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November 19, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza
Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai 400 051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Symbol: CPPLUS
ISIN: INE819V01029

Scrip Code: 544466
ISIN: INE819V01029

Dear Sir / Madam,

Sub.: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of earnings call conducted on November 13, 2025.

In furtherance to our disclosure dated November 13, 2025, pursuant to provisions of Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, we are enclosing herewith the transcript of the earnings conference call on un-audited financial results (standalone & consolidated) of the Company for the quarter and half year ended September 30, 2025, conducted on **Thursday, November 13, 2025.**

This disclosure will also be hosted on the Company's website viz. <https://www.adityagroup.com/>

Kindly take the same on record.

For and on behalf of **Aditya Infotech Limited**

Roshni Tandon
Company Secretary & Compliance Officer
Membership Number: A21150

Encl: as above



**“Aditya Infotech Limited
Q2 FY '26 Earnings Conference Call”**

November 13, 2025

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 13th November 2025 will prevail.”



**MANAGEMENT: MR. ADITYA KHEMKA – MANAGING DIRECTOR
MR. ANUP NAIR – PRESIDENT, STRATEGY &
BUSINESS DEVELOPMENT
MR. YOGESH SHARMA – CHIEF FINANCIAL OFFICER**

MODERATOR: MR. ANIRUDDHA JOSHI – ICICI SECURITIES

Moderator:

Ladies and gentlemen, good day and welcome to Aditya Infotech Q2 FY '26 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you and over to you, sir.

Aniruddha Joshi:

Yes. Thanks, Neerav. On behalf of ICICI Securities, we welcome you all to Q2 FY '26 results conference call of Aditya Infotech Limited. We have with us today senior management represented by Mr. Aditya Khemka, Managing Director; Mr. Anup Nair, President, Strategy & Business Development; and Mr. Yogesh Sharma, Chief Financial Officer.

Now, I will hand over the call to the management for their initial comments on the quarterly performance and then we will begin the question-and-answer session. I also heartily congratulate the management team for hosting a stellar set of numbers in Q2 FY '26.

Thanks, and over to you, Aditya, sir.

Aditya Khemka:

Yes. Hi. Thank you, Aniruddha and good afternoon, everyone. Thank you for joining us today. Aditya Infotech has delivered another quarter of strong performance in Q2 FY 26, building on the momentum from the previous quarter.

Our results reflect our aggressive growth strategies, continued market share gains and an integrated approach combining strong brand recall, industry-leading manufacturing capacity, extensive distribution reach and sustained investments in R&D and strategic collaborations.

The implementation of STQC norms in April 2025 marked a significant regulatory shift for the industry. While the first quarter was a period of adjustment characterized by temporary supply-chain disruptions as well as certification backlogs, the second quarter witnessed a return to normalized growth. This recovery has been led by CP PLUS, which now offers the most extensive STQC certified portfolio in the market, underscoring our agility, regulatory readiness and commitment to maintaining market leadership.

With respect to manufacturing capacity expansion to fulfill the growing demand, we continue to invest significantly and have increased capacity to 1.8 million units per month in this quarter and growing further to 2 million units in the coming Q4 2026. Most of this has been funded entirely through internal accruals.

Our housing and moulding plant was kicked off this week and the same is expected to be operational by middle of next year, further supporting in-house backward integration.

On the R&D side, we continue to expand our investments, adding more engineers on a constant basis and aligning with critical components and semiconductor companies to deliver cyber-secured CCTV products. We opened a new R&D center in Ahmedabad and are on track to open a subsidiary in Taiwan for R&D purposes.

This quarter, we also announced a definitive agreement with L&T Semiconductor Technologies to manufacture 9 million IP cameras over the next three years as soon as the chip gets ready. Together, we are co-designing India's first IPC SoC with Vision AI technology, enhancing energy efficiency, data security and AI-driven surveillance. This collaboration further strengthens CP PLUS position as a global brand, proudly building in India for the world.

Let me walk you through briefly now on our financial performance for Q2 2026. Q2 FY '26 revenue stood at INR919.6 crores, growing 37.5% year-on-year, driven by robust traction in CP PLUS-branded IP cameras and record shipments of certified models.

EBITDA stood at INR111.1 crores, up 157% with margin expanding to 12%, supported by favorable brand and product mix, increased localization and operating leverage. PAT rose 239% to close to INR70 crores.

If we look at for the first half of FY26, revenue has touched close to INR1,660 crores and growth has been about 27% year-on-year. On the EBITDA side, we have increased over 102% and standing at INR176 crores and H1 EBITDA Margin looks like 10.6%. On the PAT side, we have also grown at 138% year-on-year, crossing INR103 crores in the H1.

We have also made significant progress in strengthening our balance sheet. The use of the IPO proceeds for debt repayment has resulted in a meaningful reduction in the net debt and finance costs, thereby, enhancing profitability and providing financial flexibility for future growth. Also, our consolidation of the subsidiary AIL Dixon is showing gains in H1 FY26.

CP PLUS is gaining market share across all segments, reinforcing our leadership in the Indian video surveillance market. As per an independent source, our market share stood at 31.4% in Q1 of FY26 and has further consolidated in Q2 FY26, report yet to come out. CP PLUS brand share in AIL's overall revenue has grown to 86% in quarter two and is expected to grow further in the second half of this year. Also, the share of IP products in overall CP PLUS portfolio has grown significantly to almost 70% in the last quarter.

We now plan to launch a multi-brand strategy to maximize our market shares, serve diverse customer needs and reach into the roots of Bharat. At IFSEC 2025 next month, we will unveil two new brands, Eyra and Nexiview. Eyra will offer an alternative to partners currently serving Chinese brands, while Nexiview targets the Indian interiors market, and aims to organize the unstructured segment. The impact of these brand launch will be seen in the last quarter of this financial year.

In CP PLUS brand, we are also focusing on multiple series to capture the value on SMB market, as well as launching soon the Pro Series next quarter to target global brands, which will go live in the coming quarter.

The market in India is undergoing a complete reset, driven by strong sector growth and a clear preference for Indian brands. And CP PLUS holds a distinct advantage in this transition. We have secured key customer acquisitions in private enterprise as well as government sector, and continue to increase our feet-on-street presence to strengthen engagement with consultants, architects and system integrators.

Globally, we are witnessing a shortage in chipsets, sensors and storage, largely driven due to the DDR and Flash prices going up, as well as the supply constraints. While this may sound disruptive for smaller players, it also will lead to supply consolidation, which will further benefit CP PLUS, consolidate its market share. We also expect price rise across various categories in the coming quarter.

All these developments, combined with operational efficiencies, position us well to sustain growth and create long-term value for our shareholders. Looking ahead, we remain confident of meeting our FY26 guidance of 25% to 30% revenue growth, EBITDA at 10% to 11% and PAT margins of 6% to 7%. The organization will continue working to meet or beat this guidance in the coming half year.

Thank you once again for your continued support, and we now can open the floor for questions. Thank you.

Moderator: Thank you very much. We'll now begin with the question-and-answer session. First question is from the line of Dhruv Jain from Ambit Capital. Please go ahead.

Dhruv Jain: Thanks for the opportunity and congratulations on great results. My first question is if you could just split what has been the volume and the value growth in this quarter for the entire revenue?

Aditya Khemka: I think it's pretty much at par volume and value. Basically, the analog market is more or less going flat and the major growth is coming from IP cameras. So, if the market in India is growing 15-17%, IP is growing almost 2x because earlier market was literally half-half, 40-60. And we being the largest certified portfolio and the largest Indian brand are actually growing much faster. Some of the brands are still grappling in the process of certification. So our growth of IP camera is very high and on the value side also it's at par more or less.

Anup Nair: We haven't taken any price rises at the moment. Like Aditya was saying, we are expecting price rises from next quarter onwards. So essentially this revenue growth has come from volume growth and by market share increases.

Dhruv Jain: And if you could just quantify what kind of price increases do you envisage in the coming quarters?

Aditya Khemka: So, I think the teams are working on that. We are trying to see how much minimum we can sustain and pass to the Indian consumer. We probably would announce it in the first week of January.

Dhruv Jain: And my second question is, in your presentation, you mentioned that you are going to start Lens and PTZ module manufacturing from the 4th quarter onwards. So just want to understand what kind of margin impact would it have in terms of improvement for the next year?

Aditya Khemka: So I think initially I don't see major margin impact because there will be a sustenance period of learning curve. And we will first localize it and try to get more and more localization done on the Lens and PTZ module side. But yes, in the mid to long run there will be few basis points per camera cost as we gain efficiencies and scale. So, hard to say right now. But yes, I think maybe in the coming quarters, we will have a better visibility on that question.

Dhruv Jain: Thank you. Those were my questions and all the best.

Aditya Khemka: Thank you.

Moderator: Thank you. Next question is from the line of Manish Poddar from Invesco India. Please go ahead.

Manish Poddar: Hello.

Aditya Khemka: Hi Manish.

Manish Poddar: Hi. Just one question. So, can you help me understand, do you guys have the distribution infra for this new products which you'll be launching or planning to launch? And how should one look at it from a margin perspective when one is trying to think of this new opportunity? Thank you.

Aditya Khemka: Yes, I think great question, Manish. So I think margin side we are very cognizant. We will keep it at par with our own brand. What we are trying to do is create different products, different SOCs, working with every semiconductor company. So we are having foot in the game across the board and positioning these brands in a different strategy.

So, there is a set of channels which has been serving the Chinese brands which has created a vacuum. Of course a large chunk of that is coming to CP Plus, but there is a chunk which is still scouting other areas. So we thought we will launch a second brand alternative because these guys work largely on a depth model rather than a breadth model where CP Plus

functions. So that model we are going with the Eyra brand.

On the Nexiview side is a product more let's say for rural market, more mass market, the unorganized sector. Those kind of players to attack that segment and have an answer to that price point. May not be exactly that price point, but slightly higher for the market. So that's there. Margin side we are keeping it more or less at par with our own brand CP Plus. And we have the distribution infra because most of them were connected. And in the past if I can tell you we were doing a two brand strategy. So that one brand is already a vacuum. So that channel is still there with us. Some has come to CP; some will go to Eyra. And then we will look at the newer category of channels with Nexiview.

Manish Poddar:

Okay. And can you also talk about let's say from a capacity perspective.

Moderator:

Manish, sorry, can you speak louder please.

Manish Poddar:

Sorry. Also can you talk about let's say from capacity per se. I understand you all are increasing capacity in the plant. But can you also talk about let's say backward integration in any components as such which will be critical let's say from a thought process let's say in the next 12-18 months. How are you looking at those areas? Thank you so much. And congrats on the result.

Aditya Khemka:

Thank you. So, on the capacity side we are expanding quarter-on-quarter. And we are preparing ourselves for next year's market demand, keeping some market share in our mind. With respect to components, like I said even in my earlier calls. Whatever is locally possible in India as of today, we have already kick started that work either third party or in-house.

And as you know things like housing, power, cable, we are going in-house more or less, things like lenses we are going in house. But stuff like a semiconductor or very basic passive electronics, we are right now not putting our foot in the component ecosystem because that's a different business model.

I mean I can't set up a component ecosystem for only serving myself. So, for that we are partnering or collaborating with the global giants. Some of them are setting shops in India so we will look at localizing. Those who are not we will look at Taiwan, Korea or US, whichever countries.

The passive maybe we may continue buying from Taiwan and China. So that's what we are doing. So I think a sizable chunk will be localized. The goal is that at least half or more than half in the next 12- 24 months we are able to do majority of products locally.

Manish Poddar:

Got it. Thanks.

Moderator:

Thank you. Next question is from the line of Krishnam Saraf from Samriddhi Finserve. Please go ahead.

- Krishnam Saraf:** Hi. My first question is on the inventory and the debtors level. While we are increasing our top line they seem to be inching up as well. So just wanted to understand is this something we expect going forward as well due to say the nature of the industry or do we have something in mind to sort of stabilize at these levels?
- Anup Nair:** Hi. This is Anup here. So the debtors and inventory it's actually stabilized now. And if you see it's actually improved. From a cash conversion cycle perspective there has been improvements this quarter. I think our net working capital possibly is looking up because we retired debt. I think we are working on improving efficiencies on this level. And I think you should see the efficiencies quarter-on-quarter.
- Krishnam Saraf:** Got it. Got it. And the second question is on the supply side gap. So while in the previous quarters we were seeing a supply gap at the ground level but now do we still see that persisting going into say, October, November as well or up?
- Anup Nair:** So it's difficult to say how many more brands are getting certified. But on the ground we are still seeing sort of status quo. And like we were mentioning, we have gained significant market shares in IP and we expect this to improve. There are a lot of players who have applied for certifications and they are underway. But difficult for us to predict how much of them will get certified in the next two quarters.
- Aditya Khemka:** And more so how much of them will have scale to catch-up soon with the pent-up demand. So, I think from that perspective CP PLUS has a clear distinct advantage.
- Krishnam Saraf:** Got it. And the last question was on the margins, the gross profit margins. So there is a 9.4% year-on-year expansion. Out of this is the margin due to consolidation roughly like 4% to 5%?
- Anup Nair:** No. So, the major driver has been the change of the mix within the company. CP PLUS revenue in the quarter has risen to almost 86%. This was standing at around 70% last year. So, this has risen to almost 86%. And we see that possibly in H2 this can even rise further to possibly 90 percentage levels.
- And within the CP PLUS portfolio, the share of IP cameras. That's also improved significantly. And in Q2 it was closer to about 65% and we foresee this being at this level. So, these have been the major margin drivers. And then of course the finance cost saving and the consolidation benefits. And the localization benefits. But the major drivers have been the CP PLUS mix and the mix within CP PLUS.
- Krishnam Saraf:** Got it. Okay. Thank you so much. All the best.
- Moderator:** Thank you. Next question is from the line of Nikhil Kale from Invesco. Please go ahead.
- Nikhil Kale:** Yes. Thank you for taking my questions. Congrats on a stellar set of numbers. So just want to kind of double dive deeper into the gross margin expansion. So, you mentioned that it's

largely been driven by the product mix. Now, whatever localization kind of efforts that you're taking. First, we just wanted to understand what kind of, what percentage of BOM are you kind of trying to localize over a period of time in India? And then what kind of cost benefits do you see coming in because of that?

Aditya Khemka:

Yes. So, I think I just answered that, the previous one. So basically, as I mentioned, stuff like, all kinds of mechanicals, power, cable, all these things are getting localized, either in-house or third-party. And in the mid-to-long run, mostly in-house only. Some of that work has already started. And in any case, we have localized all of it, whether it's third-party or in-house. Then the lens is starting in the coming quarter.

But the only thing which will still be dependent on global brands will be the semiconductor, memory flash, DDR which is SOC, sensor, memory flash and basic passive components, capacitors, transistor, diodes, these kinds of things, which we will continue to buy from global brands or Taiwan, China, depending on the passive components. So I believe in the next 12 to 24 months, gradually we'll see more than half localized and half import in terms of the value of the BOM.

Nikhil Kale:

Okay, understood. And this mixed benefit that you're talking about, so that will kind of continue. And you're also talking about possibly pricing, price increases kind of coming through the next few quarters or starting the next quarter. So from that perspective, would it be fair to assume that your gross margin should ideally inch upwards from the current limits?

Aditya Khemka:

Yes, we hope to achieve that, yes.

Nikhil Kale:

Okay, understood. And secondly, just on the other expenses, right? So, I think other expenses have been a pretty sharp increase, 60% YoY increase there. Just any bunching up or any one-offs to kind of call out there?

Anup Nair:

There's no one-offs, Nikhil. I think there are investments going into manpower, into R&D and more or less all in the line of business. There must be IPO expenses. Other than that, there are no one-offs, INR25 crores of IPO expenses.

Nikhil Kale:

Okay, understood. Thank you. What were the IPO expenses? We could just quantify that.

Anup Nair:

It's about INR25 crores, but I think it's netted off within the share premium account.

Nikhil Kale:

Okay, understood. Thank you.

Moderator:

Thank you. Next question is from Mitul Shah from Parth Pinnacle. Please go ahead.

Mitul Shah:

Hello, sir. Congratulations for the very good set of numbers. Sir, I have two questions. First question is, there is a notification yesterday came from the government of India that they want to increase surveillance for all the critical places.

And they want to have a surveillance mechanism like of China and every other country has.

India doesn't have right now the Surveillance Mechanism. So how much order book you are expecting from the government that and second, there are two part of it.

One is software part and one is hardware part. Hardware part, yes, we can cater to it. But software part is the surveillance for AI-based surveillance. So how much we are prepared for that and how much demand you are expecting from the government?

Aditya Khemka:

See, government in India has a long gestation period. We have seen cases which are going on sometimes for years. Sometimes they close very fast. So it's very hard to predict government business. It's still about 15% of our revenue. We feel there are certain sectors of the government which will propel demand in this.

One being railways where it's quite hot and a lot of work is going on. And probably one of the biggest ever supply of CCTV will happen in railways in the next one-two years. And we stand as a major contender being the largest Indian player all made in India here.

On the public safety side, pockets here and there, smart city, safe city, critical places. These things are decentralized, very difficult to predict each project. But yes, what I can say is we are one of the largest contenders at this moment even in the government space. And we are well prepared with respect to hardware or even a lot of AI solutions also.

Mitul Shah:

And from the Software side, how much we have for surveillance system, how much we are prepared for the surveillance system?

Aditya Khemka:

So, as I said, for AI solutions, we are quite prepared and a lot of work is further going on. So we will soon have some more information once we go live on those, probably in the coming quarter.

Mitul Shah:

And sir, I want to understand one thing. We have almost, this product is made by us. So why are operating margins at 10% and EBITDA (*wrongly said , kindly read it as PAT Margins*) at 5%, 6%-7%? So what is the reason for that? Even though you have all the channels partnered with you, everything is there of your own side. And this product is also being developed by you. So why it is like that? Why do we have only 6%-7% PAT level?

Aditya Khemka:

So, I think we have to understand that we were the only company fighting the might of global brands and especially global giants of China, which actually in many electronics eroded local brands. We have come out stronger. And now with thanks to the global leaders, right, from US, UK, now India, Australia, where they have given backlash to critical sectors -- to Chinese companies in critical sectors like telecom, drones and CCTV.

So, I think now we have a great opportunity to improve the margins. Like you have already seen a 12% EBITDA last quarter, 7.5% PAT already. And as I answered just before in this question, we see improvement hopefully in the coming future from this side.

Mitul Shah:

And I have done the channel check, sir. Almost all of the brands don't have any portfolio for

the STQC completed. Even the biggest of the player has only like one indoor and one outdoor unit has come. So for another three months, there is no major player. So how much market share you are going to gain in that case? Will it be continued like last three months? This three months will also we see that you'll have a tremendous market share gaining from the other players.

Aditya Khemka:

So, that's what the organization is working on. It's a solid platform we have and the readiness also. Plus, we already are sitting on a large market share of almost over 30%. We feel our market shares are further consolidated. And even in my guidance speech, which I gave, a lot of factors I mentioned, I ended stating that we are at the best position to further consolidate our market shares.

Even the chip shortages are going to probably help companies like us to further consolidate because past experiences, the big get bigger and the small, medium, unorganized face some challenges when there are shortages or price rises. So we are preparing ourselves for a sharp increase in market share in the coming H2 of this year. And we believe the readiness of others, we can't comment, but we believe they will all take time.

Mitul Shah:

Yes. That's what they are saying. So that's why I'm saying that for the next three months, they are all of them, maybe they come in the after Jan or March. They are expecting approximate around March. I've talked to each and every player. So that is the feedback I've got. And another feedback that I've got that only yours have the promotional event going on this time, but Tesla event due to that a lot of people have bought a lot of camera. So do you see it for the next three months? The sale coming down because they have advanced booking they have done to just get to qualify for the events, promotional event that you have done.

Anup Nair:

So, Mithul good, I think you have done a lot of channel checks. So the scheme that you were mentioning was for last quarter and it's already closed. And these are ongoing schemes which we do for every quarter. So there's a new scheme already announced for this quarter and for H2 as well. So these are periodical schemes. There is nothing exceptional here.

These are incentive schemes that we run for the channel quarterly. Mithul, there are others waiting in the queue as well. So I think we have taken quite a few questions. So if you could just join the queue again, if you want any more questions.

Mitul Shah:

Yes. Sorry. Thank you.

Moderator:

Thank you. Next question is from Saumil Mehta from Kotak Mutual Fund. Please go ahead.

Saumil Mehta:

Yes. Thank you. Two bookkeeping questions from my side. Most have been answered. In terms of, now I see a sustained improvement in the gross margins. You've also highlighted that the contribution of CP plus is only going up. So ideally, that 23%, 24% gross margins have started to move up.

And obviously, as quarters go by, we will see a much higher level than what we saw in the

past quarters. In that context, how should we look at EBITDA margins on a sustainable basis? Should early teens once the new plant stabilizes and operating leverage comes in, should early teens something which is a possibility given the for traction and several business tailwinds what we have today?

Aditya Khemka: Yes, Saumil, I think you're absolutely on the right track. We are also working on those that early teens would be a good position to be in for the EBITDA moving forward. We are working strongly to look at that in the H2 of this year only.

Saumil Mehta: Okay. And in terms of the second question, should one -- I mean, can you just quantify, are there any price hikes already taken in the last four, five months? Because our channel check suggests that there is already INR300 to INR400 on a blended basis in various products already price hikes, which have been there in the market. So I mean, are these already being taken or.

Aditya Khemka: Let me explain. So price rise, we are planning from next quarter. So this is a product change. So, what happened was pre-STQC, there were products made on a different SoC. Industry was using Chinese semicon and making products. Some of them, as per the Indian government, new norms might be vulnerable for backdoor surveillance or something like that, which they believe. We have not come across any such case in the last 18 years of our history, but people believe.

So, then the government came out with stringent norms to basically elbow out the neighboring country brands on this critical sector like they did in the Press Note 3 or other things in other sectors and very strong cybersecurity check, cybersecurity norms, which is what the STQC test labs is. Now when you develop products for certifying those, you can't develop first on a Chinese SoC because that is not allowed. You have to look at Taiwan, Korea, Japan or U.S. which where, of course, the costs are a little higher because of the meat which puts in the SoC.

The memories on those SoC are required much higher, which jacks up the further input cost of the product. And so are the certain other components. Only then you can put in the right algorithm, the software, the code to Spotify the product. So that there is no back door, nothing possible from anywhere as long as people don't know your password. So that is a change of product.

It's like you're comparing an apple to an orange. Now, a fruit is a fruit. The fruit is a camera. But the apple used to be sold earlier and now it's not allowed to sell it. You have to sell mangoes. So, the cost of making mangoes was INR200-INR300 or so, which was passed on to the market. No price was raised.

Moving on, there will be a price rise, which is evident because of the component shortage, the foreign exchange, a few other things, we will pass it on to the market. We are working on that, what is the percentage to pass on to the market from January. So it's a reset of the market. Still the market absorbed that old inventory, which was lying in the market at old prices in

H1.

Saumil Mehta: Sure. And continuation to this, between market share and pricing, will market share be a clear priority, maintaining margins at healthy levels, maybe about 9-10%?

Aditya Khemka: I think you can say so. But yes, we'll have to strike a right balance on this. But at this moment, I think for us, of course, market share will be a priority because it's a great opportunity to sit at a very high market share opportunity in the coming quarters.

Saumil Mehta: Got it. Thank you so much, Aditya, and wish you all the best for subsequent quarters.

Aditya Khemka: Thank you.

Moderator: Next question is from Anuj Kashyap from A3 Capital. Please go ahead.

Anuj Kashyap: Hello, I'm audible?

Moderator: Yes, sir.

Aditya Khemka: It may be a little louder, Anuj.

Anuj Kashyap: Yes. Congratulations for the good set of numbers. Sir, last time we discussed...

Moderator: Anuj, sorry to interrupt you, but your voice is becoming a little muffled.

Anuj Kashyap: Okay. Hello. Sir, in the last conference, we discussed about what is the traction in the exports of the surveillance systems. So are we seeing anything on that front?

Aditya Khemka: So, I think last call, people had asked me about it. Like I said right now, there's so much handling happening here in the domestic front. We want to first consolidate our position here, our market share here. So, we stand by that. While on the parallel, we have started our work, but I think we will look at it with more seriousness and focused approach sometime later. Right now, I think too much is happening here.

There is multi-brand, multi-series strategy, backward integration, localization, capacity expansion, R&D expansion. So much of work and, market share expansion. So, I think we'll first focus in the coming few quarters in the domestic front, while we will, on the parallel side, prepare ourselves for the export market. But I think that will be probably a few quarters down the line.

Anuj Kashyap: So, you're right. So, there's too much on the plate right now.

Aditya Khemka: Yes, too many fronts.

Anuj Kashyap: So, thank you, sir. That's all.

Aditya Khemka: Thank you.

- Moderator:** Thank you. Participants you may press star and one to ask the question. Next question is from the line of Mulesh from Shah & Savla. Please, go ahead.
- Mulesh:** Thanks for taking my question. And, really, heartiest congratulations on excellent numbers. Sir, can you please help us understand a little more about our JV with L&T Technologies for chips and all those things? What will be the scope of work we will be doing or what will L&T be doing? And what kind of revenue generation can we expect out of that? That's my first question.
- Aditya Khemka:** Sure. So, let me take that. So, first of all, there is no JV with L&T, it's a MOU with L&T. It's a definitive agreement. So, there is no joint venture. So, L&T has invested into semicon development. And they came to us probably a year or two ago to co-develop IP camera chips and we being the anchor customer to work.
- So, our R&Ds and them have been working closely to define the right DOQ, right chip, right semicon, right parameters, what is going to be the solution, what kind of cost, and then start developing. The development is being done by their engineers. Our teams are supporting that.
- Mulesh:** Okay.
- Aditya Khemka:** We have then signed that we will buy 9 million chips in the three years once the development happens and use it in CP PLUS products and develop products on those chips, which even the Indian government, Ministry of Electronics, the ministry is wanting that India should export chips and Indian chips should be used. And of course, these are time-taking activities.
- The development of a chip is a two-year process. So, we already passed one year. Hopefully, in the coming year end, we should be able to roll out something. And then the product will be developed on that. So, that is the arrangement. So, that is the arrangement with L&T. And I believe they are doing similar such things in other categories of semicon also.
- Mulesh:** Okay. So, basically, we will be sourcing chips from them rather than importing it or buying it from other vendors?
- Aditya Khemka:** A part of our requirement. We can't shift everything to a new chip. We will look at it once the chip has passed our stringent quality test and our product development. A part of our requirement, we will use the locally-made chip. And we will have, of course, preferential pricing, preferential benefits, preferential lock-in at the initial year. Those kind of things are there.
- Mulesh:** Great. And, sir, how do we still see the competition from our competitors like Matrix and other China brands are, now with these STQC norms, other China brands are no more sold in India or what is the status, sir?
- Aditya Khemka:** So, most of the Chinese brands are not qualifying because the norms are not allowing those

Chinese brands to be playing the IP camera field because of trusted supply chain and the cyber security norms. So, they are not active in this field. You mentioned Matrix. Matrix is having some products qualified, but we don't see them in the retail distribution space, which is our largest place.

We see them in certain cases somewhere in enterprise and government. But I think it's more of a regional player based out of West and few places here and there. So, off and on we have them but not, something which crosses our boardroom thoughts.

Mulesh: Right. So, basically, we are the market leaders so far as local production is concerned?

Aditya Khemka: You can say so at the moment, yes.

Mulesh: Great, great. And just if I can squeeze in one, our -- Dixon is our equity holders and one of the subsidiaries where they were also joint partners, have become now the shareholders of our main company. So, what kind of involvement or role they play in manufacturing activities and do we look at something more also to be produced locally and sold in collaboration with Dixon?

Aditya Khemka: So, Dixon has been a great partner over the last 7-8 years of relationship as a joint venture, and then we bought over the stake and became a subsidiary, and it was our share swap given to them. Therefore, they are a shareholder. The managing director of Dixon is a director on the board. So, they play an active role on strategy side with us and very valuable insights.

With respect to manufacturing, we have a service agreement in continuation with them. So, for running the plant, while we have already put in our own teams and our teams are driving it but they are always there for any kind of support should we need any due to the agreement we have and the relationship we have.

With respect to other products, if any, I think if we take a call to look at another product category and if Dixon is the right bet, then we will look at that or otherwise, I think it's hard to say today about whether Dixon will be the right bet or not for that product category. It all depends in the future, which product and who is the right EMS or if we do it in our own plant, we will take a call.

Mulesh: Great. Great sir. That's very helpful and thank you so much and all the very best. Thank you.

Aditya Khemka: Thank you.

Moderator: Thank you. A reminder to all the participants, you may press star and one to ask a question. Next question is from Aniruddha Joshi from ICICI Securities. Please go ahead.

Aniruddha Joshi: Yes. Sir, if you look at the large player from China was extremely active in Southern markets as well as Mumbai city, and now with that player getting out of the market, what are the strategies we are implementing to gain more market share in Southern markets as well as the

Mumbai markets? I mean, sir, if you can elaborate in terms of what are the new initiatives we would have implemented to gain market share? That is question number one.

Secondly, in terms of we keep hearing that a lot of schools are likely to CBSE and ICSE, both have been made it mandatory. Even Maharashtra also, I guess some of the schools have been asked to implement CCTV cameras and I guess in UP, there are school buses are asked to implement CCTV cameras. So, what are our initiatives on this side and how do you see the market progressing on this front as well? Yes. Two questions.

Aditya Khemka:

Thank you. So, I think you pointed out well the west and south were stronghold of some of the global brands and the Chinese brands. We also are strongly present but market share relatively was smaller. We have seen great traction in the last quarter itself from some of these markets and what we have been doing over the last few quarters is investing heavily in street-on-street in all the west and south regions and we have fairly gotten a lot of trade manpower, experienced manpower right from government to enterprise to private sector or to distribution space to cover maximum of this market share.

On the other side, we are also in plans to have a south-centric extensive 360 degree marketing campaign. So far if you see, our brand has been a very strong brand. Recall in the Hindi-speaking belt with our tagline Uparwala Saab Dekh Raha Hai and then the brand ambassadors and stuff like that.

We have now planned a very strong south-centric campaign picking up brand ambassadors from all the south three states and looking at a very comprehensive strategy so that it becomes a household name known to every person right till the village in the south of India also.

I think that will help us a lot along with the product portfolio and the offering the feet-on-street and the maximum investment going in those regions. A part of that we could see in the last quarter and we believe in this quarter moving forward we will keep seeing our market share growing in the west and south of India.

Regarding the second question of schools, government of India came out that all the schools should have cameras. We are seeing results here and there from most parts and our teams are working with all the private sector or the government schools to ensure that maximum of the coverage and the pie comes to us. And so on and so forth in almost every sector.

So manpower expansion, touch points expansion, marketing expansion specifically dedicated to pockets where we need more is all coming and it's all on the cards. So, the teams are working on that here.

Aniruddha Joshi:

Okay, sure sir. One more question. What is the strategy of the global players like Bosch or even Honeywell which are non-China based players. So logically they may get, they may be successful eventually in getting the certifications across the product range. So but eventually I guess, they are still not in the channels or the retail markets so it's difficult to understand the strategy from retail perspective. So how do we see these players in a way changing the

stance and what is our strategy again to counter these brands also.

Aditya Khemka:

Yes, so the global brands, most of the DNA has been enterprise and government in the past, two decades or more. I believe they will still remain there. One or two brands may try to enter the distribution space, but will take a lot of time and I don't think they can cover up the mass scale distribution with the scale, size, the DNA and other things.

So some brands like, I believe Honeywell has some certification already there but we don't see any products out. So, I don't see that as a major market share play from any of them because first of all those who can do that are not having their own products. They only source from others.

Those who have their own products only play in the large scale, you know, the very, very higher end of the market globally. So, I think it's hard to comment if somebody like, for example, Apple users would come down to a Vivo or even below that price point in a mobile market, So I think we'll have to see. At the moment, I don't see anything like that happening or any major traction from most of these brands.

Aniruddha Joshi:

Okay. So sir last question. We also do some of the contract manufacturing for some of the brands like Qubo, etc. So are we going to continue on these lines or we to use the excess capacity or we would be completely using the capacity only for the CP PLUS products now?

Aditya Khemka:

So I think without naming anyone, I would say we have, we will continue, OEM, ODM, EMS work for anyone who we feel is strategically okay and not too much of competing. It only strengthens the manufacturing facility and we'll continue to expand the capacity to keep feeding that also, of course, without compromising any of our own brand or brand's capacity utilization needs. So first and foremost will be our own brands and then whatever excess is there, we are okay to manufacture for others whether Indian brands or global brands.

Aniruddha Joshi:

Okay. Sure, sir. This is very, very helpful and congrats to you and entire team for posting such a stellar performance. Thanks from my side.

Aditya Khemka:

Thank you.

Moderator:

Sure, sir. Next question is from Nikhil Kale from Invesco Mutual Fund. Please go ahead.

Nikhil Kale:

Yes, thank you for the follow-up question. So you talked about metrics, concepts. So I think on the STQC side, we see a lot of certification for say Prama as well. So just wanted to understand your views on how are they kind of scaling up in the market. And from your perspective also, I mean, what is now the entire product portfolio that you had now kind of STQC certified? How are you placed there?

Aditya Khemka:

So I think Prama has got certain certifications, which we are seeing on the website. They have also launched certain products in the last quarter. Supplies were a bit limited. So far, midway of this quarter is very similar stage. We hope to see some more supplies coming from

them in the coming future. But I think that's good enough for the gap fulfillment in the market. So they will have their own space. And I think that's fairly okay for us.

Nikhil Kale: Understood. And just your product portfolio, is it now completely, I mean, all the kind of STQC or different...

Aditya Khemka: No, we are still on the way. But a larger chunk is there and every fortnight new certifications keep coming in. So it's an ongoing process. And I don't think this will ever finish. It will keep going on and then new models again will launch and new certifications will come on. So it's become a full-on department now in the organization to keep doing this.

Nikhil Kale: Understood. And just I think there was a lot of inventory that had kind of come in before the certification kind of set in. At the industry level. So how are we placed there at the industry level? I mean, now do you think now it is kind of normalized?

Aditya Khemka: I think it's more or less dried up now. I think it's all consumed more or less. Now if there are some leftovers here and there on certain pockets, you know, 1-2 lakh, 3 lakh cameras across India, that might be there, I believe. But I'm not sure if any major chunk is lying with anyone. I think it's more or less dried up.

Nikhil Kale: Got it. And just last one....

Aditya Khemka: Last quarter a lot of that got consumed. Last quarter.

Nikhil Kale: Understood. Just one last bookkeeping question from myself. What was the Iden sales promotion spent in this quarter?

Aditya Khemka: INR29 crores marketing spends for the last quarter

Nikhil Kale: Okay. Thank you. Thank you so much.

Aditya Khemka: Thank you.

Moderator: Thank you very much. And I'll hand the conference over to the management for closing comments.

Anup Nair: Thank you. I'd like to thank everyone for taking out time and joining this call. And thanks everyone for all the support and looking forward to hosting you on the next conference call in the next quarter. Thank you.

Moderator: Thank you very much. On behalf of ICICI Securities that concludes this conference, thank you for joining us and you may now disconnect your lines.

Aditya Khemka: Thank you.