AARON
INDUSTRIES LTD.

August 21, 2026

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Symbol: AARON

Subject: Transcript of Earnings Conference Call – Q1FY27

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we enclosed herewith the transcript of the Earnings Conference Call held on August 17, 2026, to discuss the Financial Results for the Quarter ended June 30, 2026.

The same is also available on the website of the Company i.e. www.aaronindustries.net.

It is further confirmed that no unpublished price-sensitive information was shared/discussed in the meeting / call.

This is for your information and records.

Thanking You,

Yours faithfully,
For Aaron Industries Limited

NITINKUMAR NANJIBHAI MANIYA

Digitally signed by NITINKUMAR NANJIBHAI MANIYA
Date: 2026.08.21 11:36:57 +05'30'

Nitinkumar Maniya
Company Secretary and Compliance Officer

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AARON®
INDUSTRIES LTD

EARNINGS CALL
Q1FY27 TRANSCRIPT

17 August 2026
Monday

3:00 PM
Onwards

SPEAKERS

MR. MONISH DOSHI
DIRECTOR & CHIEF FINANCIAL OFFICER

MR. PARESH NAIK
PRESIDENT

FINPORTAL

AARON®
INDUSTRIES LTD

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FINPORTAL

“Aaron Industries Limited

Q1FY27 Earnings Conference Call”

August 17, 2026

MANAGEMENT:	**MR. MONISH DOSHI – DIRECTOR & CHIEF FINANCIAL OFFICER – AARON INDUSTRIES LIMITED** **MR. PARESH NAIK – PRESIDENT - AARON INDUSTRIES LIMITED**
MODERATOR:	**MS. SIDDHI JAIN – FINPORTAL INVESTMENTS PVT. LTD., INVESTOR RELATIONS**

Moderator: Good afternoon, everyone, and welcome to the Q1FY27 earnings call of Aaron Industries Limited. We sincerely thank you for joining us today.

During this call, the management will discuss the company's operational and financial performance for the first quarter of FY27, followed by an update on key business developments, strategic priorities and the outlook ahead.

Before we begin, I would like to remind everyone that certain statements made during this call may be forward-looking in nature. These statements are based on management's current expectations and assumptions, and are subject to various risks and uncertainties. Actual results may differ materially from those expressed or implied. Participants are advised not to place undue reliance on these forward-looking statements.

Please also note that this conference call is being recorded for compliance purposes.

Representing Aaron Industries today, we have with us Mr. Monish Doshi, Director and Chief Financial Officer, and Mr. Paresh Naik, President.

I now invite the management team to deliver their opening remarks. Following their address, we will open the floor for the Q&A session. Thank you, and over to you.

Monish Doshi: Good afternoon, everyone.

On behalf of the management of Aaron Industries Limited, I, Monish Doshi, Director and CFO of the Company would like to welcome to all the participants to the Q1FY2026-27 earnings conference call.

Thank you for taking the time to join us today. I will briefly take you through the key financial and operational highlights for the quarter ended June 30, 2026, following which we will be happy to address your questions.

Q1FY2026-27 Financial Performance

As per the tradition set by the Aaron, we are pleased to inform that we have once again delivered a healthy growth in revenue and profitability.

Revenue from Operations stood at ₹24.44 crore, compared with ₹19.24 crore in Q1FY2025-26, registering a 27.01% YOY growth.

EBITDA increased by **34.83% YOY** to ₹4.99 crore, compared with ₹3.70 crore in the corresponding quarter last year. **Our EBITDA margin** improved to 20.19%, compared with 18.99% in Q1FY2025-26 and 18.58% in Q4FY2025-26.

This improvement reflects better operating efficiency and improved contribution from our business operations.

Profit Before Tax stood at ₹3.46 crore, registering a strong **66.60% YOY growth**, while lower interest costs also supported profitability.

Most importantly, **Profit After Tax increased to ₹2.56 crore**, compared with ₹1.06 crore in Q1FY2025-26, representing a significant **141.94% YOY growth**.

PAT margin consequently improved to **10.46%,** compared with 5.50% in the corresponding quarter.

Business Outlook

During the quarter, our focus remained on improving capacity utilisation and leveraging the investments made in our manufacturing infrastructure.

We continue to see encouraging opportunities across our **Elevator and Stainless-Steel businesses**, supported by increasing demand and our expanding product capabilities.

Going forward, our priorities remain clear, **increase capacity utilisation, strengthen our customer base, improve operating efficiencies and deliver sustainable growth with healthy margins.**

Overall, we are encouraged by the performance of Q1 and remain cautiously optimistic about the growth opportunities ahead.

With this, I would like to conclude my opening remarks.

Thank you for joining us today. We will now be happy to take your questions.

Moderator: Thank you so much for the opening remarks. We will now open the floor for the Q&A session. I request participants who wish to ask a question to please use the raise hand feature. We will take the first question from Mr. Manish Kela.

Manish Kela Hello, sir. Am I audible?

Monish Doshi: Yeah

Manish Kela: Thank you so much for taking up my question. First of all, congratulations on the good set of numbers. I have a couple of questions. One is you talk about the international OEM engagements you've talked about on your previous calls - what is the status? Have you made any breakthrough with the international OEMs for any contract manufacturing?

Paresh Naik: Okay, good afternoon. I would like to give you clarity on the international front. Internationally, we had focused on Africa, especially Kenya and Tanzania, and we had even participated in exhibition events there. So, there is positive momentum there, but due to their prevailing political and economic conditions, there has not been much growth in that business over there. So, we have had good breakthroughs, but yes, we are still yet waiting for the development of business over there.

In Nepal, we are having consistent growth, and that has continued this year also. So, we are hopeful that this international front will also open up shortly, once their conditions also stabilize.

Manish Kela: But sir, when we talk about these international OEMs, I'm essentially referring to companies like Johnson, Schindler, and others.

Paresh Naik: I'm sorry, I took it wrongly. On Johnson and Kone, we had a meeting, and the registration process has started. In Wittur also, the registration process has started.

We have received few good orders from Fujitec on the sheet front. And the local national companies - which are not international, but have a good national footprint, in that Techno and Omega are buying the majority of their sheet requirement from us, on the embossed and on the PVD part.

So, on the international OEMs, the orders have not yet started - only Fujitec has started. But the process is on; they have taken samples, and the vendor registration process has also begun. So, we are hopeful that I think in the next quarter there should be some good business from there. I hope this has answered the question.

Manish Kela: Yeah. Hello? Am I audible? So, sir, with respect to the sampling part that you highlighted it right? is this with the name you mentioned, I think I heard it Fujitec?

Paresh Naik: Yeah, yeah Fujitec. They have taken sheets from us, and now they are placing regular orders. They are also planning to get those manufactured from us, but it will take some time, because there are a lot of technicalities involved, so that process is on.

Manish Kela: Got it. And how would other players like Johnson, Schindler, and others?

Paresh Naik: They have taken the samples, but we have not yet received the orders. The process is on.

Manish Kela: Got it, got it. Okay, so my second question was on the steel polishing division. When I look at your segmental results, I notice that this division has been making losses for the last three years. Any reason as to why we are not able to make it a profitable one? What are the challenges that we are facing with respect to the steel polishing division?

Monish Doshi: Yeah, hi, this is Monish Doshi. So, to clarify that on the losses part - it is not actually making losses. Currently Most of the production is being consumed in our elevator division, which is being processed in the stainless-steel division. So, it is an internal transfer which we are doing - that's why the purchases are down in the steel division, and the actual material is being consumed in the elevator part.

So, to get a better idea, I would always suggest to look as a whole business, and not as a sector-wise. Second thing, we have been started selling sheet products to different markets only after fulfilling our in-house demand. So, whatever we are selling outside is what we don't require, or it is more than our requirement for the elevator division - that is what is being sold outside.

So, only those items are like only that revenue is generated with the additional production which we are doing in the steel business. Other than that, everything is being consumed in-house only. So, it is not a loss-making division - it is a profitable division if we see it as a whole.

Manish Kela: Got it, sir. Because it was appearing as a loss item under segmental results, so hence my question. Anyway, I think your answer helps.

If I can squeeze in one final question, sir?

Monish Doshi: Yeah, sure, sure.

Manish Kela: I wanted to understand what would be the impact of steel prices on the way we do business with our clients. Is this a pass-through from our end? And also, do we reduce prices when steel prices reduce? If you can explain that a bit as well.

Monish Doshi: Yeah, so in this, we deal in two different ways. For the steel division, it is completely volatile to steel pricing – So all our orders are also volatile to steel pricing, like if the market price changes, we also pass it on to our customers. Even if it has gone up or down, we are obliged to pass it on to our customers.

In the elevator business, we have a fixed margin and we have a fixed price range where we don't have to change our pricing immediately. So, in that case, sometimes we have to bear the losses, or we have to even we can enjoy the profits if the price of raw material has gone down.

But that too at a limited extent we go - and if we see a huge difference in the pricing policy, then we pass it on to our customers in the elevator division also.

Manish Kela: Got it. And what would be the time lag, sir, in case of a steel price increase or decrease that we want to pass on? What would be the typical timeline?

Monish Doshi: Yeah, so normally it is not a defined timeline which we prefer, because we also have to keep in check about our competitors also. But normally, if the price increases by like more than 10-15%, then definitely we execute the changes within a month.

Manish Kela: Got it. All right, thank you so much. I'll join back the queue.

Monish Doshi: Alright, thank you.

Moderator: Thank you, sir. We will move on to the next question from Mr. Roshan.

Let's move on to the next question in the meantime from Mr. Shanki Bansal.

Shanki Bansal: Hi Monish, Hi Paresh. Hope you are doing well.

Monish Doshi: Hello, Mr. Shanki, how are you?

Paresh Naik: Good afternoon, we are doing well, thank you.

Shanki Bansal: Yeah So, I think the company Aaron Industries was not able to deliver last year the 25% bare-minimum growth we were expecting, but this year Q1 has started well, on the note of 27% growth, correct? So, what is the internal revenue and volume guidance for FY27 and FY28?

Monish Doshi: Yeah, so this year we are targeting around 25-30% growth in revenue. And the bifurcation of business would be almost similar, in a way, to last year, for the steel business and elevator business.

Shanki Bansal: Okay, I think the EBITDA has also bounced back sharply in Q1, so I believe that management has been able to pass the elevated cost on to the end consumer. So, what is the sustainable EBITDA, going forward?

Monish Doshi: Yeah, so we have been making sure to maintain our EBITDA percentage, between around 18 to 20%, and it has been increasing every year, so we are making sure of doing that. We are looking forward with a sustainable EBITDA of this percentage only.

Shanki Bansal: Okay, so 18 to 20%?

Monish Doshi: Yeah, so that is the range which we have been in over the last couple of years, but if you see over a period of time, we have always managed to improve the margins. So that will be our focus for this year also.

Shanki Bansal: Okay, okay. I've seen your investor presentation also, and there is a new product, EVOQ360 pit-less smart, launched in the previous financial year - you've already executed 25-plus projects. So just want to know, what is the bigger picture there in the next 2-3 months, 2-3 years, how much revenue contribution from this product we can expect and are we making the end-to-end product of the pit-less elevator, or we are doing just a cabin and auto-door?

Monish Doshi: No, in EVOQ360, we are doing the complete elevator product, and this year only we have launched it, and luckily, we have been getting a good response overall from PAN India. And we are into discussions with multiple companies for collaborating in their territory – like already, I think we have finalized 2 or 3 companies where we have finalized the territory as exclusive partners for those territories. And we are in communication with multiple companies who are showing their interest for the product.

For the next quarter, I wouldn't be able to guarantee a huge jump, because the project takes time - it depends on the cycle of bungalows and villas, and normally it takes time. But definitely it will keep on going upwards, because day by day we are getting more and more inquiries, and people are showing a positive response in those cases.

So, definitely, by the end of the year we are planning that it would be close to around 150 units of home lifts.

Shanki Bansal: Okay, because I just want to know that what is the contribution of EVOQ in Q1 sales? What is the real economics behind that, what is the margin on this product? And if this product will scale up, whether the margin will increase further, or it's a low-margin product? So, can you talk about that?

Monish Doshi: So, basically, it's not a low-margin product - it is close to around 20-25% margin only for EVOQ. The doors, cabins and all are also part of this EVOQ360. So, I think the margins would be, in a bigger picture, close to 20% only.

But definitely, the top line would increase because of that. Currently, in the last quarter, I think it would contribute around 5-7% of the total revenue.

Shanki Bansal: Okay, because I think you've just recently announced that you bought an exclusive distributorship from a China distributor for these EVOQ components.

Monish Doshi: Yes, yes. Yeah, so we launched this product in February. People came to know about it in February and March, and then they started their projects around this product.

Till now, we haven't been able to execute or dispatch many products out of our factories, but yeah, we have confirmed orders, and already people are showing so much interest, so we are very positive about this product.

Shanki Bansal: Okay, okay, I will join back in the queue. Thank you.

Monish Doshi: Alright, thank you.

Moderator: Thank you, sir. We have the next question from Mr. Priyansh Miri.

Priyansh Miri: Hi sir, hope I'm audible.

Monish Doshi: Yes, yes, Mr. Priyansh.

Priyansh Miri: Yeah, sir, I want to understand about the current capacity utilization, and the capacity that we have in Unit 3 after the automation that we implemented.

Monish Doshi: Okay, so the current capacity utilization is around 45 to 50%.

And with time it will keep on improving, because right now we are balancing the production to the demand which we are having. So, based on the demand, we'll keep on increasing our production.

Priyansh Miri: Okay, so sir, this capacity can augment in both ways, right? The door and the cabin, and at the same time for the steel sheet also - is that the correct understanding?

Monish Doshi: All the machinery is different for each product, so the capacity of sheet production is very huge, whereas we are producing less, because we have to maintain the whole cycle of production, as well as the inventory and everything.

But overall, if I talk about the whole, then we are around 50% of the production capacity which we have, because it is difficult to bifurcate for each machine and each process.

Priyansh Miri: Understood, understood. Sir, last year we had this guidance like we will reach around a 3,500-door utilization, right? Are we in line to achieve that by year end, or how far are we?

Monish Doshi: Yes, definitely we are moving towards that only, but as I told you, we are also increasing our market reach, and we are trying to penetrate different regions from where we can get maximum orders.

So, currently, our production is aligned to the demand which we are receiving, because we don't want to go into overproduction and over-inventory, as it is blocking our working capital. We are aligned to that, we are focused in that way only and we are going towards 3,500 units of production per month, and I'm pretty sure we'll be able to achieve that in the coming quarters.

Priyansh Miri: Okay, so by December end, can we assume that, as per previous guidance, or will it be slightly more, based on your understanding?

Monish Doshi: Yeah, positively, we are looking towards that, and I think we can achieve that if market conditions are good, and if we are able to crack that many orders.

Priyansh Miri: Okay. Sir, last two smaller questions - the elevator that we are selling now as a full unit, can you give us some sort of colour in terms of pricing versus other competitors in the market? On what range we basically like more than average, premium or utility in terms of just pricing...?

Monish Doshi: Okay, so it is more of a premium product which we are offering for home lifts. So, the pricing would start from around ₹6 lakh per unit, and depending on the project size - how many floors there are, because there are many technical aspects and what kind of product they want - it goes up to around ₹8 lakh or ₹9 lakh also.

But normally, an average price per product would be around ₹6 to 6.5 lakh, where we are getting the maximum orders right now.

This is only for the components, because we are not into installation of the complete lift, so the end product, after installation, would go around, I think, ₹9 to 9.5 lakh or so.

Paresh Naik: Paresh here - the competitive products in the market at present are in the range of ₹10 to 12 lakh, whereas the end product, after installation cost and all that, our lift will cost only ₹8 to 9 lakhs. So, it is quite well-placed, and with better features than what the other competitors are providing - so we have a good, positive story around that.

Priyansh Miri: Understood. Sir, then the end installer or EPC player who installs this elevator - will those distributors be common between our elevators and other elevators, is that correct understanding or this also has different, dedicated dealership?

Monish Doshi: So, for this home lift solution, we'll only be focusing on a few exclusive partners which we have in different territories, and those companies will only be working on these projects - they'll be installing the lifts over there.

It is a complete solution for the homeowner, where we have identified all the issues that home lifts they are facing, and we have developed the product based on that.

So, if I tell you about the competition, then you might be knowing about Nibav and Elite Elevator. So, these companies are providing a similar solution, but we have advanced features with our home lift than what they are providing.

Priyansh Miri: Okay. One more competitor - this LT Elevator also has partnered with a South Asian company, right, where they're also planning to introduce this home elevator?

Monish Doshi: Yes, they have I think partnered with Ricardo.

But they have a different product than what we are offering, because even though it is for a home lift, the design and the technological aspects are a little bit different. For example, our main USP is that we are providing a battery management system with our lift, which can operate the lift for 100 cycles without power also. That is the main USP which we are offering, which currently no other company in India has right now. They are only providing a battery backup system, which powers the lift for a limited time period, but in our product, we are providing it for 100 cycles.

Priyansh Miri: And in terms of cost comparability - Ricardo's elevator will be slightly more, right?

Monish Doshi: I'm not aware of their exact price point right now, but definitely, because we have been getting a positive response overall, so I think we are at a better price range than them.

Priyansh Miri: Okay. Sir, what is our current dedicated dealership that we have secured, as per the current state, and what is our goal for the next two years, maybe?

Paresh Naik: So, dealership, do you mean for EVOQ, or for all the products?

Priyansh Miri: No, just for EVOQ, just for the lift, dedicated.

Paresh Naik: EVOQ at present is open for anybody who wants to sell, but we have tied up exclusively with four to five partners in different states, where they will only be selling EVOQ, and we are not giving it to other partners in that state.

We've done that tie-up so that exclusivity is managed, and the product value does not get devalued - if there are too many people, then it becomes, again, a price war.

Since it is such a premium product with such good features, we have taken this strategy that we will not give it to everybody. The qualifying process is going on - we have done tie-ups with 4 or 5 partners, and it is still going on.

Priyansh Miri: Okay sir, because from a market-penetration point of view, this number will be critical, sir, for us investors to track. So, request you to please publish this data going ahead - how many new dedicated dealers.

Paresh Naik: We'll be doing it regularly - whenever we declare our details, we'll surely declare this also.

Priyansh Miri: Sir, one last question - when we secured the exclusive dealership for EVOQ, what exactly is the raw material that we are procuring from China? Can you also mention the percentage of cost, in the bill of materials, or in the cost that we incur? And is there any plan to make those components in-house? Can you give some light on that?

Paresh Naik: We have done, for EVOQ, a lot of development on our own. What all we import, we cannot disclose everything in this forum, but yes, we have done a lot of indigenous development, and we are importing few components from China.

Priyansh Miri: Okay, in terms of cost also, sir, can you give some rough estimate, if not the exact component name?

Paresh Naik: Cost means around 40% we do import otherwise balance we have done our own development.

Priyansh Miri: Okay. Sir, any indigenization plan also, going ahead?

Paresh Naik: Yeah, yeah, we have done a lot of indigenization. The battery itself, which is the main heart of the whole thing, is indigenized - we have developed it ourselves.

Priyansh Miri: And this 40%, sir, we're also planning to reduce it over time, right?

Paresh Naik: Yes, yes, Our R & D is working on it.

Priyansh Miri: Okay, okay, sir. Very great results, sir. Congratulations again, and thank you for this opportunity. Thank you.

Paresh Naik: Thank you, yep.

Moderator: Thank you, sir. We have a few questions in the Q&A tab. I'll just read out the question:

Since Stelix has been developed primarily for stainless steel sheet designing, and the division is currently operating at full capacity for internal requirements - when do we anticipate expanding its capacity to cater to the broader pan-India market? Given the relatively limited competition in this segment, what is the company's strategy and timeline for scaling up this division?

Paresh Naik: See, I would like to give clarity to everybody - Stelix is not another product line. Stelix is a branding strategy. We have done the branding for our stainless-steel products that we would like to sell outside, to the elevator market and to the interior decoration segment. It is just a branding part.

Stelix as a brand is only for the SS sheets that we manufacture at our own place. It is not a separate manufacturing setup. So, I think that makes it clear.

Moderator: Okay Sir. Moving on to the next question – the Aaron Be Creative app has been launched recently. Do we think this will help us shorten the sales cycle, or is there a measurable lift in queries?

Monish Doshi: Yeah, so Aaron Be Creative app is meant to visualize the whole product which we are selling because we are daily dealing with elevator companies, and they are dealing with their customers - normally a homeowner is not able to visualize the whole product, like how it will look, how the cabin will look, and what it will feel like for a rose-gold finish or a golden finish. So, to better visualize it, we have developed this app for our customers.

So, in a way, it is definitely helping to close sales faster, because our customers - the elevator companies - don't have to try to explain how the cabin and the door system will look; they are able to show them through our app.

So, in a way, it has helped them in closing sales faster. Also, we keep on updating our new designs on the app, so every now and then, whenever we develop a new design or a new type of cabin, we push it in our app, and everybody gets to know about it. So, in that way, we are able to push our new products and new designs efficiently. So, in that way it is helping us a lot.

Also, we have provided more details on EVOQ, and we have also uploaded video shots on that. So, by using that, most of our customers are able to place orders correctly, fastly and efficiently.

Moderator: Ok sir. Sir we have the counter question from the last participant related to Stelix only: sir that is what I wanted to understand we have created a brand the demand for SS sheet is there, as there is less competition, so when we plan to scale this segment?

Paresh Naik: Yeah, we are - certainly, this brand itself was brought into the picture to scale up our business.

Because we are supplying to the elevator segment also, so the elevator manufacturers had some apprehension - if they take a product catalogue of Aaron and show it to their customers, they used to say that you should give a different brand name for the sheet business.

So, that is why we came up with this idea, and we made a separate brand for this. And, like elevators, we are also appointing traders to promote our sheet business.

And it has been quite successful, and it is on positive manner. So, you will see good growth in the sheet business also.

Moderator: Okay, thank you, sir. We'll move on to the next question, from Mr. Kartik Bhat.

Please unmute yourself and ask your question.

Kartik Bhat: Yeah, I hope I'm audible.

Moderator: Yes, you're clear.

Kartik Bhat: Yeah, yeah. So, we've introduced this new EVOQ360 home lift, so I just wanted to understand what is the approximate addressable market in India, if you can throw some light on it.

And what is our right to win, as such? Are we competing on the technology front, or are we competing in lesser-penetrated markets like Tier 3, Tier 4 markets, and are we price-competitive as well?

Monish Doshi: Yeah, So EVOQ360 has been developed with the idea of targeting the issues which traditional lifts had for home use.

So, in that way, we have been able to solve the maximum issues which traditional lifts were not able to solve, and because of that only, we are getting a good response in that. Currently, there is not a big challenge in promoting EVOQ right now.

But because construction had started with the traditional design, many projects are not viable right now. Like new projects new projects which had already been working from last two years, they are not able to, incorporate EVOQ360 right now, But with time, projects will be redesigned as per this, because it is more space-efficient and also more premium-looking.

Gradually, people are shifting their mindset, and people are starting to opt for EVOQ instead of the traditional lift. And with time, as the awareness grows, more and more people will be interested in that.

Also, we are focusing more on Tier 2, Tier 3 cities right now for this, because it is a home-lift solution, so either bungalows or only duplexes are more prominent for us for this product. So, our major focus is on Tier 2, Tier 3 cities only, because it is there that the bungalow culture is more and developed societies where the home is around G+2 or G+3, and they require a lift over there.

Does it address your question Sir?

Kartik Bhat: Yeah, yeah, yeah, okay, okay, sure. And sir, how big is this premium home-lift market in India? Do we have some kind of a ballpark number?

Paresh Naik: Yeah, hello, Paresh here. See, as Monishbhai gave the clarity - the premium elevator market, or the home-lift market, is now growing a lot.

There are two things which have changed. One is that people have accepted this as a necessity, not as a luxury.

Second, limitation if you see in the larger, Tier 1 cities, land costs are so high that people prefer to live in buildings - which have gone up to G+10, and are now even going up to G+30, G+40.

So, over there, this product is not designed for that - it is purely designed for a maximum of G+3. So, in a way, that is the limitation.

But demand is now growing, and people have started installing it. So, if we look at the overall elevator market, this will be a small percentage - it will not be a huge percentage. So, we cannot expect very high growth from this.

Kartik Bhat: Okay, sure, sir. Sir, you've mentioned about adding more distributors, across both the elevator and stainless-steel sheet business, as one of the drivers, I think. So, I just wanted to know if you can quantify a little bit as to how strong our network currently is, and how many we intend to add may be in this year?

Paresh Naik: Yeah, I'll just give you a rough estimate - today, we are present in all the states of India.
We have got more than 750 customers who are regularly buying from us. Out of the 750 customers, more than 80% are very consistent, regularly buying from us.

We have our warehouses set up in Ahmedabad and Kolkata. We have traders in all the major cities - in MP we have Indore, Raipur has recently started.

In the West, in Gujarat itself, we have got many big clients. Then in Hyderabad, we have our trader.

Then in Bihar, we have our trader in Patna. So, that way, we have covered quite a lot, and we are still appointing more and more traders in the North region for a better development. We have a very good presence in Bangalore and Belgaum.

Kartik Bhat: Okay, okay, sure, sir, thank you so much.

Moderator: We'll move on to the next question from Mr. Manish Kela.

Manish Kela: Hello. Thank you, ma'am, once again for the opportunity.

So, sir, we were exploring the railway opportunity, right? Anything on that front - has anything fructified?

Paresh Naik: Railways - yes, we have explored, but the railways have a very long process of vendor registration, and they have too many vendors who are from the government sector itself.

For steel, a lot of the procurement happens through SAIL. So, yes, we have applied to the railways, but we have not yet received any orders from there. The work is in progress.

Manish Kela: Okay. And sir, your PPT says that 40-50% of the components which go into making elevators are produced in-house. So, are there any products still left which you want to get into, which are in the pipeline?

Paresh Naik: At present, all the mechanical parts are made by us, but the other parts which are major like the rails which are installed for the movement of the cabin. Then there's steel cable, which is used.

Then there are electrical cables, then there are electronic panels. These are things that we do not plan to enter into at present. But yes, on the mechanical parts, we have gradually introduced lot many products, and we'll keep on introducing more in future.

Manish Kela: Okay And after commissioning Unit 3, you said you are able to offer a few more services, right? So, what are those exactly?

Paresh Naik: No, it's not really a few more services – actually Unit 3 is more to enhance our production of doors.

The Salvagnini machine which we have installed is a fully automatic machine, so the door production has gone up because of that.

And in future, we can even look for sheet-metal fabrication - if we diversify into other products, the same machinery can be used.

Manish Kela: Got it. All right, thank you so much, sir, for your responses.

Paresh Naik: Okay, thank you.

Moderator: Okay, we'll move on to the next question, from Mr. Shanki Bansal.

Shanki Bansal: Yeah, hi. Thank you for the opportunity again.

I just want to know, regarding this SS sheet division. I just want to know that, when we spoke in the previous con-call, that we are one of the few seconds to General, with too many variants and captive customization capability also.

So, what is the contribution of sales of SS sheet to the outside, to the final consumer in Q1? What is the percentage?

Monish Doshi: So, are you asking about the revenue from selling steel in Q1?

Shanki Bansal: No, only from embossed and designer sheets.

Monish Doshi: For embossed and designer sheets, I'll have to check, but it is around 10-15% of Q1 sales.

Shanki Bansal: Yeah, because I think that product carries more value, because that is the only thing which we are doing after General, and we have a lot of customization capability also.

So, my point is - why haven't we scaled up meaningfully in that segment? Is there any hurdle, or is it customer acceptance? Because we said in the previous con-call that we are pitching to interior designers and architects also, for selling these designer sheets.

Monish Doshi: Yes, so it is not that the demand is not there, but because of the current global conditions, steel prices have been fluctuating over the last 3 to 4 months.

And because of that, overall the utilization, and overall the procurement, or even the sales of the steel business, was down - because of heavy fluctuation in pricing.

But now, gradually, it is getting stabilize, and as we told you, we have already approached Fujitec, Omega, and Techno for embossing and designer sheets, and they have shown positive note on that and they have shown an interest, and they've also procured from us in past months but the quantum was less because of the price fluctuation, so in coming months, it will definitely go up.

Shanki Bansal: Okay. And in the investor presentation, management has highlighted regarding the addition of senior sales staff across Punjab, Haryana, UP, and there is a geographical expansion also, through trader tie-ups.

Just want to know that, since we have hired the senior staff, is the elevated employee cost already factored it in Q1, or will it increase in coming quarters?

Monish Doshi: It's factored - it is already factored it in Q1.

Shanki Bansal: Okay. And, one last thing - I think now the company is in a position to cross another milestone of ₹100 crore top line, maybe next quarter.

So, just want to know the once we cross ₹100 crore, the requirement of working capital is also going to increase, and we have seen that the short-term debt of the company has been increasing on a YoY basis.

So how are we planning to manage the incremental working capital requirement? Do we take on more short-term debt, or is there any plan for a fundraise or something?

Monish Doshi: Yeah, so, depending on the timing of the requirement, definitely we can check which option is better. We might also raise funds from the market, or even go with the bank.

Currently, we haven't finalized anything in that factor, because we are trying to increase our productivity and reduce our inventory days.

So, currently, we are more focused on that, but definitely, with time, if we feel that because of a lack of working capital, we are not able to expand our reach, then definitely we might go for either fundraising or debt.

Shanki Bansal: Yeah, because there is so much optionality with our product segments, like EVOQ, designer sheets, and the trader tie-up, so it should not be that the company has a scarcity of working capital and is not able to scale up because of that.

Monish Doshi: Definitely, that is something which we are keeping in our mind, and that is the only reason why we are more focused on increasing our productivity, so we can efficiently use our working capital.

Shanki Bansal: Okay. So, thank you, and congratulations again - wish you achieve more in this year.

Thank you. Best of luck.

Monish Doshi: Thank you. Thank you so much.

Moderator: Thank you, sir.

Sir, one more question - with this increase in utilization to 3,500 doors per month that we're targeting, can we expect decent operating leverage to kick in by FY27?

Monish Doshi: Sorry, could you repeat the question again, please?

Moderator: So, the question is - with this increase in utilization to 3,500 doors per month that we're targeting, can we expect decent operating leverage to kick in by FY27?

Monish Doshi: Yes, definitely, we can do that.

As I already told previously, as the demand rises, we'll be able to achieve 3,500-plus doors, depending on how much demand we get.

So, it will obviously give us an additional boost in increasing the revenue.

Moderator: Okay, sir. Thank you. With this, we come to the end of our earnings call.

I thank everyone for joining us today. On behalf of Finportal, I would like to express our sincere gratitude to the management team of Aaron Industries Limited for time and sharing the company's performance, strategic initiatives and outlook, and addressing all the investor questions. With this, I now invite the management team for their closing remarks.

Monish Doshi: Thank you, everyone for your valuable questions and for participating in today's earnings call.

We appreciate your continued interest in Aaron Industries Limited and the confidence you have placed in the Company.

We look forward to continuing this journey together and delivering sustainable value to all our stakeholders.

With this, we conclude today's conference call.

Thank you once again, and have a great day.

Moderator: Thank you, sir. Thank you to all the participants for joining us today. If any questions remain unanswered, please feel free to reach out to us on the mail ID mentioned in the chat box.

Thank you. Thank you, everyone. You may now disconnect.

Disclaimer: This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.