



June 03, 2026

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400001

Scrip Code – 543597

Subject- Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcript for Q4 & H2 FY 2026 Post Earnings Conference Call held on June 01, 2026.

Dear Sir/Madam,

With respect to above captioned subject, please find attached herewith transcript of the Conference Call for Analyst and Investors held for Q4 & H2 FY 2026 on June 01, 2026 at 10.30 A.M. IST (12:00 hours).

Kindly take the same into your records.

Yours faithfully,
For Virtuoso Optoelectronics Limited

Prasad Zinjurde
Company Secretary and Compliance Officer
M No. A54800



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Virtuoso Optoelectronics Limited

Q4 & H2 FY26

POST EARNINGS CONFERENCE CALL

June 01, 2026 10:30 AM IST

Management Team

Sukrit Bharati - Managing Director
Sajid Shaikh - Chief Financial Officer

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q4 H2 and FY26 post earnings conference call of Virtuoso Optoelectronics Limited. On the call from the management we have with us Mr. Sukrit Bharati, Managing Director and Mr. Sajid Shaikh, Chief Financial Officer.

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 a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended March 2026, the growth perspective and vision for the coming year, post which we will open the floor for Q&A. Over to you sir.

Sajid Shaikh:

Good morning everyone and thank you very much for sparing your valuable times to join this session. I would request Rajiv to please run through the presentation please. Can you just move on? Rajiv?

Moderator:

No Rajiv, it's not visible. Just a sec, let me share.

Sajid Shaikh:

Yeah, it's visible now. Can we move forward? So to start with, I would like to say that this, the year that has gone by, '25-'26 was a year that was a year that defined the resilience that Virtuoso has. I think despite of the fact that we had a very challenging H1 with multiple factors at play, we still were able to recover the entire year through the last six months. And overall, I think the year has gone decently well for us.

These are the numbers that are currently displayed on the screen. I think we have closed the year at INR823 crores, which is roughly 18% of top line growth, vis-à-vis what we did last year. The EBITDA numbers have also improved significantly. If you see the overall absolute numbers from a 60-odd crores of EBITDA, we have moved to about INR86 crores EBITDA. The percentage margin also is relatively better, I think, decently better. From an 8.6%, it has moved to 10.4%. The PBT levels have remained more or less stagnant, because of multiple factors, because this is the first year that we have moved to Ind AS. And the right of use assets have played their role as far as the overall waterfall from EBITDA to the margins are concerned.

Profit after tax has also shown a slight improvement from a 1.7%, it has moved to 1.8%. On an absolute terms, I think from a INR12 crore ballpark PAT margin that we had in the last year, we have moved to a INR15 crore PAT margin this year. These are the numbers, of course, that I am talking from the consolidated point of view.

Q4, when you see Q4 also, I think Q4 also has a story to tell. Last year, Q4, Q4 25 was an excellent Q4 for us, an excellent quarter for us, where we did INR240 crores. But this year, we have beaten that number also by a decent margin. From a INR240 crores, we have done INR317 odd crores, kind of a number in Q4. And I think Q4 of this year has been the mainstay as far as our comeback is concerned. So, that's an important number that has come about.

Can we move forward? So, these are the numbers that we are displaying. The overall from '21 onwards, the CAGR has been 49% as far as revenue is concerned. EBITDA also has moved about 47%. PBT margins in excess of 50%, 56%. And PAT numbers also in excess of 52%. So, that is the kind of growth that we have been able to show over the last six years.

Can we move forward, please? I will just spend a little while over here is what we are trying to do now going forward from FY26-'27 onwards. The first thing here is that we have been able to set up capacities in all four segments. The four segments that we have, the broad four segments that we classify our business into are EMS and lighting, AC, refrigeration, which includes commercial refrigeration, and compressor, which is a new segment. In all of these segments, we have been able to invest and create capacities.

Going forward this year onwards, we intend to increase utilization, transfer these assets to the maximum possible. And also, we want to increase capacity going forward here as well. I mean, if I go segment wise, when you talk about LED EMS, I think we are in the process of adding a new facility altogether for EMS, which will be an advanced kind of facility in comparison to what we have now. So, that is what we are doing in EMS. In AC, we are looking to, as we move forward in the further slides, there will be more description on that. But AC also, we are trying to increase capacity. So, one is the capacity that we have already established. We want to ensure that utilization goes up there. And at the same time, we want to increase capacity.

In line with what we have been doing as a philosophy, I think as a company philosophy over the last six, seven years, we intend to

continue with that in terms of deepening our backward integration, whether it is in EPS, plastics, CFF, we already have EMS capabilities that I just spoke about. We are happy to announce that the new tool room that we have in Nasik has also become operational and it is currently being scaled that, the turnaround times in terms of our product developments, etc., is faster. We also want to grow on the ability that we have been able to acquire last year. Last year was a significant year for us because of the fact that in the AC segment specifically, we moved from being an OEM to an ODM. This is what has helped us in acquiring additional customers. And going forward also, I think that will help us stand in good. And VOEPL, in addition to this, is also working continuously in trying to develop newer products, options, and add or offer more variety to our customers.

Beyond which we are also looking to grow in the high potential categories. AC, I have already spoken about. Compression production -- compressor production is something that has really been exciting part for us. I think this is something that I missed in the initial part of it. January, we have started commercial production compressor. And we are, as we speak now, I think it's the fifth, sixth month of production and we are already running at about 60%-odd capacity utilization. And we are very confident that I think going forward in the next two to three months, we should be running at about 80% odd kind of a capacity.

In the commercial refrigeration bit also, we have added our offerings. We have, in addition to the hardtop that we have been manufacturing now, we have added the glass top range also.

Can we move forward? So, these are the growth levels. We have capacity utilization being one of them. We are talking about the non-AC segment acceleration, refrigeration and compressor. ODM, I have already spoken about. And I have also spoken about the backward integration.

Can we move forward? These are the capacities. EMS, from the current 4 lakh CPH, we are moving to 8 lakh in the first phase and 12 lakh in the second phase. AC as a set, we are currently sitting on a capacity of about a million. And we look to take it to about 1.8 million by the end of this year. Defreezers, I think we have spoken about it earlier also that the current capacity is 1.5 lakh units. Plant capacity is 4 lakh units, which will happen in two phases. The first phase is where we want to move it to 2.5 lakhs and then 4 lakhs. And in compressors, the current capacity is 2.8 million. We want to take it to 6 million

before the end of this financial year. Work towards this has already started.

Can we move forward? So, these are the growth drivers. We have strong domestic demand. In all the segments that we are present in, there is an active push from the government in terms of localization that is also kind of providing us statements. When we talk about the compressor segment, I think the announcement from the government where they have given so-called relaxation for the import of compressors, the reciprocating compressors in the segment that we are in, I think 40% is what they have given us, which is a very good signal for us. It directly means that 60% of the requirement of whatever the manufacturing companies have today will have to be sourced locally, which directly opens the gates for us because as of now, we are the only ones who are doing this in the OEM/ODM space, reciprocating compressors. Of course, we have a strong blue-cheek customer base.

I think all of the segments now have marquee customers, whether it is LED, EMS, AC, deep freezers, as well as compressors. And beyond the central government PLI scheme, we have also Maharashtra electronics policy, which is also helping us scale up and accelerate the growth plans that we have.

This is one, I would just like to touch base upon one area I had is that till last year, it was more of a single product company that we were. I mean, a lot of dependence was there on the AC segment, where AC was almost contributing till last year to about 70%, 75% of our revenues. From there, AC -- dependence on AC has gone down to about 60% roughly. So, the rest of 40% is coming through the other segments that we have spoken about. And this is a very encouraging trend that has come up, a change that is going to help us in the long run. And shifting from OEM/ODM that I have already spoken about.

Yeah, I think we can move forward. This is how we are currently placed. Virtuoso Optoelectronics as a listed company, we are a flagship company. We have two subsidiaries, Virtuoso Compressors Private Limited and Virtuoso Polymers. Polymers has two units, one of them at Sanand and one in Chennai. Compressor is also looking to have a separate manufacturing facility of its own in Nasik. Hopefully, very shortly the development work on that site is going to start.

These are the broad numbers that we talk about in terms of the AC components and EBITDA models.

We can move forward. This is what I spoke about where air conditioner has gone down from about 75% to 60%. EMS is around 15%. It has been there. Commercial refrigeration 10%. Components is something that has taken up a good amount of space last year and I think it is rising, 7%. Compressor this year is going to be even more than that. I think we had only three months of actual production that was available to us in the last year. And within that short period of time, I think Compressor was able to contribute a good revenue share.

Yeah, we can move forward. I think most of this is anyways. So the revenue scale, yes, as a company, I think we are looking at a 35%, 40% kind of a CAGR going forward in the next three to five years that we have been seeing and we continue to stand with that. I think that is one number that we are looking at. OEM/ODM, we have already spoken.

Yeah, so that was a brief. Yeah, Vinay?

Question-and-Answer

Moderator: Thank you. [Operator Instructions]. We will take the first question from Dhruv Jain. Dhruv?

Dhruv Jain: Yeah, thanks a lot for the opportunity and congratulations Sukrit and Sajid for very good numbers. My first question is on price hikes, right? So what we have seen is that the AC pricing has really moved up given raw material prices, etc. So just wanted to understand, A, what is the kind of price hikes that you have taken? And incrementally, do you expect your margins to remain where they are in this year, at least from an AC perspective, or do you see some pressure there given the raw material pricing? That is my first question.

Sajid Shaikh: So I think to answer your question, I would say that whatever pressure came on the margins owing to the fact that there was an increase in the raw materials, the price hikes have been able to kind of cover that. We cannot say at this point in time that there has been any real gain. But the only thing that I can say is that whatever was the pressure on the margins, whatever is that we probably were kind of losing out there has been compensated. That is the only thing that has happened as far as the hikes are concerned. Going forward in this year also, we expect the margins to remain where they are, unless of course there are any other macroeconomic jolts.

Moderator: Sajidji, there is some disturbance behind you.

- Sajid Shaikh:** No, it is not me. I think there is somebody else.
- Moderator:** Okay. Continue.
- Sajid Shaikh:** Yeah. So was I audible when I answered the question?
- Moderator:** Yeah, yeah, yeah, yeah.
- Sukrit Bharati:** Just to add to that, the reason why, I mean, our margins were already below or lower because we were an OEM and ODM range has recently been introduced. So of course, we have not been able to probably get the advantage that we should have hoped to get as an ODM. So margins to that extent are not ideal, but the pressure I think will persist. So I think there are two ways this will end probably. If the rates settle down at a certain price, right now there is uncertainty of the RM rates in the market. Once we know for sure that they are settling at a certain level, then I think the market will also adjust their pricing based on that and effectively we will also get passed on whatever the balancing rates are.
- But till the final RM price is derived or the market price is established, our pricing is difficult to completely become immune to the fluctuation. So there has been an impact, but the impact has been sort of mitigated with a combination of multiple reasons. One, of course, addition of customers, second, old inventory, and third, government support in terms of subsidies. And fourth, because of product diversification. So that is that has been the story of last year. Let us see how this year goes. Thank you. I hope I answered your question. Exact percentages are difficult, but I hope I broadly answered it.
- Moderator:** Thank you. We will take the next question from Garvit Goel. Garvit, you can go ahead. Garvit? Okay. We will take the next question from Siddharth Jain. Siddharth, you can go ahead.
- Siddharth Jain:** Yeah, hi. Good morning, team. And congratulations to sir and Sajid sir. Sir, firstly, we have a -- one of the slides shows the capacity expansion plan that we have. If you can just give us a timeline of when do we expect these different capacities to come online that will be helpful?
- Sajid Shaikh:** EMS is expected to be online, I think, in the next three months time. It is already underway. So that is EMS. AC is also an ongoing process, the movement from 1 million to 1.8 million, as I said, which would be completed within this FY hopefully before we enter the next season,

AC season. But I think that is going to also going to happen incrementally. So from 1 million to 1.3 million, probably before the season is definitely on the cards. And again, as I said, within this FY, we need to take it to 1.8 million. Freezes also should happen, the first phase should get completed before the end of, before the start of the forthcoming season. Compressors, as I said, is a 9 to 10 month journey. So the next phase of expansion from 2.8 million to 6 million should happen let us say by March.

Siddharth Jain: So what will be the CapEx outlay for these CapEx plans and how do we plan to fund them?

Sajid Shaikh: So compressors we have already tied up. So compressor is INR150-odd crores kind of an investment that is going to happen over the next 1 year. That is phase 1 of the expansion. That is already tied up. And beyond which I think the rest of it is also tied up. EMS is something that we have already spoken about in the last investor call as well. I think there is a INR25-odd crores kind of investment that is happening. That is tied up. AC is something where we will require points. But I think we are looking at debt as a primary option there. And as time approaches, we will see what else is required. But I think for now, whatever is required appears to be tied up. There might be some requirement that might come up in the next 1 or 2, 3 months. We will just see how it pans out and depending on that, we will look at it.

Moderator: We will take the next question from Raghav Maheshwari. Raghav, you can go ahead.

Raghav Maheshwari: Hi, am I audible?

Sajid Shaikh: Yes, you are Raghav.

Raghav Maheshwari: Hi, sir. Good morning and congratulations on a great set of numbers. So, my first question is around the compressor segment. So, as of now, can you tell us the capacity utilization that we are running on?

Sajid Shaikh: About 60%.

Raghav Maheshwari: 60%, okay. And sir, for the AC segment, in total, how many customers do we have right now?

Sajid Shaikh: We are currently catering to 4.

Raghav Maheshwari: Currently catering to 4. All right. And are we in talks to finalize some new ones?

Sajid Shaikh: Yes, there are. But I think especially during the last 1 or 2 months, our capacity was getting fully utilized. So, there was capacity constraint and hence, we were not able to add back this year. But I think going forward, hopefully, in the next season, we might have 1 or 2 new names as well.

Raghav Maheshwari: Right, sir. And so secondly, sir, like we mentioned that our capacity is like compressor is running at 60% and AC, like you said, we have already exhausted. So, for this 30%, 35% growth that you said in the initial remarks, where is that -- like, do we have the headroom for that in terms of capacities?

Sajid Shaikh: Yes, we do have headroom for capacity. So, when I am saying capacity, see again, AC is something where we need to understand that during the season we are talking about the key capacity utilization.

Raghav Maheshwari: Understood, sir. And sir, my next question is regarding the mainboard migration, sir. In your last intimation, I think we have got the approval. So, can you give us a timeline, like, by when can we see this happening completely?

Sajid Shaikh: So, we have received the in-principle from BSE. We are expecting the in-principle to come from NSE in the next maybe week or so. Beyond which we are told that there is another four to six weeks that we require for the actual migration to happen. So, listing is the next part of it, which will take four to six weeks.

Raghav Maheshwari: So, I think by the end of August, is it safe to assume?

Sajid Shaikh: Yes. Let us hope it does not go that long.

Moderator: Thank you. We will take the next question from Shreyansh. Shreyansh, you can go ahead.

Shreyansh Jain: Hello, am I audible?

Sajid Shaikh: Yes, Shreyansh, you are audible.

Shreyansh Jain: Yeah. Thank you for the opportunity. Sir, a couple of questions. Despite ongoing energy crisis, commodity inflation and BEE norm change, our margins were better as compared to peers. So, could you

please throw some light on what are the initiatives being taken by us during such a situation to protect our margins?

Sajid Shaikh:

One is that in the first nine months, if you see, the margins were mainly, you can say, supported by the fact that we did a lot of components in the first nine months. I think that was one major factor that helped us keep our margins to that level. Because AC in general is a low margin product, even with the entire series. So, we do not really believe that there is something extraordinary that we would have done there. But components as a product mix, what we did was able to help us. Secondly, a little while ago, Sukritji was saying that we from an OEM to an ODM. So, I think it did not help us in increasing the margins in general, but I think retaining the margins or protecting the margins was possible primarily because of that reason. I think when you look at the overall numbers and have these two factors on your mind, I think that is what helped us. Although there was a slight decline when you see from Q3 to Q4, again, of course, because of the fact that we did more ACs in Q4. So, when you see Q3 and Q4, you will realize that there has been a slight drop in our margins.

Sukrit Bharati:

And just to add the margins definitely are something that we are also fighting for with our customers and we have customers have also supported, I think we appreciate that also, to the extent that they can, they have also supported. But one point just to add is product segmentation mix also happened. So, that also helped. So, it was a combination of multiple things, not one specific thing that sort of came to the rescue. And like we have been discussing for the last couple of years, diversification was something that we were doing so that we are better prepared for such situations. And I think that situation came faster than we had anticipated. But so, this is where we are. Hopefully, this will lay the foundation to better results going forward.

Shreyansh Jain:

Okay. So, could you quantify what percentage of revenue is coming from ODM in RDC, sir?

Sukrit Bharati:

I do not have the exact percentage number, but I believe this year, revenue from ODM was between 40% and 50% out of the AC revenue.

Moderator:

Thank you. We will take the next question from Bala. Bala, you can go ahead.

Bala Murali Krishna:

Yeah, good morning. Sir, my first question is regarding that CAPEX plans. So, earlier also, we have a target to increase or decrease the

capacity from 150K to 400K, but it is not materialized. So, how do you think that whatever outlet and shown in the presentation of this quarter will get materialized as per the timelines and also mostly in this current financial year?

Sukrit Bharati:

Sorry. So, last year, because of the overall slowdown in the market, and for us also, it was important to conserve cash. Hence, we did not push on projects which were not absolutely essential. Expansion will continue to be part of strategy and we will continue to work towards expansion based on demand and, of course, availability of resources. So see, plans are definitely plans. I mean, 100% execution of plans is not always in our control. But the idea is that we try to stay as close to the possible roadmap that we give out is the intention.

Bala Murali Krishna:

Okay, thanks. On the compressor side, actually, could you please help me to understand what the average realization of the compressor and also when it comes to margins front. So, in previous quarters, we are maintaining 11% margins. So, when we are expanding other products also in this current financial year with the compressor and the freezers and EMS. So, do you accept the overall margins of the FY27 could be around 12%? Is it possible?

Sajid Shaikh:

Well, this is a very wishful number. I think we will try and keep it closer to double digits. So, between 9% and 10% is what we expect.

Moderator:

Thank you. We will take the next question from Kaushal Sharma. Kaushal, you can go ahead.

Kaushal Sharma:

Hello. Yeah. Hi, sir. Am I audible? Very good morning.

Sajid Shaikh:

Yeah. Good morning. You are audible, sir.

Kaushal Sharma:

Yeah. Sir, my question is on your CapEx, like you have said that we are expanding EMS, AC, freezer and compressor. So, what kind of asset turns are we expecting in this or what kind of peak utilization level or potential revenue are we expecting from these additions? And sir, you said that AC may require a CapEx. What is the quantum of the CapEx and what amount of debt we are requiring in this?

Sajid Shaikh:

So, three questions. One is you spoke about the asset turns. For each of them, the asset turns are different. I think EMS asset turns are between 3 and 5 depending on what product we make. Air conditioners, the asset turn is again 4 to 5. Refrigeration is also between 4 and 5 as of now. For compressors, as long as we do not

backward integrate, the asset turns are around 4, 3.5, 4. So, that is the first question that you had asked. The second question was the peak capacity utilization. So, when we are saying peak capacity utilization, if you annualize that depending on the seasonality, etc., the current set of expansion that we are looking at is good enough to take us beyond INR2,500 crores.

- Kaushal Sharma:** 2500 crores, yeah. What is the quantum of the CapEx
- Sajid Shaikh:** So, you also -- the third part was the AC would require about INR40 crores to INR50 crores of investment.
- Kaushal Sharma:** So, the entire would be funded from the debt?
- Sajid Shaikh:** That we will see as we go ahead. Some of the debt we have already tied up.
- Moderator:** Thank you. We will take the next question from Kunal. Kunal, you can go ahead.
- Kunal Tokas:** Audible, sir?
- Sajid Shaikh:** Yes, you are.
- Kunal Tokas:** Okay. First question, if you can tell the CapEx amount for each segment, AC you have already told, INR40 crores to INR50 crores and compressors for INR150 crores, if you can tell those numbers about the other segment
- Sajid Shaikh:** Refrigeration is in two phases. So, refrigeration is in two phases. I think the first phase would require about INR20 crores, INR25 crores. The second phase again will require a similar kind of number. So, between INR25 crores and INR50 crores in the two phases that we are talking about as far as compressor is concerned. EMS, I think I spoke already, it is about INR25 crores that we need to spend there.
- Kunal Tokas:** Okay. And about compressors, what percentage of the -- I mean, have you already started tying up the expanded compressor capacity for FY27?
- Sajid Shaikh:** What we can say that we have enough interest on this product, which gives us a confidence that the additional capacity will also be booked pretty fast.

- Kunal Tokas:** And this will come up in 9 to 10 months, right?
- Sajid Shaikh:** Yes.
- Kunal Tokas:** What revenue contribution and EBITDA margin do you expect from the compressor business in FY27? And for the margins, what progress do you see from '27 to '28?
- Sajid Shaikh:** So, margins, I think we have spoken earlier also, margins is a two-way story, two-factor story. So, one of them is the -- as long as Chinese imports are allowed and the quantum of Chinese imports that are allowed, that will dictate the margins. So, from 100% kind of a situation that we had when we started to a 40% that I spoke about earlier, the margins are going to stay between 6% and 7% this year. And with the complete -- hopefully the complete stoppage of import from China, this can move closer to double digits in the next 2 years.
- Kunal Tokas:** Okay, sir. The other question was about the RAC volumes in FY27, the growth in RAC volumes, if you can give that and what utilization are you targeting for this year FY27?
- Sajid Shaikh:** So, RAC utilization between 60% to 65% is very healthy in our understanding and experience. So, I think that is what we are targeting for. And growth is going to be around 30%-odd, 30% to 40% growth.
- Moderator:** Thank you. We will take the next question from Omkar. Omkar, you can go ahead.
- Omkar Dandekar:** Am I audible? Hello?
- Sukrit Bharati:** Yes, yes, you are. Please go ahead.
- Omkar Dandekar:** First question is my, currently how much value addition are we doing in compressor? And for next few years, what are our plans in this product? Will we focus more on volumes or on macro integration?
- Sukrit Bharati:** I think we have spoken earlier as well. The idea is to first ramp up capacities. The initial target, capacity target for us is about 8 million. So, from 2.8 to 6 and let us say 8, 8.5 million is what we want to take this capacity to. The value addition as of now is between 5% and 10%. It will remain at the same levels till the time that we are able to hit the capacity target that we have. And once that is there, post that, that is the phase two of our plans is where we will start increasing the backward integration. The idea is to take it to maybe about 60% odd

in the next five years. But that will happen once we have reached the capacity targets.

Omkar Dandekar: Okay. What will be the margins on compressors?

Sajid Shaikh: I think I have already spoken this year. It should be between 6% and 7%. And progress as we have both these scenarios unfolding, one of them is the government restrictions on imports from China. And the second one is, of course, the backward integration. I think both of them put together, this can exceed double digits as well. So, the journey from 6% to 7% will start this year. And in the next 4 to 5 years, we hope that it will probably hit 11%, 12% kind of a number.

Omkar Dandekar: Yes. Question is on capital allocation. We are planning to raise around INR250 crores via equity and INR150 crores via debenture.

Sajid Shaikh: So could you please come a little more clearer. I'm not able to hear you.

Omkar Dandekar: Question is on capital allocation. We are planning to raise around INR250 crores via equity and INR150 crores via debenture. So, could you please throw some light on what are plans going forward?

Sajid Shaikh: That INR250 crores is a blanket approval we have taken. I mean, it does not mean that we are going to raise INR250 crores or the timelines in which we have to raise this INR250 crores. That is just a blanket approval we have taken. INR150 crores, of course, is there that is going to come in the subsidiary. And that is the exact amount that is going to be needed in the subsidiary for the first phase of the expansion from 2.8 million to 3 million.

Moderator: Thank you. We will take the next question from Abhishek. Abhishek, you can go ahead.

Abhishek Hindocha: Hi, good morning.

Sukrit Bharati: Good morning.

Abhishek Hindocha: So, my first question, I want to relate to one like this year Q4. We see the employee expense are significantly increased. Can you give me some clarity on that?

Sajid Shaikh: You are saying employee expense?

- Abhishek Hindocha:** Yes, sir. Yes, sir.
- Sajid Shaikh:** See, we started off very small. And as time has progressed and we have started diversifying, we are trying to create a structure. And obviously, new people are getting hired. The capacity is that we are talking about multi locations where we have two plants in Chennai, one is Sanand, and multiple locations within Nasik as well. So, I think all of that and the structuring where we are trying to bring in the business unit head methodology where we have each of the businesses being headed by a unit head. So all of that plus the teams that are required. So, I think the levels or the hierarchy is now getting established. And obviously, that is going to add to the cost over there in that column. I think nothing extraordinary beyond that.
- Abhishek Hindocha:** Okay, sir. And second, on receivable side. Trade receivable, we can see like this year also a significant like, there is we can any trouble in cash collection? Or it is a normal thing?
- Sajid Shaikh:** No, it is a normal thing. I think there is not much I think the numbers are at par with what one would expect.
- Abhishek Hindocha:** Okay. And in EMS side, you will increase your capacity in two phase. So, can you just give me the phase one and phase two timeline, when you are planning to...?
- Sajid Shaikh:** Phase one is happening in the next three months itself.
- Abhishek Hindocha:** Okay.
- Sajid Shaikh:** By end of August, we should be ready with phase one expansion. And by the end of this FY, I think phase two will also get completed.
- Abhishek:** Okay.
- Moderator:** Thank you. We will take the next question from Rupal. Rupal, you can go ahead.
- Rupal Ratnawat:** Hi, Sajidji. Good morning.
- Sajid Shaikh:** Good morning.
- Rupal Ratnawat:** Thanks for the opportunity. I just wanted to have a clear guidance on balance sheet size for the FY27 and '28. Like since we have got funds

tied up, so, what kind of debt and equity situation we could see on the balance sheet for the next two years?

Sajid Shaikh: Debt and equity is what you are trying to look at. I think going forward, the debt is INR150 crore is what is getting added on the subsidiary this year, of course. There will be some equity that gets added so that we balance out the story. Very difficult to predict the exact numbers over there. But I think in the listed company or the HoldCo if I am talking about there will be a net addition of about INR50 crores, INR60 crores of debt this year.

Rupal Ratnawat: Okay. And we have taken a blanket approval of INR250 crores. So, any little guidance on kind of equity we might raise because earlier we had guided we would be keeping a certain ratio for debt equity. I guess it was one is to one?

Sajid Shaikh: Yeah, correct.

Rupal: Right. And okay. On the second approach that we are moving towards an ODM model in the AC segment, if we have any, if you can throw any light on the average realizations, because since we are moving to an ODM model, they might have increased from what they were previously.

Sajid Shaikh: Realizations have remained stagnant. I think we have spoken earlier also on this but we hope that we probably will be able to get a little more, because of the fact that we have become an ODM. But I think for now, and the volatility that's there in the market, the realizations are pretty much similar. The average realization at a CBO still stays about 20 odd, 20-odd thousand.

Rupal Ratnawat: 20-odd thousand for the unit?

Sajid Shaikh: Average realization. Of course, there will be the lower and the upper end to it, depending on the model, etc.

Rupal Ratnawat: Yeah. Okay, understood. And I just wanted to check again, the INR150 crores that we'll be raising in the subsidy for compressor that is enough for the 6 million unit capacity over the year end?

Sajid Shaikh: Yes. Yes.

Rupal Ratnawat: That's from my side. Thank you so much.

- Sajid Shaikh:** Thank you.
- Moderator:** Thank you. Thank you. We'll take the next question from Garvit. Garvit, you can go ahead.
- Garvit Goyal:** Am I audible?
- Sajid Shaikh:** Yes, you are.
- Garvit Goyal:** Good morning, sir. Sir, first question is on the demand environment side. Currently, what kind of environment are we seeing, particularly on the RAC representation and EMS side of it? Like how the primary and the secondary market are working for us?
- Sajid Shaikh:** In the AC segment, I think we are seeing enough and good demand. Also, because of the fact that we have become an ODM, I think that's one more factor. The second factor is that the base, the kind of base that we have is also pretty small. So for us, the runway is quite long. And yes, of course, the demand is also there. Numbers for March, I'm sure you all know it. April, May, June also looks to be on course to be an excellent quarter as far as RAC is concerned.
- Garvit Goyal:** And on representation and EMS side of it, sir?
- Sajid Shaikh:** I think we have enough demand in both the segments. That's one of the reasons why we are expanding. I think that's an indicator that we have good demand.
- Garvit Goyal:** That's good. And you mentioned about the 30%, 35% growth and EBITDA margin, maybe in the range of 9% to 10%. But what kind of PAT margin range are we expecting? Because I think depreciation will also kick in.
- Sajid Shaikh:** Depreciation will kick in, of course. I think PAT also should start improving going forward. So whatever adjustments we have moved from the I-GAAP to Ind AS this year, a lot of adjustments have taken a toll on the PAT margin this year. But I think going forward, PAT margin should improve. Can't predict as of now, but I think a 50 to 100 basis points improvement is expected over the next two years.
- Garvit Goyal:** And on the compressor side of it, with this extension on the restrictions of the import, is it going to slightly negative for us in the near term or how do you look at it?

- Sajid Shaikh:** It's a very positive signal for us. Positive because the restrictions have not been completely lifted, but the allowance that has been given is only up to 40% of the import that any manufacturer would have done in the base year, which is '24-'25, which eventually means that almost 50%, 60% of their requirement, they have to currently buy from us. If there was a 100% restriction applied now, there would have been chaos in the market because apart from us, there is nobody else as of now. This is our understanding. Nobody else as of now is doing this compressors in the OEM/ODM segment. So obviously, this has to go in a calibrated fashion. It will go step by step. And I think whatever best was there has come out for us.
- Sukrit Bharati:** I think, sorry, just to add, government has also taken a very conscious call. They have calibrated and understood what capacities exist in India. I mean, capacities not just of OEM/ODM, but also of companies manufacturing their own compressors and refrigerators. So that capacity also they have taken into account. They have also taken into account the capacity that are planned to come in this year. So I think the decision from the government is also very wise. And we support it because model validation, customer validation of the model, and all of that also is a long process. So we hope that things can settle in. And since the demand gap is quite big, we hope our capacities we will be able to book at a decent level, even if there is, I mean, even with the planned addition of one or two competitors that will come in over the next year or so.
- Garvit Goyal:** Thank you.
- Moderator:** Thank you. We'll take the next question from Jitendra. Jitendra, you can go ahead.
- Hitendra Pradhan:** Yeah. Yeah. Hi, sir. So I hope I'm audible. First of all, congrats on the good Q4. Just to continue on the QCO discussion. Sir, if you can elaborate, like what are the capacities that are coming? And you mentioned that this is a positive for us, but did it change any of our timeline? I mean, in terms of adding to our current capacity, because I think the previous guidance was we were going to take our capacity to 7.5 million compressors by this year end. I think now it is 6 million. So if you can, like just elaborate on that. I mean, I agree with your point that a blanket or, you know, full kind of restriction would have created a chaos in the market. But does it provide time for our competitors to also build capacities? So if you can give us some colour on the landscape, who else is bringing capacities and how we are positioned, that would be helpful. Thank you.

Sajid Shaikh: Point number one. Yeah. Would you like to take this?

Sukrit Bharati: Yeah. So a couple of things. One, of course, we are aware of two competitors who plan to come in, timelines and details, I think, best they share. But I think we are expecting local manufacturing to start maybe by end of Q3 or Q4, or early Q4 for one and maybe mid next year for another one. I think the total capacities that are expected, I mean, the total gap in the market is about 14 million or 15 million as of today. And the total capacities, all capacities put together, I think are expected to be between 15 and 18 million as of now.

Of course, these numbers are subjective and subject to change also depending on how everybody behaves. So, but it also depends on what market share, what is the pricing of each manufacturer and what is the quality of product quality of product and service as we go forward. So, we believe there will be two or three players in this segment active in a year or two, which also makes for healthy competition, but we still believe that 6 million is a number that we will be able to fill. If there is opportunity, we will look at growing further to 7.5 million or maybe 9.5 million, 6 million was more to optimize the line productivity. Initially, we had planned for 7 million. The 7 million to 6.5 million is not because of the government order. It is more to optimize the line so that the operational costs are minimum.

If we continue to see demand and we are able to sign long term contracts, then we will further look at increasing to maybe a 9 million or 10 million number. So, I think we will wait for things to pan out. But this year, first, we go to 6 million. And we see how customers feel. And if they are happy with the product, and we are able to get good projections, then we will look at further capacity expansion in the next financial year.

Sajid Shaikh: Yeah, and just one more point here. So, the 7.5 million that we spoke about was also in two phases. It was never going to be in one phase and in one year, I think we have already stated earlier that we wanted to do it in two phase from the current 2.8 million to a 5 million and then to a 7.5 million. So, the first phase is still there, it is on as per plan, I mean, there is no change in plans.

Hitendra Pradhan: Right, right, right. No, no, you have told, it will be contingent on the QCO and how things pan out. Just wanted to, you know, check, we are currently, selling like 50% of the current capacity. So, we will be adding some more capacity in next few quarters. So already have

clients in pipeline, I mean, who sell these compressors, or we are going to add clients and all like how does it work?

Sajid Shaikh: We have enough interest, we have enough interest, I think we are confident we will be able to do that.

Moderator: Thank you. We will take the next question from Shrey Patel. Shrey, you can go ahead.

Shrey Patel: Hello, sir. Am I audible?

Sajid Shaikh: Yes, you are.

Shrey Patel: My question will be on the raw material side. How much of this raw material price variations are you able to pass through to our customers? And what is the typical time lapse for these adjustments?

Sukrit Bharati: How much? Yeah, please, please. Quantify actually last six, eight months have been not six, but effectively five, six months have been quite volatile. And so, pass on depends on multiple factors. Like I explained earlier, it depends on how much the market is absorbing, how much the customer is absorbing, how much inventory do we have in the pipeline. So, it is a factor of multiple things. But like I said, customers have supported, and between 10% and 15% as a ballpark figure has been passed on overall from manufacturers to brands and from brands to the end consumer. Also, see the pricing increase is not specific to us or anybody else. It is a phenomenon that everybody appreciates in the market.

So, we also appreciate the fact that customers are acknowledging it and they are trying to figure out ways to sort of help us as manufacturers as well. So, there is no --there is no direct number and it varies from customer to customer, product to product. So, there is a variation. But general thumb rule, like I mentioned is about 10% to 15% pass through that has happened overall across the industry so far.

Shrey Patel: Okay. And my another question is on the compressor vertical. So, we are making reciprocating compressors for refrigerators, right?

Sukrit Bharati: Correct.

Shrey Patel: So, are we having any future plans on manufacturing rotary compressors? That is for AC, I think.

Sukrit Bharati: Not yet.

Shrey Patel: Okay.

Sukrit Bharati: Not finalized anything.

Shrey Patel: Okay. Thank you.

Moderator: Thank you. Before we take our next question, I request all participants to limit the question to one. We'll take a follow up question from Raghav. Raghav, you can go ahead.

Raghav Maheshwari: Yeah, hi. Thanks for the opportunity again. So, as of now, our non-AC segments accounted for 40% in FY26. What is the path that we are looking for in FY27 and by FY28? Like, do we see 50-50 or more than that?

Sajid Shaikh: AC should remain at around 50%.

Raghav Maheshwari: Sorry, sir.

Sajid Shaikh: I think AC should remain around 50%.

Sukrit Bharati: So, again, this number is not something that we are hardlining. We want AC to be 50%, 60% as a good diversification. But depending on seasonality of product, depending on overall mix, there might be changes. It is just a guidance that we have set for ourselves considering the fact that as a company, we need to have a healthy mix. But in general, ballpark figure that we expect is 50% to 60%, yes.

Raghav Maheshwari: Okay, so that helps. Thank you so much, sir, and all the best.

Sajid Shaikh: Thank you.

Moderator: Thank you. We'll take another follow up question from Shreyansh. Shreyansh, you can go ahead.

Shreyansh Jain: Hi, thank you for the follow up. So, on PLI, this year would be the last year for PLI, right? So, are there any talks with government to renew the existing scheme or the next scheme would be only for players that are backward integrated? Could you please throw some light on that?

Sukrit Bharati: There is no concrete roadmap as of now that we know of. But I understand the government is working on some options to help

support the industry. But there is no concrete discussion that I can share with you today.

Moderator: Thank you. We'll take another follow up question from Bala. Bala, you can go ahead.

Bala Murali Krishna: Yeah, thanks for the follow up. So, last time I asked the question about the average realization of the compressor net. Could you please share that one? And also, when it comes to your guide, revenue potential of INR2,500 crores after all CapEx completion. So, do you think that the FY28, we can do that number given the AC demand is good similar to FY25?

Sajid Shaikh: Average realization for compressor is about INR1,400 to INR1,500. That's your one question. I think a jump from INR800 crores to INR2,500 crores in two years is a big ask. I think it probably will come, but it will take a little more time.

Moderator: Thank you. We'll take next question from Akshay. Akshay, you can go ahead. We'll take the next question -- yeah, I think he is unavailable.

Akshay Darji: Hello.

Sajid Shaikh: Yeah.

Akshay Darji: Yeah, good morning. I am audible?

Sajid Shaikh: Yes, you are.

Akshay Darji: Yeah. What will be the max debt in our financial year '27?

Sajid Shaikh: Sorry, I didn't get your question, please. Can you come again?

Akshay Darji: What will be the max debt in financial year '27?

Sajid Shaikh: Net debt, you are saying, or total debt?

Moderator: Akshay, you are speaking too close to the mic. If you can speak a bit clearly, your question is not audible.

Akshay Darji: Yeah. What will be the total debt in the financial year '27?

Sajid Shaikh: I am saying another INR50 crores, INR60 crores is expected to be added this year.

- Akshay Darji:** Okay. And what about the cost of borrowing?
- Sajid Shaikh:** Cost of borrowing remains at around 8%, 8% to 8.25%.
- Moderator:** Thank you. We'll take a follow-up question from Garvit. Garvit, you can go ahead.
- Garvit Goyal:** Hi. Thanks for the follow-up. Sir, one year back, we were targeting somewhere around INR1,200 crores kind of top line in FY27. But looking at the current guidance, we will be like marginally crossing INR1,000 cr. for FY27. Despite you are saying there are good environment, demand is good in across the categories. Why there is like a dip in our revenue guidance for FY27?
- Sajid Shaikh:** FY27, I think we have said that we are going to have a 35%, 40% CAGR, on an INR825 crore base, 35%, 40% is closer to the number that you are saying.
- Moderator:** Thank you. We'll take another follow-up question from Kunal. Kunal, you can go ahead.
- Sukrit Bharati:** We are not revising the guidance. We are just saying that we are expecting a good number. Exact numbers, we will probably share with you over the course of the year. The guidance remains same.
- Kunal:** Am I audible?
- Moderator:** Yes, Kunal, you are audible.
- Kunal:** Okay. In this year, how much volume contribution are you expecting from the Chennai facility? And just a clarification to the 60% to 65% CU of AC you mentioned, is that what's the base for that?
- Sukrit Bharati:** Sorry, I didn't understand the second part of the question.
- Sajid Shaikh:** He is saying 60% to 65% utilisation, capacity utilisation, what is the base for saying that? Seasonality, of course.
- Kunal:** No, no, I mean, is there 1 million or 1.3 million on what base?
- Sajid Shaikh:** Base you are saying, okay, base in that sense. See, again, here, we have to understand that these capacities are not static numbers. These

are growing quarter on quarter. So, we have to look at it from that perspective.

Sukrit Bharati: And also, there is a product mix of what products customers are taking. So, in some cases, we have IDUs or some cases we have ODUs, some cases we have CBUs. So, it depends on multiple, but 60% to 65%, our target is on the increased capacity of 1.3 million, but conservatively, at least on the current capacity, we hope to be at 60%, 65%, because the new capacity will come blended across the year. So, you can consider 65% or 60% on the current capacity of 1 million.

The second part of Chennai, this being the first year, we are not expecting a massive number to come from Chennai, maybe a 5%, 6% contribution, if we are able to generate out of Chennai, I think that will be an overall win for the plant.

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

Omkar : Thank you for the opportunity. I have one question. You have provided 9-month FY26 product-wise revenue. Could you please provide product-wise revenue for FY26?

Sajid Shaikh: Product-wise revenue for...?

Omkar Dandekar: FY26, full year?

Sajid Shaikh: No, I did not get your question again. Can you please come again?

Omkar Dandekar: We have, in PPT, we have given 9-month FY26 product-wise revenue. We have not given FY26 full year product-wise revenue.

Sajid Shaikh: Okay, all right. I think the full year mix. I think the general mix has been given, not product-wise. I think we have said that, yeah, 60%.

Sukrit Bharati: There is a correction in the presentation. It is not revenue share 9-month, it is revenue share 12-month. We will get that rectified.

Moderator: Thank you. We will take the last question from Aryan. Aryan, you can go ahead.

Aryan: Hi. Thanks. Thanks for the opportunity. My question is if you can provide the capacity utilization for each of the segments. And second

question is the PLI. What is the PLI we have received this year and the expected PLI in the next year? Thank you.

Sajid Shaikh: Capacity utilizations for each of the segment have been different. I think EMS, we have been running at full capacity, almost 70% to 80% capacity through the year. AC, again, as we have been, as I said, progressively increasing the capacity over the last 2, 3 years. So, it is very difficult to have a number which matches the number at the end of the year. But in general, I think during the peak season, we have been working at almost full capacity, 90%, 95% kind of a capacity over the last 2, 3 months. Refrigeration, we are at about 60%-odd capacity utilization and compressor also at about 60%-odd utilization. And I am sorry, I forgot your second question. Hello?

Moderator: I think he is not there. So, since there are no further questions, sir, would you like to give any final closing comments?

Sajid Shaikh: Sukritji?

Sukrit Bharati: See, the last year was full of uncertainties and challenges. Hopefully, this year will be more stable considering the geopolitical situations. But I firstly thank, of course, all investors and stakeholders, also customers and the team for facing the challenges head on. And I think we have come out stronger. So, we believe we can build on this and take it -- take the company to newer heights as we go forward. Thank you once again for all your time and on a Monday morning and see you again in the next call. Thank you so much.

Moderator: Thank you. This brings us to the end of this today's call. Thank you to all the participants and management. You may end this call.

Sajid Shaikh: Thank you.