amit Kaushik: Also, there is nothing imported, sir. So, that the validity of the question has changed now. So, 1.6 million chimneys were imported earlier but not anymore. Yes, it is there. Some quantum is there in CKD, SKD form right now also. But I don't consider it as chimney import anymore. We consider it as a component import now.

Moderator: The second question is which components raw materials are imported currently?

Amit Kaushik: We are doing some electronics and some other motors. However, exact classification of the components being imported is not appropriate to open now -- to be disclosed.

Moderator: Sure. Since, that is the last question for the day, sir would you like to give any closing comments before we end the call?

Amit Kaushik: I always feel great speaking to, happy speaking to all the investors because they have been patiently waiting for us to perform. They have given us enough of opportunities. And I want to thank each one of them. They are present or they are not present through this conference. And I want to ensure them that we are in the right place now. And we are there to give very good results in time to come. We are putting all our honest efforts. We are a team of good people. Some of the people from our family who have taken education and training outside India at good companies have also joined us.

They are adding value to our own vision, our own efforts. And keep trust in us. Down the line in a couple of years, we are going to be a very prominent player in this category. Thank you very much, sir.

Moderator: Thank you, sir. And thank you to all the participants for joining us today. And thank you to the management team. This brings us to the end of today's conference call. You may all disconnect now. Thank you.

Amit Kaushik: Thank you, sir. Thank you.