Date: November 21, 2026

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

Dear Sir/ Ma'am,

Subject: Update on Earnings call for the half year ended September 30, 2026-H1 FY27 – Transcript.

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

In continuance of our earlier intimations dated November 12, 2026, and Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Company's Earnings Call held on Tuesday, November 17, 2026, at 12:00 P.M. IST to discuss the financial results for the half year ended September 30, 2026. The transcript has also been made available on the Company's website at https://inflameindia.com/earning-calls/

Kindly take the same on your record and oblige us.

Thanking you,

Yours faithfully,
For, Inflame Appliances Limited

AMIT KAUSHIK
Digitally signed by AMIT KAUSHIK
Date: 2026.11.21 17:13:54 +05'30'

Amit Kaushik
CEO and Managing Director
DIN: 00494125

Place: Panchkula

Encl: A/a

Inflame Appliances Limited

H1 FY27

POST EARNINGS CONFERENCE CALL

November 17, 2026 12:00 PM IST

Management Team

Mr Amit Kaushik – CEO & Managing Director

Call Coordinator

Strategy & Investor Relations Consulting

Presentation

Moderator: Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the H1 FY27 Post Earning Conference Call of Inflame Appliances Limited. Today on the call from the management, we have with us Mr. Amit Kaushik, CEO and Managing Director.

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

I would now request the management to detail us about the business performance highlight for the period ended September 2026, the growth perspective and the vision for the coming years, post which we will open the floor for Q&A. Over to the management team.

Amit Kaushik: Good morning, everyone. Very briefly, you must all have seen the results and the performance commentary which we have already shared with you on the exchange. However, I would like to inform that the total income in H1 '27 has grown by about 21% year-on-year to about INR 92.3 crores. The EBITDA has increased by over 25% to 11.3%, which is also improvement in margin to 12.3% from 11.8% in H1 FY26. The profit before tax grew by about 35% to INR 5.5 crores, and the reported PAT grew by 7% to about INR 3.8 crores. The growth is moderated due to higher tax provision in H1 FY27 versus H1 FY26, which had benefit of MAT credit also.

As far as the production of chimneys is concerned, the total quantum in H1 FY27 is 1,57,000 numbers as against about 134,000 in the previous year. I would also like to mention that the sale of chimneys, the revenue from sale of chimney has come to about 89%, 90% as compared to about 94% last year, which means the other categories have started showing better results in this quarter. So, as far as the present performance is concerned, we are on track.

The new facility has already come up. Post-Diwali, we are in the process of shifting to the new premises. We have introduced a lot of technological advancements, especially in terms of testing of the products after they are manufactured online. There has been improvement in glass plant automation. We have increased the bent glass capacity from about 800 900 pieces to 1,000 pieces per day to about 1,700-1,800 pieces per day. I would like to mention here that the bent glasses that we manufacture for -- that we process for gas range

hoods has a very high rejection of up to 30%, 35% because of the small scratches and other visible defects, which cannot be used in the production. But we have installed certain facilities in last few months, which will improve the acceptance of the material, which will reduce the rejections of the material. And hence, we do feel that with the same capacity of glasses, we should be able to at least improve our production by 5% to 7% in coming months.

The company has also started a joint venture construction of which has started for manufacturing BLDC motors and subsequently PCBs and other electronic components. I would like to mention that the dependence upon China for these products have grown multidimensional. We have to keep a lot of stocks because of a lot of supply chain issues we are facing, which is attributed to China using a lot of their facilities for development of AI. Hence, this was a decision taken by the management about a year back that we would be manufacturing these critical components in India, wherein Inflame has joined a group of two other individuals for manufacturing these products within India.

The factory is being set up about 25 kilometres from our parent factory in Panchkula. And the production of BLDC motors is expected to start in May next year. And by October-December, we are targeting to start producing PCB lines also. The machines have already been identified. The orders for motor assembly machines is around the corner. We hope by November end, we should be concluding that. Post which, we are also enhancing our capacity for making more glasses in India. Presently, from both the plants, we can do about 25,000, 30,000 bend glasses, which can be improved to about 30,000, 35,000 at best. However, we are setting up a plant at the same premises where we are putting up BLDC motors and PCB factory, which is on an area of about 40,000 square feet.

It is a completely automated dark factory concept where no manpower is working. It will be completely atomised, including testing facilities are also online and atomised. We hope that the plant, glass plant should be available for production by April-May 2028, which means thereafter with this glass capacity, in-house motors and PCB availability, which will also improve our R&D facility, which will also help us in creating more products and more concepts, we should be targeting a higher number of chimney production post availability of the glass factory also.

So, this is a brief right now, which I want to share with the shareholders. And I am up for any questions and queries from your side, sir.

Moderator: Thank you. [Operator Instructions].

Moderator: Sir, until the question queue assembles, can you just drive us through how was the festive demand this time and the kind of volume growth that we have seen? How do you see it now for the remaining half of the year and previously you had given some guidances? Are we on track to achieve that?

Amit Kaushik: To be very honest with you, the demand in festive season is not very high because we are getting the same quantum of orders throughout the year now. April and few days after Diwali are the only lean periods we face. Otherwise, the order booking for December, January, February is quite handsome as much as we had in September, October and in the months of July. We are on track for we have -- I would also like to say that in the month of September, we have done 40,000 chimneys from both the plants, which is a new record. The previous one was 32,000. And the order position for December, January, February, March looks to be at the same level.

Moderator: Thank you, sir. We'll take the first question from Madhur Rathi. Madhur, you can go ahead.

Madhur Rathi: Sir, thank you for the opportunity. Sir, I wanted to understand on the margin and we had mentioned that due to commodity price, there might be some issue in delay in pass through of the prices. So how has that shaped up? Are we able to pass on the price increases to our customers?

Amit Kaushik: Yeah, Q2 and of last financial year -- Q4 of last financial year and Q1 of this financial year was a stress as far as pricing are concerned for us. However, we have been able to increase the -- pass on the price increase to the customers in from July onwards. So it is pretty comfortable now. Yes, we had problem in two quarters, Q4 of last year and Q1 of this year. But now it is perfectly fine. And at the same time, we have also made internal arrangements for making sure that the impact of price increases can be mitigated, which includes renegotiation of our prices from China, by offering them better quantums and better payment terms and some alternate use of material increase in production to cover our overheads. So, lot of efforts are made to make sure that pre-increase of raw material prices that we are able to achieve the margins which were there then, and we are almost there, not to worry on that part anymore.

Madhur Rathi: Got it. And sir, with this efforts of in-house glass processing, in-house motor, sir, where do we see our margins? How much further improvement can we see on our margin, maybe over the next one or two years?

Amit Kaushik: Sir, of course, the margins increase, but there is a CapEx also there. You have to cover initial cost also, there are depreciations, there are maintenance. Manufacturing in-house is also not that simple, sir. Another, sir, I would say it is not that easy for a manufacturer to manage all these things. You see, we do -- we make all sheet metal components majorly. We do powder coating in-house, we do glasses in-house. Now, we are getting into making motors and PCBs. Inflame cannot do it on its own. So, we got into a major -- as major partner in that venture, so that we have a control on the product quality, pricing and everything.

The margins are bound to be increased slightly, but those companies also have to earn on their own. So I would say it -- more than margins, it is what we would be achieving is just-in-time inventory. Right now, we carry so much of inventory from China and we are always worried what if we don't get container tomorrow. So, I would like to mention that in last 3-4 months, thrice our containers got delayed by 10, 15 days there by hampering our production of a particular model. So, then you have to find out, okay, we can't make this, so make this, this is not being made, make this then. And so many models, so many products are there, some are in BLDC 100 watt, 130 watt, this switch, that mouth, AC motor 130 watt, 100 watt, I mean there are a lot of components for which we have to carry inventory and you don't know which order will come when.

Customer will come and say, I want more of this particular model this month, so you need to have the readiness for all that. The biggest advantage will be that the inventory will be very controlled, which we have to keep at a very high level, just because we want to mitigate the risk of supply chains. That will be over. Second is the development will be on time. There won't be any shortages ever of materials as is happening now. If there is a problem in China, with the supplier, and he is not able to give supply for next 15 days, all that will be over, which will help us increase our production, and directly, indirectly that benefit will come to EBITDA.

Madhur Rathi: Perfect sir. Sir, you answered some of them. Sir, one was that our 4-month inventory, as you said, will be reduced. So, how much, I mean, can we bring it down to like 60, 70?

Amit Kaushik: Sir, let me tell you a figure. Approximately 38%, 39% in BLDC is import component now. Because we are not getting BLDC motors from anyone in India, although some companies are manufacturing. Somewhere the price is having a big impact and somewhere the quality is not getting confidence. So, carrying the inventory of 35%, 40% of the total material, apart from that, sir, we have to carry a lot of steel inventory as well because we use a particular grade of GPSP 120 GSM, which we buy from JSW directly. So, we have to carry its inventory as well, sir. Even if JSW does not roll the material and does not come, you cannot close the factory. So, I think that the product of 39%, 38% which we are carrying such a heavy inventory, and this is different from what is seen in the books. The shipments that are going on, sir, the material in transit that is also there, sir, apart from that.

Each container is about INR 1.7 crores to INR 2.2 crore sir, in terms of dollar value only. After putting the duties, 35%, 40% increases more. So, two containers are always in sale.

Madhur Rathi: Got it. And sir, just a final question from mind. Sir, the premiumization that we are trying to scale up, built-in appliances, how is that scaling up? Can you tell us about the scale-up?

Amit Kaushik: Sir, gradually, there were some products that we made a lot before 2, 1 years ago, sir. We have stopped all that, sir. Those products which do not have much profit, sir, not even 10% gross margin, not even 15%, because a lot of people, small-small manufacturers can supply that material. We have stopped all that, sir. If we had taken all those things, then sir, the sale of 92 could have been 120 as well, but we do not see any reason to run in that, sir. We do not find any objective in doing those products. It is better that we are known for the premium, that the customer comes to us for the premium, and we focus that the market complaint should be reduced.

Sir, Madhurji, you have created a very simple thought process in the company, you have created a vision for the people, that the quantum of material should also be taken up to 1 lakh in the next 2-3 years, and the quality complaint should also be less than 1% in the market, and the cost of production of the company should be the lowest. If any other competitor is making a product in INR 5,000, then it should not be above INR 4,600, INR 4,700, the cost of manufacturing should not come. So, these three things, sir, are being taken up simultaneously. It is a process, sir, it will not happen in a day, it takes a lot of time, but we are sure we will be there, because all the strategic decisions we are taking are in line with these three concepts only.

Madhur Rathi: Got it. Got it, sir. Sir, thank you so much and all the best.

Amit Kaushik: Thank you, sir. Thanks for your questions and queries, sir.

Moderator: Thank you. [Operator Instructions]. We will take the next question from Shrutika Kadam. Shrutika, you can go ahead.

Shrutika Kadam: Good afternoon, sir, and thank you for the opportunity. Sir, our EBITDA margins have improved from around 11.8% to 12.3%, despite the management highlighting higher raw material costs and supply chain disruptions. So what has driven this improvement and how much of this margin improvement is sustainable over the next 2-3 years?

Amit Kaushik: Actually, if we had got the price increase from April, which we got from July, then we hope these margins were much higher than what they are today. I would not like to put a number here, but yes, there could have been a tremendous growth in EBITDA margin. But that did not happen because 3 months we were down with the prices. However, the quantum in the first quarter was also not that much, you see. The quantum in the first quarter was 1 part and in the Q2 was 2 parts. So, its impact was not that much. You can assume that we recovered two-third, but one-third is not recovered.

Shrutika Kadam: Okay, sir. And with our H1 revenue at approximately INR 92 crores, what is the management's realistic revenue growth expectation for FY27 and FY28? And also, what proportion of the expected growth will come from the existing chimney business versus the new product categories?

Amit Kaushik: Actually, new product categories have started taking off. As far as hobs are concerned, we have dispatched the first full container load of 600 numbers of hobs 15 days ago. Because hobs have come under BIS preview a few months back. So, people's inventories have started running out and people have started demanding. So, we supplied that lot to a customer in Cochin. Similarly, a customer in Goa, IFB has also started buying from us. KAFF is already buying from us. A lot of customers have started approaching us now for hobs. So we hope by the end of this financial year, we should be comfortable enough that all our product lines will be ready.

At the same time, when we started with KAFF for these special products, built-in refrigerator and wine chillers, we signed a contract of exclusivity with them for a few years, which is going to expire next

year. And we do have demand for these products from other buyers also. So next year, we can see growth in that as well. Because we have already established ourselves as a good supplier for cooling appliances also, especially wine chillers. We have developed a range of 5, 6 different models from 60 litres to 415 litres. We have also started supplying built-in ovens. The first consignment for dishwashers is underway. It is in transit. And built-in microwave samples have already been submitted to BIS for their certifications.

Once we get the certification, we will ship those materials also. Because if it comes to the port, there is a problem as there is no BIS certificate. So, we are waiting for the BIS to come, which is expected in a month's time. After that, our built-in microwave consignments will also start coming out. So, these product categories that we are adding, they are all high-value products ranging from INR 15,000 to INR 40,000, INR 45,000 base these products go to the buyers from our side in the market. So, we hope this 90:10 ratio should come down to 75-80/20-25, in the next financial year. Subsequently, the target is 60%, 65% of chimneys and 30%, 35% from other categories.

Shrutika Kadam: Okay, sir. And both our short-term and long-term borrowings have grown. Like short-term has grown from INR 33 crores to INR 40 crores and long-term borrowings have grown from INR 19 crores to INR 22 crores, despite the company reporting an improved EBITDA. So, how much of this incremental borrowing is being utilized for capacity expansion? And how much is funding our day-to-day working capital requirements?

Amit Kaushik: We have already given on exchange about 6, 7 months, 8 months back that we are in the process of enhancing our capacity and we will have a CapEx of about INR 10 crores. So, bank loans have come and it is being utilized there. So, you can please refer to that presentation and information provided by us, which has a detailed information on what we are doing and how we will be doing using these funds. So definitely long-term has grown because we have taken term loans from the bank for enhancing the capacity.

Shrutika Kadam: Yes, sir. And one more question. With our expanded manufacturing capacity in place, what is the current utilization level at the Panchkula and Hyderabad facilities? Could you give it separately for chimneys, hobs and gas stoves?

Amit Kaushik: No, I cannot give separately, ma'am. I cannot give separately. We are targeting 50,000 chimneys of production by the end of this financial

year from both the plans together. It really doesn't matter to us how much we make from Hyderabad and how much we make from Panchkula because there are so many things which are related to our strategies also. As far as capacities are concerned, I would like to inform that we are heading for 30%, 35% of growth in this financial year and we would continue to do it in time to come. The product categories and their contribution I have already intimated to you. But beyond that, there are certain things which we would not like to mention or comment here. What I think we are more concerned about is how much we are able to produce. So yes, we are targeting about 45,000, 50,000 numbers. By the close of this financial year, we should at least achieve 45,000, 50,000. 40,000 we have already achieved once. So, once achieved, it can be made practice also. Once our shifting at the new premises is complete, we hope from both the plants, we should be doing 40,000 on a regular basis.

Shrutika Kadam: Thank you so much for taking my questions.

Amit Kaushik: Thanks a lot, ma'am.

Moderator: Thank you. We will take the next question from Lalaram Singh. Lala Ram, you can go ahead.

Lalaram Singh: Thank you for the opportunity. Good afternoon, Amit ji. So, the first question is, I wanted to understand that historically, why chimney business has come to us for outsource manufacturing, but hobs, which goes along with chimney typically, has not come as a business opportunity. What was the reason?

Amit Kaushik: Lalaram ji, chimney has become a different category and market segment. Hobs it is clubbed with other cooking areas such as gas stoves, which is a very major market in India. Hobs' cooking is not very suitable for Indian conditions. People do use hobs, but most of them do not enjoy cooking on hobs. And then they get calls again and again that there is a problem. Another issue is that all the components of hobs, especially walls and burners, are not made in India. Nobody makes it. All that is being manufactured in China. So, if we make hobs in India, it is an assembly party. Glass you can make here, body you can make, but rest of the components come from China only. It's not like Chimney, whose ecosystem has already developed in India. So both are used for different purposes, and that's why they cannot be compared.

People who have gas stoves also buy chimney. People who have hobs also buy Chimney. So I don't think it would be right to compare them.

The market of hobs in India has not risen more than 5 lakhs, 6 lakhs in a year. And the market of Chimney has almost reached 2.5 million. And we hope that it will go up to 3.5 million, 4 million in the next decade. So, the growth in Chimney is increasing.

Lalaram Singh: Okay. I think if I remember, last time you said that hobs is a bigger market. Maybe you meant bigger ticket size, not bigger market in terms of size.

Amit Kaushik: No, in terms of size, my understanding is very clear from the beginning, that it is such a big market. Yes, it is INR 7,000, INR 8,000 ASP for us manufacturers, depending upon different models. It is INR 7,000, INR 8,000 ASP. So, if we look at it that way, then its market size goes out. But how much can we make, 10,000, 15,000. If we do a lot, then 20,000 from both the plants together. If we get 5, 6 big customers, then we can do 15,000 to 20,000 per month. So, if we do 15,000 per month and get an average selling price of INR 7,500, then it is about INR 100 crores of annual business.

Lalaram Singh: Okay. So, I think my question, let me take a step back and just basically understand that how does the market opportunity from the customer side, effectively you are saying chimneys is a very big volume, 20 lakh for example.

Amit Kaushik: Now, it is a big volume now.

Lalaram Singh: Yes, and also chimneys, the supply chain ecosystem is developed in India, which is required to manufacture chimneys. But you are saying in hobs it is still not developed. And that is one reason. Second reason, one of the reasons for that could be because market size itself is small. So, there is not enough incentive to manufacture in India. Is that the reason or is there any other reason?

Amit Kaushik: Lalaram ji, your understanding is correct. The major reason is that the market size is not so big that a lot of investment can be made in it. Secondly, the technology of burners, burners that are being made, valving systems that are being made, they are evolving every day. So, this is a tooling based work. If you want to make a set of burner, for example, you have invested INR 70 lakhs, INR 80 lakhs, INR 50 lakhs in tooling. The size of the burner is also not the same. There are 3, 4, 5 sets of different types of burners. So, you give a set of burner to a customer and say that this burner has to be kept exclusive for me. So, for example, I gave it to IFB, so what will I give to Koche now?

Koche says I want this, so what will I give to Pure Flame now? Then what will I give to KAFF? Then KAFF also needs 5 types of burners. So, we will have to keep 10-12 sets of different designs of burners. So if I go to manufacture it in India, then I will invest INR 8 crores, INR10 crores on it. And after that, how much will that burner run, how much will it not run, when will it be outdated, when will the customer finish its demand, there is no guarantee for that either. Because no company is investing with us on these projects, right? So, we have to invest ourselves. So, it is a very risky game.

It is better if we are going to make 50 people in China and 500 designs are available. Take the design that you like from there. As much quantum as you need, if it is enough then 2,000, 4,000 sets will be left with you, which will have a limited risk, than taking a risk on opening tools and then finding that it could not be done. Your product did not run. So, this is one reason that people do not want to get involved in this now. Even Faber, who sells so much, cannot dare to manufacture all these things in India today. They are also happy buying from China. That it will come to CKD from there and will be manufactured and assembled in India.

So, until this market hob does not reach from 15, 20 lakhs to 1.5 million, 2 million, I don't think we should put such a heavy CapEx on it and unnecessarily block the money.

Lalaram Singh: Okay. So, basically what you are saying that our 30% revenue will come from non-chimney. So we will also be sort of importing these components and assembling in India. Is this what we will do?

Amit Kaushik: That will happen, sir. We will have to do it. Other than that, no one has any option.

Lalaram Singh: Understood.

Amit Kaushik: Be it Havells or Hindware, Sunflame or V-Guard, IFB or Crompton, the model will remain the same. Business model cannot change.

Lalaram Singh: Understood.

Amit Kaushik: So, that business model will not change for anyone, sir.

Lalaram Singh: Okay. So, basically, chimneys, in-house manufacturing, Inflame, other stuff, we will put sort of assemble and then give to our customer.

Amit Kaushik: Actually, it will be like this, sir. Sir, I will get a demand of 50 or 100 pieces of built-in refrigerator per month, for example. So, I will not set up a line for 100 pieces.

Lalaram Singh: Absolutely, you should not do it. There is no doubt, sir. I understood. You were saying that non-chimney business will come with lower margins, gross margin, EBITDA margin. And no, it will absorb fixed cost base. So, lower gross margin.

Amit Kaushik: Sir, in chimneys, my cost of production is also high. Sir, we make glass, it also has a cost of production. Machines are also there, maintenance is also there, space is also there, power is also there. So, when you just have to do assembly, then you have to do assembly. Sir, we believe that in assembling, we get a margin of 3% to 4%. Okay. If you look at Amber and other peers, they work on 3%, 4%, 5% margin. Sir, Dixon, 2%, 3% all work on margin. Sir, the customer gives you 1.5%, 2% of design. So, we design, sir. We are not OEM, actually. We are ODM. Original Design Manufacturer. We do all the designs ourselves, sir. And then we offer to the customers that we have made a new design of chimney. Come and see. So, no customer gives us any design.

So, after that, sir, the third thing is components. Because there is backward integration, sir. So, there is a profit margin from components. Sir, if the company only works on assembly, then 7%, 8% or 6% of what we aspire, that we should get a PAT in the coming time, when our full-fledged door will increase beyond 200, 250, 300, then our PAT should be 4% or 8% as with Dixon. Sir, then it will drop down as it is in case of other companies, sir. Because we are doing all three things, so we have more margins, sir. But for that, we spend that much, sir. We also manage, sir. That part is also involved with it, sir.

Lalaram Singh: Okay. Now it is clear, sir. So, the OEM plus ODM design, you do this for the chimney. Do you do ODM plus assembly for other hobs or built-in refrigerators or just assembly?

Amit Kaushik: No, sir. Our business model is very different in that, sir. In that, we talk based on specification with the customer. What do you want in a particular thing? Suppose it is a dishwasher, what function do you want? How many functions do you want? If it is a microwave, how many functions do you want? What function do you want? What attachments do you want in between? What accessories do you want? Based on that, sir, our partners in China, supply partners, we discuss with them and offer them the product, sir. By doing this, we have picked 18, 20 products across different models, sir.

And all the customers have been accepted, sir. So, we have started bringing those products in India. In that, we cannot even design, sir. We do not have that bandwidth, sir. We do not have that strength either, sir, in today's date to get in designing it, sir. Okay. That design is available with the Chinese, sir. We coordinate closely with them, sir. And, sir, in July, August, September, I had a continuous back-to-back visit. Of course, it was for supply chain because some problems were coming up, sir. It has not been reflected in the numbers completely.

But if it would not have been there, sir, 92 could have been 100 also. Like containers were delayed 3-4 times, sir. So, it has had some impact, sir. It has had an impact of at least 10,000 chimneys, sir. We could have done 10,000 more in the last 3, 4 months. Nevertheless, sir, we have to finish it now. Growth has still come, sir. It is not that there is no growth despite that. Good growth could have come, sir. Like I said in the price increase, sir, if the price increase would have been from April, EBITDA would have been better, sir. It should have been more than 12 and should have been around 13-14.

But it did not happen, sir, because we got the price increase a little late, sir. But we are in the trade, sir. This will happen daily. In the coming time, these problems and challenges will remain, right, sir?

Lalaram Singh: Correct. Correct.

Amit Kaushik: How quickly we will solve it, sir, how we will mitigate it for the long term, that should be our objective, sir. We are working on that, sir.

Lalaram Singh: Sir, one final question. When will your exclusivity with KAFF end?

Amit Kaushik: Sir, it will end in the next year, sir. Mid of next year.

Lalaram Singh: Mid-'27. And this is for which?

Amit Kaushik: September-October.

Lalaram Singh: For which products? This is for which products?

Amit Kaushik: This is for two products, built-in refrigerator and wine chillers.

Lalaram Singh: Got it. And after that, you will also supply others along with KAFF? Will you do KAFF or not? How is the situation?

Amit Kaushik: Sir, we already have demand from different people. So, what we have discussed with them is that we will start sampling from January. So, typically, it takes about 5, 6 months for a product to get finalized with any buyer. Sir, there are endurance tests, lab tests, changes in specifications, resamples. It takes 5, 6 months, sir. We will start in January and by the time we will close the deal with them, we will lift the goods from China. Sir, it will be September-October by the time it arrives, right? So, if we look at it from the rules, if we do the reverse calculation, we will be able to deliver the goods in September-October if we start from January.

Moderator: Okay. Lalaram, I request you to join back the queue.

Lalaram Singh: Okay, sir. Thank you.

Moderator: We will take the next question from Meet Mehta. Meet, you can go ahead.

Meet Mehta: Good afternoon, Amit ji. I just wanted to understand what challenges we are facing because from last year or so, we are not able to meet the guidance. What challenges do you face? Or what do you think to take steps to get to our targets? Because we can lower our guidance.

Amit Kaushik: The target is being met, sir. Meet sir, since last year, the target is not being met. What made you make this decision?

Meet Mehta: Sir, from last 2.5 years, we are guiding for 40%, 50% kind of growth. But we understand because of war and all, things are not going well in terms of supply chain. And we understand. But we as an investor...

Amit Kaushik: Sir, last year, we had a 44%, 45% growth. This year also, we are heading for 35%, 40% growth. I don't understand, sir, why you are raising this question. Sir, I am sorry to say this. I mean, if you just want to say that we are not working at all, then it is a different matter. But how much was my growth last year, sir? 40%, 45%? And this year also, we are heading for 45%. H1 is always less and H2 is normally good. Last year, for the first time, H2 was less just because of the war situation. Yet, we reached about 44%, 45% growth last year. So, we are talking about 40%, 50% growth. Sir, it can be 38% or 52%. So, we are meeting, sir.

Meet Mehta: No, just, in H2, our growth is a little moderate. I understand because of war.

Amit Kaushik: Sir, because of war, people were not getting food. Sir, how can you think about higher growth, Meet sir? I am sorry to say that I like this, sir. I don't expect such questions, Meet sir, where you are talking like this without understanding the factual situation, sir. We work so hard to get out of this situation, sir. And the price has increased by 25%. Yet, we have a tremendous growth. Not only in terms of revenue but also in terms of PAT and EBITDA. So, after that, what will a promoter do to avoid such questions, Meet sir?

Meet Mehta: No, no, understood. But in this if…

Amit Kaushik: But if you are understanding, sir, why you want to ask in a public forum like this and giving an impression that company is not doing good and they are going back from their words. We are not meeting the expectations.

Meet Mehta: It's not like that, you know, I also…

Amit Kaushik: No, Meet sir, your question is wrong, sir. Meet sir, agreed. Meet sir, agreed. If you are monitoring closely, then you should know that last financial year was 44%, 45%.

Meet Mehta: No, no, sir, just wanted to understand seasonality. Like last H2 was weak, and H1 was great.

Amit Kaushik: Sir, last H2, we did not have any orders because of war situation, sir. We did not have any orders. H2, we barely did as we did H1. We could have gone lower than H1, sir. Such a situation, war position was bad, sir. But still H2 went almost equal to H1, sir, last year. And I am telling you, sir, that last year was an exception because of war. There were no orders in January, February, March, it was very tight. Raw material prices were climbing like anything, sir. Sir, when we used to order today, it used to say the next day that it is not today. Sir, we buy thermocol, it used to say before dispatch that it has increased by INR 22, INR 20, INR 25. Sir, this is how we have procured the material, maintained the supply chain. And yet we have been able to match H1 and H2. Despite 3 months being very, very bad and critical, sir. For everyone, not only for Inflame.

And even this time, we did not get a price increase in Q1. Yet we have this result, sir. And I am telling you, sir, that if we had got this price increase from April, then the situation would have been good. Now I have told you, sir, that there was a disruption in the supply chain.

Containers reached 10, 15 days late 3 times. Otherwise, we could have done 10,000 chimneys more.

Meet Mehta: So H2, you are expecting to be a good half year.

Amit Kaushik: Sir, historically, we always had H2 better than H1.

Meet Mehta: And in terms of new products, currently we are sourcing from China. Any plans to get some backward integration for those products?

Amit Kaushik: No, sir. I have just explained in very detail that there is no point of backward integration in those products, sir. Till the market size grows like it is in chimneys, sir. There is no point putting in money in CapEx and then struggling to even recover the interest of that investment. Market size is small. We are doing it for two reasons, sir. First reason is that customers do not run to other places for chimneys, sir. And the second reason is that new customers also come to us after seeing such a big basket, sir. They say that everything will be available here in Inflame. So we have to go to Inflame only.

Meet Mehta: Got it. Yeah, Amit ji, that was my question. As an investor, I am also associated with you. And when it is a little volatile, we can only ask you as a promoter.

Amit Kaushik: No, Meet sir, but that method should also be there. If we are responsible for anything, then you are also responsible for something, sir. You should not be discouraged, sir. You should ask what can be H2? Why did it grow by 22% or 25% and not 40%? It is necessary to answer that, sir. But giving such a statement that you are not meeting the expectations for 1, 1.5 years is wrong, sir.

Meet Mehta: Yeah, that was a bit wrong from my side.

Amit Kaushik: It's okay, Meet sir. I am sorry I had to be straight with you. Sometimes it hits you emotionally even after so much effort.

Meet Mehta: Yeah, we are also emotionally attached with the company.

Amit Kaushik: Thank you very much, Meet sir.

Meet Mehta: Promoters are doing a great job on the ground. So yeah, thank you.

Amit Kaushik: Thank you very much, sir. Thank you for appreciating.

Moderator: Thank you. We will take the next question from Rahul Kothari. Rahul, you can go ahead. Rahul, I think you need to unmute.

Rahul Kothari: Amit sir, I have joined a little late. So can you just repeat your FY27? Can you hear me?

Amit Kaushik: Yeah, I can hear you.

Rahul Kothari: I wanted to understand the guidance for FY27, if you could repeat, as I joined on little late.

Amit Kaushik: Sir, we are looking for a growth of about 35% in this financial year.

Rahul Kothari: Okay.

Amit Kaushik: The Q1 was, in terms of pricing, the Q1 was slightly challenged because we got the price increases mostly from most of the customers from July onwards. Yet, we have been able to register a growth in almost all parameters of our critical parameters like EBITDA, PAT, Profit Before Tax and EBITDA margins, revenue growth, everything. So definitely we are heading for about 30%, 35% of growth in this financial year.

Rahul Kothari: Amazing.

[Background noise]

Amit Kaushik: Excuse me, sir. Someone is talking in between.

Moderator: Rahul, there is a background noise.

Amit Kaushik: There is a background noise. I think from IR, co-host.

Rahul Kothari: No, no. It was from my side. Sorry. Can you hear me?

Amit Kaushik: Yeah, I can hear you now, sir.

Rahul Kothari: Sir, In FY28 apart from chimney, can we expect a significant contribution from any other product?

Amit Kaushik: Sir, we expect FY28 chimney should be reduced to about 80%.

Rahul Kothari: 80%. Okay.

Amit Kaushik: Presently, it is 90%. Last year, it was about 94%. H1 is about 90%. We think that by the end of this year, it will drop from 90%. In the next financial year, we have an estimation of about 80% of the chimney.

Rahul Kothari: Okay.

Amit Kaushik: A while ago, I told you that it will settle down at 65% or so.

Rahul Kothari: 65%. Okay. And, sir, thirdly -- sorry. That's it from my end.

Amit Kaushik: Okay. Thank you.

Moderator: Thank you. We will take a follow-up question from Madhur Rathi. Madhur, you can go ahead.

Madhur Rathi: Thank you for the opportunity once again. Sir, if I look at the volumes, Q2 to Q2, it has been 5%, 6%, from 89,000 to 93,000. So, is it that the customer has delayed a bit because of the festive season?

Amit Kaushik: No, no, sir. Demand was there, sir. Orders were there. But I just told you, sir, that three times our containers were delayed at Chennai port, sir, shipments from China. Because of that, we were not able to make some products on time, sir. We believe that we could have done 100-300, 5000 numbers in Q2, which was reduced to 92,000 just because of the delay in arrival of shipments from China.

Madhur Rathi: Got it. And, sir, would it be fair to say that the cost of production of Inflame would be the lowest even today? And, sir, will our competitors be mainly Faber or Elica? Other than that, there is no one else around us in terms of cost.

Amit Kaushik: In terms of cost of production, sir, we are the lowest. No second opinion about it. And it is not because of any other reason. It is only because we manufacture a lot of components in-house, sir. The contribution is backward integration only, nothing else.

Madhur Rathi: Got it. And sir, is the competitive intensity increased in the market? Because one of our competitors is Elin Electronics. They have set up their new plant in Bhiwadi. And Faber is also increasing.

Amit Kaushik: No, sir, they are not in prominence right now with due regards to them. They have yet to cover. Sir, yesterday, one of our major customers, quality head, was sitting with us. Not Quality Head, but very senior position from the quality. So after visiting the plant, he said that your

current level will take 6, 7 years for people to complete it. They are doing it. They will complete it in the entire journey. And what you are doing now, what we have seen, technological advancements, it will take them to 2035 to match yours. And what you will do in 2030, it will match in 2045.

Don't go as per the statement, go as per the sentiments, what he was trying to say. He was saying that we are far ahead from our competitors in terms of so many things, especially use of technology. And we feel that the use of technology will reduce the cost of production. Efficiencies will increase from there, sir. The control of rejections will also come from there, sir. It is very important to eliminate human error.

Sir, where 400-500 people are working, the chances of human error is very high, sir. It is the end of the day assembly work, sir. So, we are on the right track, I would say. We are planning so much and achieving it, sir. That in the next year or two, we will set new guidelines for the market, sir.

Madhur Rathi: Got it. Sir, just a final question. Today, we have a PAT margin of 4% and our target is to take it to 7%, 8%. How do we see this journey? You said that it will come from operating leverage, but will the cost of production also increase? Just understand that from 4% to 8% is INR 250 crore, INR 300 crores.

Amit Kaushik: Sir, we are already spending INR 300 crores in the business. Our R&D department, quality department, production department, major cost other than raw material is salary, right? So, we are paying so much salary, how much production we can increase depends on that, sir. The cost of labour is not going to increase so much, sir. If we put an extra line, 25 people would be added, but 400 pieces per day can be increased as far as chimneys are concerned. So we just have to increase the supply of components from behind, which I have already explained how we are planning to do it by setting up these 2-3 new units in the next couple of years. We should be on track with almost 100,000 glasses availability for a month's production. Now, we can do 70 or 110 in that, sir, it will depend on our capability at that time.

So, the cost of production will definitely come down at INR 220 crores. It will further reduce at INR 275 crores, INR 350 crores, INR 400 crores. And EBITDA margins would increase subsequently, sir. You would see in time to come. Sir, the impact of prices in the first quarter which we did not get, despite that we have slightly better EBITDA margins. And as I told you, sir, we have invested in glasses as well so

that our rejection is reduced a bit. There are 2 benefits of reducing rejection, sir. The more the chimney, the better. If 700 glasses pass in 1000, we cannot make more than 700 chimneys, sir. If we make 1,500 glasses and 1,300 passes or 1,350 passes, then we can make even 1,350 chimneys. 1,443 chimneys in a day is the highest what we have achieved. And 6 months ago, our highest was 1,000. And we achieved 1,000 and above from Panchkula plant 7, 8 times. Now, we can achieve 1,000 and above every day, sir. Highest production we have achieved in Panchkula plant is 28,200 pieces.

And we hope in couple of months, we should be achieving 35,000 from Panchkula plant alone. As the quantum increases, the cost of production will definitely come down, sir.

Madhur Rathi: Sir, that was from me. Thank you so much and all the best.

Moderator: Thank you. We will take another follow up from Lalaram Singh. Thank you, sir.

Lalaram Singh: Sir, one question is that our aspiration is to grow fast because there is good opportunity. So, suppose we grow 30%, 40% above INR 200 crores. So, incrementally INR 60 crores, INR 80 crores revenue will have to be added. I think working capital gives 40% of sales. So, will this cash flow be able to support or will we need some funding, equity?

Amit Kaushik: Sir, cash to cash, sorry, time to time, the cash flow requirements we will work out, sir. We have got INR 65 crores, INR 64 crores LC limit, enhancement from the bank, sir. Earlier, we had INR 25 crores. Now, we have INR 63 crores, INR 64 crores of LC limits available with us. Recently, we have taken INR 30 crores LC limit from ICICI bank. Okay. So, if we need money to purchase goods, LC is covering it. In the coming time, if we need more, we will increase the LC limits, sir. Typically, we are not a company which looks into higher CC limits.

We believe less in cash credit and more in LC's. Okay. Customers support us on LC's to give goods including Jindals and St. Gobain. They accept our LC's.

Lalaram Singh: Okay. So, we don't think we need to raise equity capital in the near term.

Amit Kaushik: Sir, after a certain stage, the drive is such that the customer supplier also wants to supply goods to you. Then the terms change, sir. Okay. It always happens like this, sir. If I go to Bajaj Auto or Telco to give goods, I will give goods on their terms. Same thing happens with

Havells also, sir. We give goods on their terms. Rest of the people are told that these are our terms. Sir, the dynamics change from time to time, Lalaram ji. In that situation, we are capable of sorting it out at that time.

Lalaram Singh: Amazing, sir. One final question. Historically, our biggest customer was Hindware.

Amit Kaushik: Sir, in 6-8 months, it will be Havells in a year. It has started to come to par with Hindware, sir. Okay. Sir, we have also made a lot of efforts with them for many years. Vinay sir knows that it took us 1.5 years to start the supply. We had a lot of challenges with them. But they supported us a lot, sir. Our efficiency in operations increased. Our work was good. The quality standards increased after their arrival. Now, their order positioning is such that we can take as many orders as we can give.

We believe they are a company to move forward with in time to come, sir. When the Indian market will be of 4, 5 million, these will be the biggest players, sir. So, we bank on them. We pay a lot of attention to them, sir. And we make a lot of efforts to meet their requirements, sir.

Lalaram Singh: Okay. So, I think my question was that in the last few years, I think Hindware has not grown so fast. A lot of other players have grown. But our company has shown a good growth. Which basically tells me that you have won and grown with new customers. So, is that correct?

Amit Kaushik: Yes, sir. Nikhil Vora sir used to ask me Amit, which new customer I have added. I didn't understand why he was asking. So, which new product are you adding? Later, I understood what is de-risking. So, sir, we have done de-risking. See, we give products to Crompton and IFB. Quantum is more or less, it doesn't matter. It is your business relation. Sometimes it will increase. We give to Havells and Hindware. We give to Sunflame, KAFF and LivePure. There is a brand by the name Pure Flame. Not known to the people. But after Faber, it is almost number 2 in the Cochin market. It is very strong, sir. In Karnataka market, there is a brand by the name of Koche. It is a very premium brand. They sell very premium products. Like people have come to know about Beyond. So, in that way, it is not known. But they are doing very good business, sir. They are also doing a very good job.

Asian Paints takes material from us for Sleek. So, they take Flipkart from us. Flipkart gets Kenstar made directly from us. Kenstar or White

Label, whatever has to be done, they take for chimney's from Hyderabad plant.

Lalaram Singh: Amazing, sir. I would like to visit your facility if possible.

Amit Kaushik: Anytime, sir. It is your factory. Come any time.

Lalaram Singh: Thank you so much for your hard work. Wishing all the best. Thank you.

Amit Kaushik: Thank you, sir.

Moderator: Thank you. We will take another follow-up question from Rahul. Rahul, you can go ahead.

Rahul Kothari: Sir, what is your vision related to export market for the next 3 years?

Amit Kaushik: Sir, we already have a presence in Dubai. We have started exploring. The first focus was the upgradation of Panchkula plant, which will be completed by 31st December. The second focus is the new setup of components. Because I think there will be a problem in the supply chain in the coming time, issues will arise in a year or two. Let's secure that. And already we have one small setup in Dubai which is not directly with us. But we have hired someone there. And we think that in the next 7, 8 months, our concentration and focus will increase for exports. In the next financial year, we will participate in 3, 4 exhibitions.

And very shortly, in the next 1, 1.5 years, you will see that we have started exporting some products to other countries. When we are going to export, there is a direct competition with China. China's prices and availability of different models, all kinds of things are available we have to compete with them. We have made a strategy for that too. But it will take another 6-8 months for us to bring some results and show some results.

Rahul Kothari: Okay. And the second question is, as we have plants in North and South, are we planning plants in East or West in short tenure?

Amit Kaushik: No, sir. I want us to do maximum production increase from Panchkula, because this plant has matured a lot. Labour, officers and managers have matured a lot. And after the Hyderabad plant, we understood how difficult it is to train and prepare people. Sir, if you are very mature for one product it does not mean that you will be able to give that good of

a contribution. It's like telling an opening batsman to go 4 down and tell a 3 down batsman to open. There is a challenge for them.

It's the same situation, sir. So let's concentrate on these two. Let's make 1 lakh chimneys from this. And let's not do further CapEx outside. Let's do what we have to do here.

Rahul Kothari: Okay. And sir, our business model is that we make products for the brand of others, ODM model. This model will remain ahead of us, right?

Amit Kaushik: Chimney will remain our ODM, sir. We have a very good design team located at Hyderabad plant. But we are not ODM in all the other products, sir. We are just assemblers. We have orders. We get materials from China. People can't get it directly because of BIS. And BIS is not easy to get for everyone, sir. It is a very costly affair now. And it is not easy to get it, sir.

Rahul Kothari: What about dishwasher?

Amit Kaushik: Everything, sir. Gradually, all the products will be in BIS, sir. The products that are not there will also be there in another 6 months to 1 year, sir. Because the focus of the government is very clear. Bring components from China but not CBUs. Okay. See, the government is running on focus, sir. Even if there is an assembly here, there is some employment generation, right, sir? Before Inflame, there was no major manufacturing of chimneys in India. Today, Inflame alone has about 700, 650, 700 people working directly. And indirectly also 3,000, 4000-5000 people who are supplying components to different locations and all those things. So, sir, Inflame has made a contribution, right?

Rahul Kothari: So, sir, by far, Inflame is the largest chimney manufacturer in India?

Amit Kaushik: It is. On OEM circuit, it is the largest.

Rahul Kothari: Largest. Okay. Got it.

Amit Kaushik: Okay, sir.

Moderator: Sir, this is the last question for the day from the chat. Dheeraj Reddy is asking, our vision is to grow 35% for next 4-5 years. Is that how the demand is also shaping up?

Amit Kaushik: Demand for chimneys year-on-year is about 12%. But it's not only coming from chimneys. And we are set to take higher market share also, in next couple of years. But it would also be contributed from other products. As I said, eventually we will reach 65%, 60%, 65%, 70% in chimneys. 25%, 30%, 35% will come from other products. So, the growth of those categories also has to come.

Moderator: Yes, sir. Thank you, sir. Since there are no further questions, would you like to give any closing comments?

Amit Kaushik: Yeah, I want to thank everyone for joining us. And I would also like to assure each one of you that we are putting in all our genuine and honest efforts in making this happen. When we started this, there were big challenges. The entire market was flooded with China's products. There was no scene of Make in India. There was no attempt by BIS to put all these products under BIS preview and stop getting the CBUs from China. But slowly, all these things followed. We have already seen very tough times. COVID came in 2021 when we started. There was a fire in our factory in 2022. We have seen all those bad phases. And we have come back strongly every time we were forced to the wall. So, please be assured of one thing that we will not fall, sir. Sometimes, the pace will be high and sometimes it will be slow, sir. But the direction is right.

We are taking all possible right decisions and steps to make it large and unstoppable. We want to maintain this pole position for years to come. And our policies and our efforts are to make sure that we remain number one manufacturer in the country as far as these products are concerned. And for that, we are focusing very well on quantity, quality and cost of production. Thank you very much for showing trust in us. And we can assure you that we will do our best to make it happen and make it large.

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