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Dated: 12/11/2026

To,
The General Manager
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(Corporate Relationship Department)
BSE Ltd.
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BSE SCRIP Code: ROBU | 543787

Subject: Transcript of post-results Conference Call held on 03.11.2026.

Pursuant to Regulations 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed herewith the transcript of the Earnings Conference Call held on 03rd November 2026 in relation to the financial results for the half-year ended 30th September 2026 (H1 FY 2026-27).

Kindly take the same on record.

Thanking you.

Yours faithfully,

For Macfos Limited

SAGAR SUBHASH GULHANE

Digitally signed by SAGAR SUBHASH GULHANE
Date: 2026.11.12 17:23:36 +05'30'

CS DCG(ICSI) SAGAR GULHANE
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEM. NO. 67610

“Macfos Limited

H1 FY27 Earnings Conference Call”

November 03, 2026

MANAGEMENT: **MR. ATUL DUMBRE – CHAIRMAN AND MANAGING DIRECTOR –MACFOS LIMITED**
MR. BINOD PRASAD – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – MACFOS LIMITED
MR. NILESHKUMAR CHAVHAN – WHOLE-TIME DIRECTOR – MACFOS LIMITED

MODERATOR: **MS. FALGUNI ATARA – HEM SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to H1 FY27 Earnings Conference Call hosted by Macfos Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Ms. Falguni Atara from Hem Securities. Thank you, and over to you, ma'am. Please proceed.

Falguni Atara: Thank you, Shailendra-ji. So, very good afternoon, ladies and gentlemen. Thank you for joining Macfos Limited half-yearly earning call for the period ended 30th September 2026. Joining us on the call today from the management team are Mr. Atul Dumbre, Chairman and Managing Director, Mr. Binod Prasad, Whole-Time Director and CFO, and Nileshkumar, the Whole-Time Director of Macfos Limited.

We will commence the call with the opening thoughts from the management, post which we will open the forum for a Q&A section where the management will be glad to respond any query that you may have. Before we move to the main call, I would like to read a standard disclaimer. There may be a forward-looking statement about the company and its subsidiaries which are based on the belief, opinion, and expectations of the company's management as on the date of this call.

Companywide does not assume any obligation to update this forward-looking statement if those belief, opinion, expectations, or other circumstances changes. These statements are not just a guarantee of a future performance and involve risks and uncertainties that are difficult to predict. Consequently, listeners should not place any undue reliance on such forward-looking statement.

With this, I hand over call to Mr. Atul Dumbre, the Chairman and Managing Director of Macfos Limited. To take it forward. Over to you, sir.

Atul Dumbre: Thank you, Falguni-ji. Dear shareholders, we are pleased to share the business progress and financial performance of Macfos Limited for first half of financial year '26-'27. So, our company has delivered revenue of INR181.96 crores with EBITDA of INR21.91 crores and PAT of INR13.18 crores during this first half of the year. On comparable basis, using Ind AS converted figures, this represents growth of 41% in revenue, 34% in EBITDA, and 31% in PAT.

We believe that this performance reflects the continued strength and our underlying business and the focused execution of our strategies. Importantly, we have sustained our growth momentum despite an uncertain global environment, demonstrating the resilience and scalability of our business model. We continue to see a strong and expanding market opportunity across categories in which we operate.

Our focus is therefore not only to capture the current demand, but also to build our capabilities which are required to serve the opportunities at greater scale in future. During this period, we have continued to invest in our customer experience, product portfolio expansion, technology

and IT systems, marketing, and fulfillment infrastructure. These investments are intended to strengthen our operating platform and create the capacity which is required for the next phase of growth.

Demand across our business remains encouraging. We are witnessing increasing traction from our corporate customers along with healthy repeat purchases from our existing customer base. Our expanding product portfolio, competitive pricing, and dependable customer support continue to strengthen customer engagement and trust in Robu.in.

Key operating indicators like traffic on our website and app, order volumes, average order value, customer retention all continue to show positive growth spends, providing further confidence in the underlying health of the business. Let's talk about Robu 1.0 and Robu 2.0 separately. So, Robu 1.0, as we all know, is our core distribution business.

So, Robu 1.0 remains a strong foundation of our business, and our objective is to strengthen that foundation as a comprehensive platform for specialized electronics and technology products by combining products availability, competitive pricing, efficient fulfillment, and dependable customer service. We continue to work closely with our supplier network to improve procurement efficiency product availability while investing in the system and processes that can reduce fulfillment timelines.

As at the same time, we are steadily expanding our product catalog to address a wider range of customer requirements. We believe that strengthening these fundamentals will allow Robu.1 -- Robu 1.0 to scale efficiently while creating a stronger and more durable competitive position. Now, let's talk about Robu 2.0.

Robu 2.0 is our strategic focus on developing our own technology products and solutions. Over the past 3 years, this vertical has gained significant momentum, particularly in drone ecosystem, with increasing acceptance for our in-house developed products and engineering capabilities. We have introduced a range of proprietary products under our SimplyFly brand and continue to invest in R&D and product development.

Our capabilities have also enabled us to undertake customized development projects, including engagements with governments and defense organizations. Robu 2.0 provides an opportunity for us to move further up the technology value chain from distributing products to developing products. We believe this will enable greater value addition, stronger differentiation, and attractive long-term growth opportunities for us.

Looking ahead, we remain confident about the long-term opportunity that is before us. Our immediate focus is on execution with discipline, strengthening our operational capabilities, and developing products under 2.0, while making investments that are required to support the sustainable growth. We would like sincerely to thank all our partners, shareholders, customers, suppliers, employees for their continued support and trust.

The confidence that you guys bestowed upon us, that helped us to keep improving and innovating to build a stronger more capable for future. I think with this I am done with my speech, so we can move ahead with the next phase.

Moderator: Thank you. Sir, should we open the lines for question-and-answer session?

Atul Dumbre: Yes.

Moderator: Thank you. Thank you very much. We will now begin the question-and-answer session. We have first question from Mr. Praneeth from SJ Investments. Please go ahead.

Praneeth: Hi, sir. Thank you for the opportunity. So, first I'd like to understand, you mentioned the traction, right? So, in terms of getting more traction for our own branded products, could you explain, where is it due to the enterprise clients or who is it with the hobbies itself? And today what percentage of revenue will contribute? And what is the SKU count in our own brand? Could you just give broad aspects on these three questions?

Atul Dumbre: Okay. So, first you asked about, if it is for the hobby or enterprise clients. So generally, we are targeting enterprise clients with those products because of course those are high-value customers. However, the marketing perspective of it demands for the entry-level products for hobby-based clients.

So, the end goal is always to target enterprise customers, but strategically we will have to have some products to target, I would say, students and hobby-based customers, because eventually those become enterprise clients. So that's one. Second, you asked about the percentage that we are doing in the total revenue. So currently, we are not sharing those numbers. Again, it's a strategic decision because we want right now to test the waters.

So, I think that will also cover your third question, how many SKUs we have. So, we have around 310 SKUs in SmartElex. I think we have around 12, 15 SKUs in drone. We have multitude of SKUs in Pro-Range. I think those are in thousands because that's an OEM thing. We also have multiple SKUs in EasyMech. So, I think for right now our focus is more and more on developing a new product, getting those to markets, getting the customer feedback if the products are right price and right specification.

Also, there is a huge invisible part in terms of learning how to do molds, how to have a supply, supplier management for manufacturing, also building some small capabilities in-house so that we make sure that the products have right quality. So, I think right now we want to focus on those things rather than just jumping our guns to numbers and assigning some targets to those. So, that's the situation right now.

Praneeth: Got it, sir. And one thing I wanted to understand with enterprise clients, at least as we understand it, the norms usually is when it's during prototype stage and small production, they end up procuring from players like Robu and Millennium and other players, while as they scale, they try to directly approach the manufacturers to get volumes. At least it is as far as my understanding, that's how it works with enterprise clients. Could you explain why are we able beat that norm and directly also target enterprise clients in terms of their volumes?

Atul Dumbre: It's not a norm, I would say, such as, because no distributor will work if we are just handling small clients and for volumes they are working directly with manufacturers. That is not how it works, at least the business that we are in. So generally, we work from generating a demand and

serving those demands right from one, two quantities to 500, 1,000, and few thousand quantities like that.

However, the margins as well as the way it is worked for small quantity, medium quantities, and higher bulk quantities, it's totally different. So, for higher bulk quantities, we are also working directly. But then there is tri-party calls where we are working with the manufacturer and the customer. All those three parties know each other, and then we work together to provide our best solution to the customer. So Yes, I think that's pretty much the norm in our segment.

Praneeth: Got it, sir. And coming to our -- basically, in terms of our warehousing, you mentioned that we expanded the warehousing capacity this time, but the growth we are seeing, don't you think we need to put up some more capex there, or how do we see in terms of expanding our warehousing capacity? And do we also want to have more than one? I was just trying to understand that sense also.

Atul Dumbre: So, about the warehousing capability, I think from 2017-'18 itself we have been growing like this. So this is not new to us, and we keep on taking the right strategic decision at the time, which we are at. So, I think growing at current rate, we already know what to do from our past experience in our segment. Of course, the scale is different, but then again, the cash flows are different and available resources are different according to the scale.

So, I think we'll keep on taking those decisions. One location, multiple locations, or other things, I really don't it's good to share on these calls. But Yes, this kind of growth consistently demands you on upgrading your, let it be manpower, marketing, IT infrastructure, or warehousing capabilities. And we kind of know how to do that to sustain this growth by now. So, we could keep on just pushing and doing the right thing one at a time.

Praneeth: Got it, sir. So, this quarter we go around 30%, 40% range. So, we expect that to continue for the next 4 to 5 years. Is it a good understanding?

Atul Dumbre: Yes. We keep on saying that. And this is the question that I don't want to answer, put a number to it, because we have decided not to go in that direction, just to keep on putting some numbers to it. But Yes, we keep on saying that…

Praneeth: So don't mind me asking…

Atul Dumbre: Sorry.

Praneeth: Sorry, sir. Sorry for us not understanding, because see, as a sense, as when we are from outside perspective, we want to just understand, because when you have a small base growing to this level is a little bit easier. At least that's what our understanding is, and that's also you told in your past forums also. But when you're getting up such high base, we just want to understand in a sense that will you continue growing at this rate? There's two aspects to this also, just to understand how the company can grow…

Atul Dumbre: Yes. I think…

Praneeth: And what will be the…

Atul Dumbre: Yes. It's a very, very interesting business dynamics or environment that we work in. So, last 6 years, maybe 7 years, every year I ask myself this question, oh, whether we will be able to grow this year. But we do grow, because we have a certain strategic planning behind it, and there is a lot of nitty-gritties in the execution of those plans. But I think in overall, if you look, we are into electronics, new age technologies, and India is overall having a good growth story for next 10 years, I believe in that. We as a team believe in that.

So, we know that these are the good conditions for us to grow, good segment, and a lot of Make in India, local manufacturing, a lot of big startup culture is also supportive in our growth. So, we believe that next 4 to 5 years we should be able to continue on the same path of growth.

Praneeth: Got it, sir. And coming to the cash flow question, so again, it's a double-edged sword, right, sometimes. So, when we're growing at such high rate, we see growth and we see revenues and profits, but cash has also been getting consumed into the business in other inventory. Again, not other things, but we have had to continue to raise debt very aggressively. So, do we foresee growing at this level, or is it possible that we can finance some of the working capital through payables or any other means?

Atul Dumbre: I'm sorry. I didn't get your question.

Praneeth: Sir, I just understand, when we're growing at the 30%, 40% mark, our operating profit is not sufficient to fund the inventory incrementally that what we need to continue to grow at the 40%, right? So, we've been increasing our debt for working capital requirements, the short-term borrowings and all of that has been growing substantially year-over-year because we need more inventory to fulfill some more receivables.

So, I'm trying to understand, will we continue to fund it through borrowings in terms of the incremental inventory, what we need? Or is there a possibility that we can pay our suppliers a little later, or is it possible that these receivables can come down a little bit more? Or I was just trying to understand in that sense.

Atul Dumbre: Okay. So, I think in all of the Robu's history, we have been growing the similar way. And only once we have done a secondary raise of funds through markets. Other than that, we have been growing with our existing bank fundings and those options. So, I think we'll continue to grow with that same mechanism.

As I said, when we are going for the same space since the day we started effectively, so we have a certain knowledge and understanding. And also our partners like bankers and all those, those also understand our pattern. It's a set pattern now. So, I think we will continue to grow with the same means.

And you're right, it does take more money to grow this way, but we know how to arrange those funds. We have been doing it for year on years. So, I think nothing will change in our existing pattern.

Praneeth: Got it, sir. And is there any other things you want…

Moderator: Mr. Praneeth. We have participants waiting. The next question is from Mr. Swaraj Mehta from Perpetual Capital Advisors. Please go ahead.

Swaraj Mehta: Hello, thank you for the opportunity and congratulations on a great set of numbers. So my first question was in follow-up to the last question. In terms of inventory days, adjusting advance paid to suppliers in inventory. I am assuming that advance paid to suppliers is inventory in transit.

So our inventory days has grown substantially. It was 60, 65 days some years back. Now it has grown to 120. So how do we see inventory days stabilizing and improving going forward? And what is our internal goal for inventory days?

Atul Dumbre: Yes, so inventory days is a function of 2, 3 things. It's, it's not as simple as just saying that, okay, this was it maybe today or 2 years ago. And this, whether we are importing and how much we are importing through sea or air, that also contributes to lower or higher inventory days. There are some strategic decisions that we take in times of shortages, availability, not availability of material.

Some strategic decisions we have to take, availability of funds or not availability of funds. Say one metal I might get on air via the air freight, but again, it's a costly affair. But if I do not have funds to get that big shipment via sea, then I have to take that decision to shorten the route via air. So I think it's very fluid thing which keeps on changing.

The fundamental change that has happened in past 2, 3 years is that we are importing more and more via sea to save those costs, be more competitive. That has increased the inventory days slightly, I would say. But other than that, I do not see any change. Yes, of course, if you look the picture at a particular quarter or maybe particular H1, we might just have accumulated higher inventory, 10 crores, INR20 crores strategically, or we might be lower on the inventory side sometimes.

That's also a problem if you don't have stocks to sell. So I think what you are saying -- I would not like to share the number where we put our internal targets because these are public calls, obviously, but there is no significant change. 120 is a number slightly on higher side. I see it coming down, in near future.

Swaraj Mehta: Got it, thanks. And, in terms of gross margins, is there any scope of improvement in the gross margins? Because it also has been stuck in the range for the past few years. How do we see that going forward?

Atul Dumbre: I think the gross margins is in the same line. It has not seen a significant change recently. So increasing it, obviously we would love to have higher gross margins. Who wouldn't? So we keep on trying, different, different things to improve that. I mean, Robu 2.0 is also one of the ways where we want to have that advantage of higher gross margins, in or control over gross margins in longer run. But Yes, I think we haven't seen any significant change in the past, and in the future we will keep on trying to improve it.

Swaraj Mehta: Last question is, players like Millennium Semiconductors and RayQ, they have invested INR150 crores into localized, mega warehouses in Bangalore and Pune to cut lead times. So how do you see this surge in domestic components impacting Robu's fulfillment moat and tight-to-win, and will they eat into our B2B sales? What is your view on that?

Atul Dumbre: I do not think Millennium has a lot of business that is similar to Robu. They have a quite different business model. They are conventionally dealing in high volumes and with manufacturers, specifically automobile is their strength. So the nature of business is quite different than Robu. I do not see what their investment or their strategies will have significant impact on what Robu is doing.

Swaraj Mehta: And RayQ? Any thoughts on that?

Atul Dumbre: Sorry?

Swaraj Mehta: RayQ.

Atul Dumbre: What do you say, RayQ?

Swaraj Mehta: Yes,

Atul Dumbre: What is RayQ? I mean, I am not getting…

Swaraj Mehta: It's also a distributor which has opened mega warehouses in Pune.

Atul Dumbre: Could you spell it out for me?

Swaraj MehtaL: R-A-Y-Q.

Atul Dumbre: RayQ. I mean…

Swaraj Mehta: Yes.

Atul Dumbre: In all honesty, this is the first time I have heard this name. Maybe the company name is different. Maybe I will just look it up after the time. I am not sure who these guys are right now.

Swaraj Mehta: Okay, those were my questions. Thank you so much. All the best for the upcoming quarter.

Atul Dumbre: Thank you.

Moderator: Thank you, sir. The next question is from the line of Jojo Shaju from Tirthan Capital. Please go ahead.

Jojo Shaju: Yes sir. Thanks for the opportunity and congrats on a good set of numbers. And so my question is on Robo 2.0. So you have mentioned that, this Robo 2.0 products accounted for less than 2% of the total revenue in the previous calls. And now we have seen that this SmartElex reaching 340 SKUs, simplify expanding now to 14 drone frames, and the Pro range now added, 2,200 SKUs.

So what is the absolute revenue contribution of the segment in the H1, and where do you see these revenue contribution in the next financial year?

Atul Dumbre: Yes, so we are not sharing the revenue numbers right now with these product lines, and the reason is simple, because we want to focus on different parameters for those brands right now, like how many products are being successful in the market, how many, products are of the right quality and right price for our customers, and then what are we doing with the new categories, new products?

Are we able to make those products, well, especially for the SimpliFly, because those products we are not conventionally manufacturing those products for last 10, 12 years. We have just started with this, so we want to understand more about the market and adoption, have a team set up, at the back end, have some small manufacturing capabilities set up in-house. So I think those are the parameters that we are more concerned about right now.

And yes, what you have rightly pointed out, that the product SKUs are increasing quite fast. And we also see good traction from the market. So there will be a time when we will be getting those numbers, and then we will continue to share those numbers annually, quarterly, or half-yearly, but not right now.

Jojo Shaju: Yes, sure. And so, this return and replacement cost in the first half have reached INR1.7 crores, which is, and they are matching with the last financial year cost. So what factors are driving this increase and is this cost increase associated with this distribution product, or is it coming from our own Robo 2.0 products?

Atul Dumbre: So it has nothing to do with the Robo 2.0 products. Basically, there is an operational backlog sort of, to take the refunds from our supplier. That's why this cost looks a bit high. I think the backlog is around INR35 lakhs to INR40 lakhs. So once you remove that number, it is quite proportional to our growth. So we will be smoothening out that operational thing, and I think within next quarter we will have this number proportional, return and replacement number proportional to the growth.

Also, you mentioned about 2.0. So Robu 2.0 has very, very small refund replacement. I mean, even compared to our, 1.0 business, because we are making those products, we are manufacturing those. So if anything goes wrong, we can just repair those products. So I think there the cost, even if the product is faulty because of some reason, we can just repair it and avoid all the cost of throwing it away or doing something.

So I think those products have significantly lower refund replacement rates. But Yes, you are rightly pointed out that the number is increased. It's because of just the backlog. We have to take back those INR35 lakh, INR40 lakh worth of refunds on supply. Once that is accounted, it will reduce.

Jojo Shaju: Got it, sir. And sir, is it possible to get a breakup of this revenue mix from these corporate buyers, educational, and these research labs, and the small batch contract manufacturers? This is on the distribution business, and I want to understand where the bulk of our growth is happening? And

is there any, corporate clients which generate any recurring monthly order or any multi-year procurement agreements with our company?

Atul Dumbre: Obviously, we have all the numbers, and the way you are, you are very eager and, interested in knowing the details, same way there will be a lot of small competitors who will be interested. So that's why we don't like to share these numbers. But yes, in a longer run, if you look at our trajectory, more and more of our revenue and growth is driven by corporate customers, let it be single orders or repeat orders, because that's how it's going to be.

So if you look 5-year, 10-year horizon from now, more and more revenue will always be from corporate customers, industrial people, and the educational market or the hobby market or the startup people. They will always contribute for higher number of customers. So that's the cycle of Robu.

We want to have more and more customers entering into our cycle and eventually, proportional number of people will grow to the startups, to small-scale, medium-scale, large-scale companies, and then we will be able to hold on to a certain percentage of those and to grow our revenues by that means. But for us, both are important to get higher number of small orders, and then those convert those to the high-value orders for some of those customers.

Jojo Shaju: Got it, sir. That's all from my end, and best wishes.

Atul Dumbre: Thank you.

Moderator: Thank you. So we have follow-up questions from Mr. Praneeth from SJ Investments. Please go ahead, sir. Mr. Praneeth.

Praneeth: Hi sir, thank you again. I just wanted some more clarification with regards to the corporate clients. Our gross margin hasn't taken a hit in this quarter like last quarter was, but I was trying to understand as a percentage when corporate clients keep increasing, what are gross margins to continue to fall? So if it were to fall, where do you think it'll end up at?

Atul Dumbre: Of course, there is always a trade-off of margins when you are targeting corporate customers at gross level. However, what is more important is how that gross is converted to the net margins, because since the average order value is always higher for corporate customers, that you can see in the earnings or the reports that we are putting after every quarter, that the average value -- average order value is also growing.

So that growth of average order value and less effort which are required for corporate clients, because if you want to deliver 50 parcels to 50 locations and then serve return replacement of whatever comes after that, and then again, to have those 50 listings on website, and then again there is a lot of cost involved with those small orders, whereas corporate orders generally comes up with less cost behind that.

So it also absorbs some of the loss of margins, I would say, in the costs that are occurring for those. So we don't expect it to go down significantly in long term. So it will stabilize after a

period of time because then we also don't want to go below a certain margin. We also have certain targets on our hand that, okay, we don't want to go below this number as aggregate.

And then not every customer is our customer. So I think that will balance out after, I mean, we are already very adamant on balancing out those things. And then we'll have to increase our margins by doing things like own products, own brands, 2.0. Then it will again give us some flexibility to target some more customers. Because then we have slightly higher margins here and then we can go slightly lower there to maintain the balance, those sort of things.

Praneeth: So is there -- what is the lowest margin you're willing to get till in terms of gross?

Atul Dumbre: So we are currently happy with the margins that we have on PAT level and we really don't like to go any, any below that because if you have lower targets you will eventually reach there. So we don't like to think in those terms. We just want to keep it as it is, and then...

Praneeth: We just want to keep the percentage.

Atul Dumbre: Sorry, in terms of PAT level, so I think we are currently targeting 7%, 8% of PAT, which is where we land.

Praneeth: Understood, sir. And with regards to returns...

Moderator: Mr. Puneet, you can rejoin the queue. Thank you. The next question is from Mr. Rohit. from ithoughtPMS. Please go ahead.

Rohit: Yes, am I audible?

Moderator: Yes, sir.

Rohit: Yes, hi, good afternoon, Atulji and team. Congratulations on, very good. So, so I just 3 questions, so, so one was, if you look at the Robu 2.0, if you can share maybe -- whatever you can share in terms of your qualitative, how is it progressing. I heard what you said, but if you can be a bit more -- without sharing any numbers as such, just following up on your commentary over the last few quarters, I think it is going in the right direction. So whatever you can share on that. And then maybe first that and then I'll ask the other 2 questions.

Atul Dumbre: Rohit ji and other people also listening to this, as we totally understand your eagerness, enthusiasm to get some insights on Robu 2.0. Right now, unfortunately, I can't really share because then it's a cycle. Then once we share something, next time we also have to follow up on that. And so we are just waiting for that baby to grow.

And trust us, We are very, very -- same way you are eager and waiting for these, we are also very eager, day in, day out working on this. We are very, very interested in getting those numbers out as soon as we can, but not right now. I think we should just wait. We understand why there are a lot of questions surrounding this, trucks. We are also very, very eager to go out all guns blazing with this. But all good things take time, so let's just wait.

Rohit: Fair enough, totally understand, no problem at all. The other question was, Atul, so we are growing at a very, good rate, and you also mentioned that, I mean, without getting into specifics and numbers, I mean, you see on the horizon everything, the opportunity being there.

So to sustain this growth or to maintain or even grow faster any investments that we need to make in terms of our operations or in terms of -- like I see that now inventory build-out is somewhat plateaued, which I think you had also said broadly that this is a good level now in terms of number of SKUs. But just from the other operations point of view or maybe developing your own technology better or to scale that, etcetera? Anything that you want to call out or you want to share?

Atul Dumbre: I don't think there is something that we need to do, which will be out of the -- out of our regular things. So this growth requires to build up inventory, to build up warehousing capabilities, to build up order processing capabilities, IT infrastructure, more people. So that's all is like, it's the same old, same new kind of thing. So we have, we have been doing that in the past and we'll continue to do that in the future. But there is nothing that, at this point I think I should point out, but there is a need to point out which is out of the regular ABCD things that we are doing.

Rohit: Okay. And, this last question was on the migration to the mainboard. Any any update on that or anything that you can share?

Atul Dumbre: Nothing currently on hands, to share about that. Even when we have anything to share publicly, we'll just share with our investors and you guys.

Rohit: Okay, perfect. All the very best. Thank you so much.

Atul Dumbre: Thank you.

Moderator: Thank you, sir. Thank you, Mr. Rohit. Mr. Praneeth, we are opening your line again. Please ask one question. Over to you, Mr. Praneeth.

Praneeth: Yes, sir, got it. Just one question with regards to -- already mentioned that we have banking relationships. I'm just wondering, is there any plan of further increasing some more capital like we did in like the year before that? Because like it might be a better thing in terms of it will be easy on the borrowings also, and also it'll be easy for us to grow, right? I'm just trying to understand Is there any kind of doing one more equity infusion?

Atul Dumbre: So, Praneeth-ji, first of all, I would like to thank you because this is the third time you have again joined the questioning row, and I really appreciate the effort and enthusiasm that you have put in it. About raising further capital by diluting the equity, we would -- I mean, we don't have anything at our hands right now, any plans. And equity is the costliest money, that's what they said.

So, we would like to grow. I mean, that's the basic philosophy that we follow, that we would like to grow as much possible with the help of the debt from the banks and regular instruments that we have with the banks. And equity should only be the last resort when we believe that there

is a substantial growth that we want to achieve, or something substantial that we are going to achieve out of that cash flow coming in.

Otherwise, the regular growth that we are doing, that -- as I said, that though the scale is increasing, percentages are remaining the same. And then our banking partners are more than happy to support us with whatever cash flows we require. So, right now, there is nothing on hand, and we'll only do it in future whenever required. But we have substantial return on that, equity dilution investment that we are going to do, because that's a very, very scarce asset for us.

Praneeth: Got it, sir. I just -- I think I asked you in the past also, just one last question. With regards to the payables, can we work with it in terms of paying a supplier later? Because it might reduce the stress on the working capital, right? I'm just trying to understand…

Atul Dumbre: Yes.

Praneeth: Is there any scope to pay later?

Atul Dumbre: Yes. We keep on doing that. I mean, we have credit terms with our suppliers and we keep on asking them to increase them both in terms of days and in terms of the amount of credit. Also, for new suppliers, we keep on asking to provide us credit limits and credit lines. But please remember, nothing is free in this world. So, all the suppliers that do provide us that, they come up with certain requirements.

I mean, they'll always make sure that they are getting that worth of those 30 days or 45 days, whatever you are asking, they'll always ensure that you are getting -- they are getting some something for that. So, we always try to keep pushing on for the higher credit limits and credit days. That's obviously part of the business for us.

Praneeth: Got it, sir. And with our banking relationships growing every day and our profitability growing, are you able to negotiate better cost of funds? And how is it working already?

Atul Dumbre: Of course.

Praneeth: Yes.

Atul Dumbre: Of course, we'll, I mean, we -- I'll say we are at a very -- we are at a good position compared to last 3 years and we'll be at -- even at a better position after 3 years compared to last -- I mean, if you look in the future, we'll always be able to negotiate better price of products because of volumes.

We'll always able to negotiate better cash off -- sorry, the interest rates with our banks, and we keep on doing that. So, I don't know what is the exact best interest rate from the bank is or exact best price from the supplier is, but yes, moving ahead little by little is always -- is something that we always try to use.

Praneeth: Got it, sir. First of all, I'd like to thank you so much for your patient answers, sir, despite having some basic questions. Just one last coming to the returns of it.

So, with some when you're doing corporate clients, is there any return clauses that we have to put in that we have to -- if the opt-in doesn't happen, we have to take returns like we do with, let's say, our hobbyist clients and like website clients? I just wanted to understand returns case.

Atul Dumbre: I didn't get your question, Praneeth.

Praneeth: Yes, sir. Just trying to understand in terms of returns, is there any possibility that we need to take returns from corporate clients or is there no – like, if they don't end up using our product or something or they want to return a specific product.

Atul Dumbre: No, we don't have that policy, my friend. So, if some corporate buys something in bulk, And if they don't end up using that, so we always have a clause of no return once you bought the products from us, for corporate clients. We have a different rule for regular hobby clients in 1-2 quantities because we are sure that we'll be able to sell it off anyway.

But generally, even for those, I think company-wide blanket policies, if you have bought something, we will give you a refund or replacement only if the product is faulty. Manufacturing defects. Other than that, we -- of course, we try to support our corporate clients, but it is not -- by the rules, we are not bound to give them, take the product back. Rather, they are bound to keep it.

But if we have some good orders in our hand or something like that, then we support them because eventually that will be with a long-term trust. But by rules, it's like if you have bought it, you have to keep it.

Praneeth: Got it, sir. And when we're coming to -- so we're growing at a good rate, I understand that we're doing all the right things, but I was curious on who -- where are we taking market share from? Because end of the day, market is not growing by 30%-40% as we are growing. I was just curious on who are we exactly taking share from.

Atul Dumbre: I think we are not taking shares from anybody in Indian market. It is growing. First of all, the market is obviously growing fast if you look at general electronics ecosystem. And the segment that we are dealing with.

I think secondly, we keep on adding new products. That also helps us. If we are not selling the product previously and then we add a new product, it creates its own market share. Thirdly, our supplier, existing supplier, keep on making new technology products. I think that creates their -- its own market.

Like, 3D printers was not a thing maybe 5 years, drone was not a thing maybe 8 years ago. So, new technologies keeps on coming in. It's just like maybe there was not a thing, something like, maybe the health tracker watches that are today. Wireless headphones were not a technology 6 years, 7 years ago. Smartphones were not a technology 10 years ago. So, those kind of very similar market keeps on evolving and developing in our segment, and it also helps us to grow the business. I mean part of it.

Praneeth: Got it, sir. Understood, sir. Thank you so much, sir. That's it from my side.

Atul Dumbre: Yes. Thank you.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I now hand the conference over to Ms. Falguni Atara. Over to you, ma'am.

Falguni Atara: Yes. Thank you. So, on behalf of Hem Securities Limited, I would like to sincerely thank the Macfos management team for taking the time to join us today and for responding all the questions in detail and insightful manner. I would also like to thank all the participants for joining us today and for the active participation. With conclude this, I would like to hand over Mr. Shailendra-ji for their closing remarks. Thank you so much.

Moderator: Thank you. Thank you, participants. Thank you, speakers. On behalf of Macfos Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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