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2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai - 400 001

Symbol: ELIN

Scrip Code: 543725

ISIN: INE050401020

Dear Sir/Ma'am,

Subject: Submission of Transcript of conference call held on February 06, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call for the Q3FY2026 held on Friday, February 06, 2026.

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

We request you to take the above information on record.

Thanking You

Yours faithfully,

For Elin Electronics Limited

Lata Rani Pawa
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Elin Electronics Limited
Q3 FY26 Earnings Conference Call

Event Date / Time	: 06/02/2026, 16:00 Hrs.
Event Duration	: 53 mins 16 secs

CORPORATE PARTICIPANTS:

Mr. Sanjeev Sethia
Director

Mr. Kamal Sethia
Managing Director

Mr. Akash Sethia
Head of Strategies

Mr. Praveen Tandon
Chief Executive Officer

Mr. Gulshan Singh
Sunidhi Securities

Q&A PARTICIPANTS LIST:

1	**Rahil Dasani**	: MAPL
2	**Ananya Nichani**	: Thinqwise Wealth Managers LLP
3	**Kunal Mehta**	: Sunidhi Securities
4	**Samarth Ashok**	: Janak Merchant Securities

MODERATOR

Good evening, ladies and gentlemen. I am Akash, moderator for the conference call. Welcome to Elin Electronics Limited Q3 FY26 Investors Call.

As a reminder, all participants will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing * then 0 on your touch phone telephone. Please note this conference is recorded.

I would now like to hand over the floor to Mr. Gulshan Singh. Thank you, and over to you, sir.

GULSHAN SINGH

Thank you, sir. Good afternoon, and very warm welcome to everyone. On behalf of Sunidhi Securities, I welcome you all to Elin Electronics Limited Q3 FY26 Earnings Conference Call. Today, we have with us our management represented by Mr. Kamal Sethia, Managing Director; Mr. Sanjeev Sethia, our Director; Mr. Akash Sethia, Head of Strategy; and Mr. Praveen Tandon, our CEO.

We thank Elin Electronics Limited for giving us the opportunity to host the call. I would now like to hand over the floor to the management for their opening remarks, post which we will open the floor for Q&A. Thank you, and over to you, Sanjeev, sir.

SANJEEV SETHIA

Thank you very much Mr. Gulshan. Good evening, ladies and gentlemen. This is Sanjeev Sethia, Director at Elin Electronics, and we also have on call today our Managing Director, Mr. Kamal Sethia, our Strategy Head, Mr. Akash Sethia and our CEO, Mr. Praveen Tandon. Thank you for joining our call for the third quarter and nine months of fiscal year March 2026.

Coming to our overall performance for the quarter, operating revenues for the quarter was INR 294 crores against INR 266 crores in the same period last year, up 10% on a YoY basis. Our revenue growth was driven primarily because of strong growth in our appliances and sand business. This can be attributed to new product launches and customer acquisitions.

Consolidated EBITDA for the quarter was INR 11.9 crores against INR 7.6 crores in the same period last year, representing a strong growth of 57%. While margins improved, we saw a sharp surge in raw material costs due to increase in key raw material prices like copper, steel, aluminum. This impacted gross margins for the quarter.

Consolidated PAT for the quarter was INR 3.8 crores against INR 1.4 crores in the same period last year. Our liquidity position remains strong with net cash of INR 59 crores as at December 25. Our working capital position is at net 68 days due to higher than normal inventory levels. We expect this to normalize within this quarter. Our CapEx spend in nine months this fiscal year '26 was at INR 24.5 crores.

As stated in our earlier calls, the aspiration is to be one stop shop for all high-volume home appliance and durable needs of OEM's and our customers. This includes our existing business, lighting, fans, small appliances and our planned new business. Medium appliances such as air coolers, chimneys, ovens, etcetera. We will continue to look for such products to add in our portfolio over the next several quarters.

Now, I would like to share with you the performance and the strategy in each of our business verticals.

In lighting, fan and switch segment, the revenue for the quarter was INR 62.3 crores against INR 67.6 crores in the same quarter last year. This was primarily driven by strong increase in revenues from fan, which was partially offset by a marginal decrease in revenue from lighting. LED lighting, excluding flashlights, declined from INR 51.2 crores in last quarter to INR 38.6 crores in the current quarter. As mentioned earlier on our call, this was largely led by volume decline from Signify, which was largely offset by gains from new customers added.

The revenue run rate on a QoQ basis is on an improving trajectory. As on date, we are serving five new customers in lighting in addition to Signify. As on date, on an incremental basis, our new customers are contributing to 50% of our revenues on a monthly basis. We have hired a new business head with strong exposure in the lighting business. With his experience and customer connections, we reiterate that we expect double-digit growth in our lighting business in FY2627.

Moving on to our fan business, we have seen strong growth of 100% in our fans business on a year-over-year basis. This has primarily been driven by our BLDC ceiling fan business. We are also working on diversifying our customer base and adding new customers. We expect this strong growth momentum to continue in Q4 as well. Our TPW business is showing robust demand. Overall, we expect fans to grow by another 50% in FY2627.

Moving on to the home appliance segment, revenue growth was robust and increased from INR 52.3 crores last quarter to INR 102.8 crores this quarter. Kitchen and home care revenues increased by 330% YoY basis. This was largely on the back of OFR's. Our existing businesses of irons, mixer grinder, etc., has seen good volume growth as well.

Personal segment was down 10% YoY demand due to weak demand in hair straighteners and trimmers. Future growth is going to be driven by this segment, and our strong focus on also growing ODM share of the business. While still nascent, we expect ODM to grow strongly over the next several quarters.

A quick update about the medium appliance category. While these will be built out of Bhiwadi unit, which will start from next fiscal, we have already initiated discussions with customers for this. We have a strong outlook for our OFR business for next fiscal, as well as happy to share that we have tied up with two customers for the to-be-launched chimney business.

We had shared our optimism in our last call about our relatively nascent export business. We remain in exploratory talks with a few OEMs to supply from India and export to the USA. Discussions will now commence given the easing of the tariff situation. We are very hopeful of restarting our fan export to USA. Further, the government push for Make in India and disintervising imports via BIS and QCO makes us further optimistic on our business going forward.

Moving on to the FHP motor segment, revenue declined from INR 55.8 crores in last quarter this year to INR 45.6 crores this year. Please note, this segment reflects only third party sales. Therefore, while segment sales appear declining, underlying growth is strong given that there is captive consumption of motor for the appliance business.

In terms of pipeline of new products to be launched, we will be launching the cooler motor and the BLDC chimney motor by the next year, for both third party sales and captive consumption towards manufacturing the finished product. I would like to share our guidance of 9% to 10% for revenues from FY25-26.

Our guidance included revenues from export to USA, which has been nil since August 2025 due to the tariff situation. We are optimistic that the situation is expected to be resolved soon. We are hopeful of adding a few more export projects over the course of next four to six quarters.

EBITDA forecast for the year is forecast at 5.3% to 5.8% margin. Please note that the margin on export is higher than domestic sales, therefore EBITDA margin has been impacted. CapEx for the year will be INR 100 crores to INR 110 crores, split as INR 60 crores to 65 crores for Phase I of the new plant at Bhiwadi, and INR 35 crores to 40 crores for growth of the existing businesses and factories. Once the new facility is stabilized in two years from starting, this will also help us drive up our ROCE, since cash sitting idle on our balance sheet has been a drag on the return on capital employed.

A quick update on the Bhiwadi factory. Total project cost is estimated at INR 100 crores. Construction has commenced in July 2025 and is progressing well. Given the current progress, we expect the plant to be ready and operational by May 2026. There is a slight delay due to the pollution control restrictions imposed by the government.

We expect revenue of INR 140 crores in FY27 and INR 250 crores in FY28. Reiterating that as per current estimates, revenue potential of the plant is INR 550 crores to INR 600 crores. Further, we expect a steady state EBITDA of 7% to 7.5% for this plant. At these levels, return on capital employed for the plant will be at 20%.

With this, we conclude our opening remarks. We can now open the floor for question and answers. Thank you very much.

MODERATOR

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any questions, please press * and 1. Let us wait a while until the question queue assembles.

The first question comes from Mr. Rahil Dasani from MAPL. Please go ahead with the question, sir.

RAHIL DASANI

Yeah, hi. Am I audible?

SANJEEV SETHIA

Yes.

MODERATOR

Yes, sir.

RAHIL DASANI

Good afternoon, and thank you for the opportunity. First of all, congrats on the set of numbers. I am rather new to the company, so some more simpler questions. For these new products that we are getting into or even the new customers that we are entering, you yourself have said in the previous con calls that competition is high. So, on what basis or USP or value addition, are we able to enter these new customers whose supply chains are already fixed and established?

SANJEEV SETHIA

Yeah sure, happy to answer this. So, if you see in terms of the new products which we are renting to, (A) of course, are the oil field radiators, which we already started last year, and this is our second. Then we are getting into chimneys and air coolers. These are the three products which are targeted, where we -- which are absolutely new for us.

Basically, in terms of competence and the kind of backward integration which we have in all these two to three product categories, is an advantage to us as over competition. So for example, in oil fill radiator heaters, we are the only company in India who is doing the complete fin assembly locally. The rest is being either imported in kit form, and just assembly is being done. So, there is a distinct advantage, and now after two years under our belt, we are further scaling up our local manufacturing facility, so we become naturally competitive with shorter lead times.

So, I think in this, as you know, we want to capitalize on our first [indiscernible 00:11:51] capacities to a level that generally you know, it is a limited market, so other customers will not -- other competitors will not easily look at localizing the fin assembly here. So, that is one advantage in the kind of backward integration which we have.

The same holds true for chimneys also. If you look at chimneys, basically the major categories in chimneys in terms of, first, is the motor. We are currently the largest manufacturers of chimney motors in the country, so we already have a very strong base and a customer base for our motors. Then the sheet metal fabrication and electronics, that is completely in house. So again here, the backward integration which we can offer to our customers, is far greater than, let's say, the existing chimney manufacturers, because I believe none of them are making motors in-house, and it accounts for -- and probably even the electronics is not in-house. So, it accounts for a fairly large percentage of the BOM, which we are going to be doing in-house.

In terms of air coolers again, we know it's a combination of the cooler motor, the submersible pump, and the swing motor, which is totally being done in-house, including the plastic molding. So, that's an inherent advantage which we have in terms of our backward integration as compared to competition. And we are, of course, already leveraging our existing business with most of these customers, because we have a fairly long-term business relations with most of the customers who are in the either chimney, for example, Faber is there. We've been supplying motors for a very long time, or oil filled radiator heaters, and air coolers. So, I believe, this gives us a distinct advantage of even getting into a competitive market and creating a space for ourselves. I hope it answers your question.

RAHIL DASANI

Yeah. So, just to understand this better, having the fins and motors in-house, that of course, gives us the lead time advantage. But I believe that would also help us in terms of the cost competitiveness. So, if you can share more on that, how much more competitive are we becoming cost wise, by having these things in-house compared to other players who do not have it in-house?

SANJEEV SETHIA

Sure, of course, it will depend a little bit from product category to category. So, for example, in terms of OFR, since that is -- we see that we are easily about 7% -- 6% to 8% more competitive than imports for a totally locally made OFR heater.

Chimney, again based on the current BOM and the current price valuation, and the way which we have got in, I think we are, again, at least minimum 5% cheaper than the competition.

Air cooler is a category we are currently working on. I mean, we have not started, in the sense that the samples are not out. So, I do not have a number right now, but maybe in a couple of months, maybe by the next call, we can give you an update on that also. But chimney, currently, we are in the sample -- giving the final samples for evaluation and then start up production when the Bhiwadi factory goes online.

RAHIL DASANI

And sir, this you answered me for the new products, but if I take the existing set of products for lighting, for example, where I believe, in a very short span of time we have been able to add six new customers. If you can explain, how will we be able to enter those players? What did we give them better, compared to their existing suppliers?

SANJEEV SETHIA

Okay, so see (A) lighting. We have been in the lighting space for close to about 22 or 23 years now. So, we have a very long track record as a lighting company. Of course, we were bound by the exclusivity agreement with Signify. So, over these last so many years, there have been a lot of these companies who have been approaching us for lighting, but because of our agreement, we were not able to service them.

Now that that agreement is no longer there, I mean, it has been, not necessarily simple, but yes, we worked on it. We were always integrated in terms of lighting, so we were competitive, but we did not have the scale to match the other lighting players, so we worked on that.

We enjoy a very good reputation in the market as a very premium quality supplier. So, at similar prices we have been able to attract some of the customers from our competition. And like I said, with the addition of a new resource who has a very proven track record of dealing with multiple customers in the lighting business, it has helped further attract these customers. So, some of them have been existing customers, some are new additions, but with our track record of supplying to Philips for two decades plus, I think that's made it a little easier to attract these customers as a quality supplier of lighting products.

RAHIL DASANI

Fair enough. And just one last question before I get back to the queue. For these six new lighting customers that we have added, I believe we have added maybe four of them, and two are to be added by year end. So, in FY27, what sort of turnover can we expect from these six customers in lighting?

SANJEEV SETHIA

So, currently we have already onboarded five customers, that means where the billing has already started, and we expect maybe to add another one or two customers. We don't want to spread ourselves too thin also with a very large number of customer fees, but we would want to focus on quality customers whom we can service and gain a fairly large business share in terms of volume, that is our overall strategy going forward.

In terms of revenues, like we said, we are currently almost on a 50-50 basis in terms of revenues. While we expect that the Signify lighting rev will be at the current stage, I don't see it going up significantly. I think the existing new customers, so we are looking at about the revenue of in terms of lighting from the new customers to the tune of around maybe INR 150 crores to 170 crores in the coming fiscal.

RAHIL DASANI

Okay. So, why I was asking this is because in the previous con call, we shared that these six new customers can do at least 20% to 30% premium revenue of what Signify used to do monthly for us, which was INR 17 crores to 20 crores. So, that number consists -- yeah.

SANJEEV SETHIA

So what we do is -- what we said, our monthly run rate by probably the year end will be on par with what we were doing with Signify, let us say, prior to the Lightenium deal and the revenues declining. So, we are almost there at those levels. So, we are almost revenues which we used to do with Signify. And now with the addition and growing of these new customers, next year, the revenue from them will continue to grow.

RAHIL DASANI

Got it. Fair enough. That would be all. I will get back in the queue, thank you.

SANJEEV SETHIA

Good, thanks.

MODERATOR

Thank you, sir. The next question comes from the line of Ananya Nichani from Thinqwise Wealth Managers LLP. Please go ahead, ma'am.

ANANYA NICHANI

Am I audible?

MODERATOR

Yes, ma'am.

SANJEEV SETHIA

Yes, you are.

ANANYA NICHANI

Yeah, thanks for the opportunity. Sir, I wanted to inquire about your gross margins. They are about 40 basis points lower this quarter as well. You've mentioned because of raw material pricing and some repricing with customers. Sir, can you elaborate on that? And how do we look at gross margins going forward? What would be, like the steady state basis? Like, it has a new normal or something on that. Yeah, that's my question.

AKASH SETHIA

Like we pointed out in our opening remarks, that our key raw materials, especially on the material side, so steel, copper, and aluminum, have seen a fairly sharp increase. If you follow the metal pricing market, most of these are almost trading at all time high levels. The impact of this increase, which will be repriced subsequently in the next quarter, has been borne by us in the current quarter.

So, depending on our contracts, some of them are on a monthly basis, some of them are on a quarterly basis. So wherever it was monthly, it has been repriced already. Wherever it was quarterly, will be done in Q4 or in the current quarter of the year where we are. So I mean, as a temporary time period, there has been an impact on account of this increase in RM prices. So therefore, our gross margins have been slightly impacted, like you pointed out, to the extent of 40 basis points.

ANANYA NICHANI

Sir, in Q4 as well we will see a compressed margin sort of situation?

AKASH SETHIA

It is very difficult to kind of predict how RM prices behave. I am sure you will appreciate that. Probably no one in the world can tell you where the metal prices will settle. But assuming they stay steady, then there should not be an impact, because then the repricing will nullify any of that. But assuming they continue to keep on surging, there could be a further impact, because what happens is last quarter or last month average, is used in this quarter or this month.

I mean, just, to also give you all three sides of the coin, if there is a decline from these levels, then there could be an added advantage. So, very difficult to predict where the metal prices will go. But I have explained to you broadly in terms of direction, whichever way they go, what the impact will be.

ANANYA NICHANI

Got it, sir. Thank you so much.

MODERATOR

Thank you, ma'am. Ladies and gentlemen, if you have any questions please press * and 1 on your telephone keypad. I repeat, if you have any questions, please press * and 1 on the telephone keypad. The next question is from the line of Mr. Kunal Mehta from Sunidhi Securities. Please go ahead, sir.

KUNAL MEHTA

Yeah, hi. A very good evening, sir. My first question will be, I think last year we saw that there was heavy price erosion in the lighting segment. So, what is the current scenario there, now that we have about five, six customers' onboarded? Are we able to get a competitive price or a better price, or it's still -- the scenario has been the same?

SANJEEV SETHIA

So, in terms of lighting, I mean, just like now Akash was explaining, commodity prices have been at all-time high, dollar is pretty strong. And in terms of electronics, the chip availability is becoming a little bit of a problem, basically driven by -- a lot of the chip volumes are being now diverted to AI related chips, EV related chips. So, lighting is coming at the little bottom of the line in terms the -- how the capacity is allocated by the chip manufacturer. So, lighting in general across all consumer electronic products are seeing a price increase.

I think price erosion in lighting business is going to stop. The prices are going to head north for sure. It's already started happening from this month. If not this month, maximum I think next month, I expect at least a 4% to 5% kind of price increase across the board in lighting products, some might be a little more. But bottom line, I think we will be seeing now prices going north, in lighting and other consumer electronic businesses.

KUNAL MEHTA

Okay. And sir -- I mean, every quarter like since almost Q1, so we haven't been constantly downgrading our gross margin guidance for the year, about 6% to 6.5% to 5.5% to 6%. Now about 5.3% to 5.8%. So, is it only because of the raw material or there are anything other than that also that is coming up? Is it capacity utilization? Is it something else that is affecting the gross margins?

AKASH SETHIA

Look, it's -- just one quick clarification, it is not gross margin, I think you are referring to EBITDA margins.

KUNAL MEHTA

I'm sorry. EBITDA margins, sorry.

AKASH SETHIA

A quick clarification. Look, it's probably like you pointed out, you pointed out a whole host of factors. It's probably a combination of that. It's never really one single factor that plays out. So, on the Lighting side like we pointed out, the prices of electronics and weak rupee is impacting us, because there are certain imported content in our lighting business.

On the appliances side and the motor side, it is the price of metals that is very, very difficult to predict. So our -- like I said, our job, we feel is to give you a realistic picture of the business as we see it, and in that very spirit, we are sharing the situation as is. We agree that there is a slight compression that we have seen and that we do expect in our EBITDA, from what we have forecast. Our job is to lay it out to you as we see it clearly.

KUNAL MEHTA

The impact of BIS, when do we see it to take effect? I mean, in September of this year, or May -- is it the actual effect will come in the March of next year?

SANJEEV SETHIA

Yeah. A lot of product categories is already implemented, so, you are seeing the impact. Let's say, for example, if I take the chimney business, there is a lot of local manufacturing going on; chimney motor manufacture, chimney manufacturing, motor manufacturing business has done extremely well last year. So, these are already happening in terms of OFR also. I mean, most of the appliances are now covered by BIS.

For us, the next big growth boom which could happen because of BIS would be our FHP, Fractional Horsepower Motor business. That is still not 100% under BIS. So, I think with those motors coming under BIS, there would be growth opening up of local manufacturing. Let's say, washing machine motors, I think, would be a big category where the current local manufacturing, I would assume is maybe at between 5% to 8%, maybe max 10%. Air conditioning, ODU motors like the BLDC motors, right now, I think more than 80%, 90% of the motors are imported. So, I think that category will see a big impact if BIS comes in. I think, it's slated to come in for August or September 2026.

In terms of lighting, it's already controlled by the R number. Most of our appliances are under BIS. And as far as the Chinese companies getting BIS, it's still a little difficult, although a little bit, getting visas and things have become a little easier, but still there are certain constraints there. So for us, the next big mover is going to be the motor business, once it comes completely under BIS.

KUNAL MEHTA

Sir, yeah, just on the of FHP Motors, I think this year, we -- in this quarter we saw about an 18% decline YoY, and most of this was due to mixer grinder volume declining and even the synchronous AC motors. Do you see this that because of BIS a lot of companies, might have some kind of a captive FHP motor plant. How is our market share turning up because of this?

AKASH SETHIA

Yes, of course, our third-party sales for motors have gone down, whereas there has been intercompany business, mixer grinders. That's kind of -- those numbers have gone up. But of course, we reported as a final mixer grinder sale. But in general, small appliances, I think this Diwali was a little tepid. And the couple of months post Diwali, the demand of mixer grinder motors, chimney motors was fairly low. It's now picking up.

I think a lot of bigger appliances in the automotive industry did exceedingly well during Diwali. So, small appliances in general and chimneys had a fairly tepid Diwali. Things are again now looking up, and I think again the motor numbers should go up.

Like I said, for example, we had also got into the cooler motors. But last year, coolers and air conditioners, both in terms of the season was fairly bad because of an unusually long rainy season. So there was a lot of inventory carryover, so actual manufacturing of air conditioners and coolers has now, just taken off. Normally it starts in October, but this time, I think it's got delayed by a couple of months. So those categories of motors which we are expecting to pick up during the October, November, December period really did not happen. So that's another reason why FHP motors was a little down.

Capital has gone up in terms of mixer grinders for us. And some are a little bit in the TPW segment also. Now, we have consolidated our TPW manufacturing, the complete fan manufacturing in Ghaziabad plant. And those numbers are doing well, but it's being reflected in the overall fan business for us as a complete product.

KUNAL MEHTA

Okay. Sir now, can we see the Bhiwadi plant start from April, or will there be some kind of a lag, where you will be shifting the chimney production from Ghaziabad to Bhiwadi, and a new facility comes up. Will there be some kind of a shifting lag, where you'll be shifting some operations, or will it be a slow transition?

SANJEEV SETHIA

We will be shifting our OFR business to Bhiwadi from the existing Ghaziabad plant, yeah, no issues. The chimney is also happening in Bhiwadi, but it will probably be the commercial production will commence there. Our date of commercial billing is we have given as May 2026. Prior to that, there are a lot of regulations which have to be completed in terms of the BIS approval of the plant. The manufacturing line has to be BIS approved. So, we need to do the preliminary sample build over there, then submit it for approval, then get the line approved, so this takes about two months' time. So, we expect our internal trials to start somewhere in March ‘26, and commercial production will go online May ‘26.

KUNAL MEHTA

Okay. And sir, just one last question. How are we on the working capital end? How is the progress there? Are we lagging from our -- because the net working capital days around has increased to almost 68 days from 59. So, are we -- maybe is there going be a delay in execution of improving on the inventory and the payable days or are we on track?

AKASH SETHIA

We are okay in terms of payable days. I think we are doing quite well. Like you pointed out, again, in our opening remarks that there were certain abnormal inventory build-up that we have seen during the quarter, towards the end of the quarter. We expect that to normalize within this quarter itself. So hopefully, as of the end of March, we should be around the 50 target that we have set out, on a net basis, of course.

KUNAL MEHTA

Okay, sir. I will fall back in the queue. Thank you so much.

MODERATOR

Thank you, sir. Ladies and gentlemen, if you have any questions please press * and 1 on your telephone keypad. I repeat, if you have any questions, please press * and 1 on your telephone keypad.

We have a follow-up question from Mr. Rahil Dasani from MAPL, please go ahead, sir.

RAHIL DASANI

Yeah. Sir, this INR 165 crore, INR 170 crore target that we have from the new lighting customers for next year, is this dependent on prices improving last year, like we said in the previous answer, or based on the prices as they are today?

SANJEEV SETHIA

See, the value which I have given to you is based on existing prices. But in terms of the price increase, which I believe -- I mean, which I said, that I expect around, let’s say, a 5% increase, I think this will be a **[[**

good word **]]**. And I say this, because I see some of it has already happened in this month. And max you know, China is going for the Chinese New Year, so we will be getting new prices from China also once they come back to work, and that will also determine how the light business moves. But in general, I expect a price increase across lighting categories. And my current number which I told you, about INR 150 crore to let's say INR 170 crore kind of range, that is on the existing prices.

RAHIL DASANI

Perfect. Got it. And sir -- go ahead

SANJEEV SETHIA

No, no, what I'm saying is that those -- the numbers which I gave you are on the current existing prices, that means what was operative, what was prevailing in the month of January. And like I said, the price increase which I expect, minimum around 5%, that could further push those numbers up.

RAHIL DASANI

Perfect, got it. And sir, just a broader question to understand the customer stickiness in this industry, why did we lose Signify after such a long-term relationship back to an exclusive relationship?

SANJEEV SETHIA

Why did we lose? So I could give you my -- so let me answer that question. (A) We have not lost Signify as a customer.

RAHIL DASANI

Part of that business has been lost.

SANJEEV SETHIA

So, then -- so they continue to buy light business -- light fittings from us, and we are still partnering with them for the fan business, and that's what that business is doing extremely well for both of us. So, we are still a strategic supplier for them, and they are approaching us for a lot of the new categories which they are looking at to grow their business.

Now as far as you know, the Lightanium part of the business is concerned, where Signify has formed a collaborative venture with Dixon's. The lighting business, I mean, I would not attempt to answer the logic behind that. That’s how they've seen the lighting business and probably some consolidation, which they wanted to do of their plants in Baroda, where the conventional lighting business has gone down, but that’s something best left to them.

But what I can assure you is, that we are still a strategic supplier for them, a priority supplier. And if I add the fan business, our business at Signify is -- a combined business with Signify is growing. So whatever we’ve lost in lighting, we’ve gained in the fan category. So our business with Signify still remains strong and on a good growth trajectory.

RAHIL DASANI

Got it. And just to get my numbers clear, I believe we said that Signify used to be at least INR 19 crore, INR 20 crores in totality for us. And from that, monthly, they used to generate INR 19 crores, INR 20 crores for us. And from that, annually, maybe INR 40 crores, INR 50 crores is the business that we lost, right?

AKASH SETHIA

Correct. So, we used to be, let’s say, the INR 240 crore, INR 250 range. So that is about INR 240 crore for the lighting business, and currently we are at about maybe the INR 100 crore, INR 120 kind of range in the lighting business. So, we think it could be a little plus up and down, it depends.

So what Signify has moved from us is the consumer part of the business, part of it, not entirely, we still work with them. The professional business remains intact. So, if the professional business does well, then that number could further go up. But given the current scenario, that’s what the business was, around INR 240 crores, INR 250 crores in the last couple of years. And now currently, it’s about -- looking at a run rate of about INR 120 crores, INR 140 crores with them.

RAHIL DASANI

Perfect, got it. So now coming to the chimney, oven and the OFR heaters, I believe the approval for that is going on at the Ghaziabad plant, and the product will be shifted to Bhiwadi once the plant is ready. Have the planned number or expected number of customers approved us to achieve our INR 140 crores, 160 crores of target in FY27 from the Bhiwadi plant?

SANJEEV SETHIA

So, two things. One, OFR is going to be a shifting of the business, because it’s already operational in Ghaziabad for last two years. And based on -- so we’ve already planned the entire shifting in terms of the assets where -- and of course there is an approval process, so that’s been planned.

Based on what we did this year and the forecast for the current year, where we are again increasing our capacities, like I had mentioned, that we are further increasing our capacities, so that we kind of be the dominant player, and not let too many people in. I believe we should be able to hit the numbers between OFR's and chimneys.

The oven is not a very big business right now, because in terms of oven, there's slight shifts in the consumption pattern, and by that, I mean, in terms of oven, now you are seeing the air frier is becoming very popular. And there is a new product in the market, which is a combination of the air frier and the oven, which is again catching steam. So, what we are looking in this in category is to start with the oven, and then maybe a couple of quarters down we could look at adding the air fryer business in our [indiscernible 00:39:17] plant, which will further increase those numbers. So, we are in active discussions with a couple of key customers for the air frier business as well.

So, with these two put together, yeah, the new products for Bhiwadi. So, with this two, but I think between OFR and chimney, we should be able to hit the guidance which we've given in terms of the turnover Bhiwadi in FY2627.

RAHIL DASANI

Got it. So, just to summarize it a bit, only two products, OFR and the chimney can do INR 70 crores to INR 75 crore each in FY27, and this is while we are launching chimney in the H2 FY27.

SANJEEV SETHIA

Please read it as combined between OFR and chimney, we should be able to do INR 170 crores. And the air coolers and the oven business, which we will start, there's always a lag by the time you launch and approve. If you show the product and the approval first happens. So, we are fairly confident that these two products alone should give us about a INR 170 crores kind of business outlook.

RAHIL DASANI

Got it. So why I was asking for the split is because, I believe, we are to launch chimneys only in H2FY26. So that's only two quarters of numbers to generate a target, that's why I was asking for the split that we are planning for.

SANJEEV SETHIA

Currently, not in a position to give you an exact split.

RAHIL DASANI

No problem. And sir, at 25% to 30% utilization in FY27 from Bhiwadi, what sort of EBITDA margins can we achieve there?

AKASH SETHIA

Look, we have mentioned that steady state, of course, will be say, 7% plus. But obviously initially it will be much lower than that because of only part utilization of the plant. What we would ask is you know, once the plant is up and ready, we'll have a better idea to give you some sense of what, in totality for the year we can expect. So just bear with us for another quarter or two. We are finally close to it, I think.

RAHIL DASANI

Yeah, got it. And sir, how much additional capacity will this shift from Ghaziabad to Bhiwadi leave in Ghaziabad? And will that excess Ghaziabad capacity will get utilized immediately or else we will also see a drop in margins in that unit, because of a lower utilization like we have seen in the past?

SANJEEV SETHIA

So, we already have a plan in place. Of course, this is going to be a fairly large revenue, which will be moving out of Ghaziabad. So, we are looking at two product categories to offset and then further grow. One, I had mentioned that the fan business overall is doing fairly well for us. So, we are looking to grow that business. This year, I think we'll have 100% growth over last year. So, we are looking at the minimum 50% kind of growth or maybe a little more for the sand business.

The second category is in terms of the small appliance business, there are certain -- there is especially the mixer grinder category. We are looking to start operations out of our Ghaziabad plant also, as well. The logic behind this, is that in terms of mixer grinder has a fairly large market share, and it's probably around the clock kind of business. All our motors are being made in Ghaziabad for the mixer grinders. We believe making the mixer grinder in Ghaziabad will give us certain logistics and overall -- increase the overall efficiency, so we could offer at a better price.

Secondly, of course, Baddi now does not have any excise benefit as such, and now in the last couple of years, customers are also not very keen to buy out of Baddi, because most of the sales happens in the bigger cities and in the metros. The market is here, so we want to move part of our mixer grinder business from Baddi. And we believe in Ghaziabad, we can give a better value proposition, and we can further add and grow our mixer grinder business.

Given the fact that motor is going to become in-house, of course it saves on certain logistics and packaging costs, etc. So, these are the two categories we are looking at, of course, along with certain FHP motors like coolers and chimneys, etcetera, to not only offset the shift in revenue, but further grow the business.

RAHIL DASANI

But sir, if we shift the mixer and grinder from Baddi to Ghaziabad, that will again lead to a lower utilization in Baddi, and hence, we are again -- we will get what we call as a reverse operating leverage -- operating deleverage.

SANJEEV SETHIA

So, the complete mixer grinder operations will not be shifted out, Baddi. It's selected customers where the market share is not very large that will affect the Baddi business. But we believe that once we start mixer grinders in our Ghaziabad plant, we will be able to attract newer customers, more customers who are currently not buying the complete product from us. They might be buying motors from us, and they might be getting -- some of them are buying from us and offering to brands. So, we believe that we will be able to corner a portion of that business also.

RAHIL DASANI

Got it. So, I guess my point is that will we be able to continue with a 6% to 6.5% EBITDA margin at our existing two plants, if I forget about the Bhiwadi new unit, where you will see a different margins and profitability on the console level? That's what I am trying to understand.

AKASH SETHIA

The point is well taken, sir. Like I said, so on the existing business, we are reasonably confident. But on the Bhiwadi business, like I said, just allow us a quarter or two till the plant actually starts to give you an idea of what the EBITDA for Bhiwadi will be, and therefore what the consolidated EBITDA of the company will be.

RAHIL DASANI

Got it. And sir, how much is the premiere?

MODERATOR

Rahil, sir. Sorry to interrupt. We request you to join the queue, sir. Thank you.

So the next, we have a question from Mr. Samarth Ashok from Janak Merchant Securities. Please go ahead, sir.

SAMARTH ASHOK

So, my question was on the motor division. Considering we have a lot of captive needs, and there is a large opportunity to supply to the in-house appliance manufacturing opportunity, which is arising. Hello?

MODERATOR

Please go ahead, Samarth sir.

SAMARTH ASHOK

Hello, am I audible?

MODERATOR

Yes sir, you are audible.

SANJEEV SETHIA

Yeah, I'm sorry, there was a disturbance in between, so may I ask you to repeat your question, please?

SAMARTH ASHOK

Sir, it was related to the motor business. Considering we have a higher captive requirement and we sell motors to other customers also, and because of the BIS regulation, we have -- there are new opportunities opening up. So, are you going to expand your motor capacity further? And it is a better margin product also for us. So, any plans to expand capacity further?

SANJEEV SETHIA

Yeah, we are looking to expand our motor capacities. I mean, like I mentioned, we have already set up a line for cooler motors. However, this particular season, the cooler industry started a little bit late because of the extra excess inventory buildup in the pipeline, because of last year's fairly dismal cooler. So, we are getting into the cooler business and cooler pumps.

We are getting into the BLDC chimney segment, and we are looking at two more segments, one is the washing machine segment and the AC, ODU, IDU, BLDC motors for further expansion. Out of this, these two segments, washing machine motors are undergoing trials at our end. So, we are building a line and getting our motors approved. We believe that once BIS comes into play in washing machine motors, a lot of local buying will start. So there, our existing infrastructure is aligned to make these motors.

But however, BLDC, AC, ODU and IDU motors, they are a little bit of a wait and watch, because our existing infrastructure is not exactly suited to make this motor. There is a fairly high, large investment required to make this motor at the same cost levels, let's say, at which China is operating. So there we are at a wait and watch. But these other three categories, we are fairly confident. Two, we are of course equipped to start. The third one, we are getting our motors approved, and as and when the BIS kicks in, I mean, we will be in a position to start that as well.

SAMARTH ASHOK

From the past, from the DRSV we are almost 10 lakh capacity of motors per month. How much will we be expanding to?

SANJEEV SETHIA

Are you talking about expansion or utilization in terms of overall effort?

SAMARTH ASHOK

No, expansion.

AKASH SETHIA

I think sir, the 10 lakh number that you are probably referring to is number one, an overall kind of number. It comprises of multiple types of motors. Let me get back to you offline on that, because we are not seeing expansion on all categories of motors. Like Sanjeev ji mentioned, there are only three categories of motors where expansion was being undertaken or considered. So, the numbers aren’t going to be very large, but we’ll just get back to you offline with that number.

SAMARTH ASHOK

Thank you. That’s all from myself.

MODERATOR

Thank you, sir. The next question comes from Mr. Kunal Mehta from Sunidhi Securities, a follow-up question. Please go ahead with your question, sir.

KUNAL MEHTA

Hi, I just have one question. It's on this personal care segment. I think in Q1 also we saw a dip in the volumes and even in Q3, because Q2 was the festive season, so there was quite a lot of volume. But is there some kind of lower volume scenario that we are seeing in personal care, and trimmers and hair straighteners, and hair dryers? So, I mean, is the focus more on medium appliances in the kitchen, and home care, and personal care is kind of -- we are not having much focus to expand our customer base there?

AKASH SETHIA

No, it's not like we don't have focus, but these are -- look, the way we see it is, these are vagaries of the market. Consumption has been a little bit erratic. This is more an urban discretionary kind of category. I mean, much more urban, less rural. So sometimes, the way urban customer allocates wallet share, automotive prices have come down, certain wallet share gets allocated there, so you see temporary kind of mismatch. It's very difficult for us to give you an exact precise reasoning as to why it's going down. But rest assured, it is not due to lack of focus. We are working strongly with our customers to drive this growth as well.

KUNAL MEHTA

Have you added any customers in the personal care segment in the last year?

AKASH SETHIA

No, we have not been able to add any new customers, but we have been able to secure three new subcategories of projects within personal care. So, we should see some growth being injected once those projects go live, in about anywhere between -- I mean, roughly six months there.

KUNAL MEHTA

Okay. And sir, now do we see this order from the U.S., because of the tariff situation, again reversing? Do we see that the order in the U.S. as soon coming in FY27?

AKASH SETHIA

Yeah, we are very hopeful of that. I mean, this is just a very, very recent development, maybe less than a week ago. So, teams are on the ground. Already we are all in touch with our customers, but we don't have an exact answer for you yet. I mean, I don't want to jump the gun and tell you that it is done. Probably -- I mean, we are very hopeful that it's going to be done, but till it's done I don't want to give you any premature indication.

KUNAL MEHTA

Okay. Thank you, sir.

MODERATOR

Thank you so much, sir. There are no further questions, sir. Now, I hand over the floor to the management for the closing comments.

KAMAL SETHIA

Hi. This is Kamal Sethia. Thank you for sparing your time and giving us an opportunity to address your questions. I hope we have answered them well, and looking forward to next call, to give you more updates on our company's performance. Thank you so much again for your time.

MODERATOR

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

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