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To, **Date:** 19/11/2025

The Manager
Corporate Relationship Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400051

Symbol: (NSE-SME: ARHAM)

ISIN: INE0L2Y01011

Sub: Transcript of the Earning Call on Financial Results for the half year ended September 30, 2025

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earning call on Un-Audited Financial Results (Standalone and Consolidated) for the half year ended September 30, 2025 held on Monday, November 17, 2025 at 04:00 P.M. (IST).

The Transcript of our H1 FY26 Earnings call held on 17.11.2025 is available on the website of the Company https://www.arhamtechnologies.co.in/earningsCall/

Thanking you,
Yours Sincerely
For Arham Technologies Limited

Pooja Avinash Gandhewar
Digitally signed by Pooja Avinash Gandhewar
Date: 2025.11.19 19:19:29 +05'30'

Pooja Gandhewar
Company Secretary and Compliance Officer

"Arham Technologies Limited H1 FY '26 Earnings Conference Call"

November 17, 2025

MANAGEMENT:	**MR. ANKIT JAIN – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER, ARHAM TECHNOLOGIES LIMITED** **MR. ANEKANT JAIN –EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, ARHAM TECHNOLOGIES LIMITED**
MODERATOR:	**MS. NATASHA SINGH – ARIHANT CAPITAL** **MR. AYUSH DIVECHA – INVESTOR RELATIONS – MERLIN CAPITAL ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the Arham Technologies Limited H1 FY '26 Earnings Conference Call hosted by Arihant Capital Market.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*', then '0' on your touch-tone phone.

I now hand the conference over to Mr. Ayush Divecha from Merlin Capital. Thank you and over to you, sir.

Ayush Divecha: Ladies and gentlemen, good evening and good day to all. On behalf of Arihant Capital Markets and Merlin Capital, I welcome all of you to Arham Technologies' first ever Earnings Call to discuss H1 FY '26 Financial Performance.

On the call, we have Mr. Ankit Jain - Executive Director and Chief Financial Officer along with Mr. Anekant Jain - Executive Director and Chief Executive Officer.

We must remind you that the discussion on today's call may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company faces.

May I now request Mr. Ankit to take us through the company's "Business Outlook, Financial Highlights", consequent to which we will open the floor for Q&A. Thank you and over to you, sir.

Ankit Jain: Good afternoon, everyone and thank you for joining our first ever earnings call today to discuss our H1 FY '26 performance and outlook. It is my pleasure to present our performance for our half-year ended September 2025. These results demonstrate the strength and resilience of our business model since inception as well as relentless effort of our team to drive value for all stakeholders.

This has been a transformative period for Arham as we move forward our journey from a regional and EMS player into a high-growth mass-market consumer electronics brand. Our investments in manufacturing capacity, backward integration and product diversification, especially our progress in high-value segments like smart televisions and home appliances have set new benchmarks for scale and profitability. The successful fundraise this period enables us to further our CAPEX plans, deepen backward integration into plastic injection moulding and sheet metal fabrication to bolster our working capital and expand our branding and marketing initiatives. Our vision remains clear to drive capital efficient growth, scale revenue to Rs. 300 crores by FY '28 and continuously enhance asset productivity and shareholder returns.

We are energized by the opportunities ahead. India's consumer electronics sector is entering a multi-year growth scale with rising aspirations across markets, backed by our manufacturing expertise, strong brands like STARSHINE, state-of-the-art Raipur Manufacturing Facility, we are well positioned to lead in this transition. Our focus on operational discipline, innovation and rapid scaling will continue to drive performance and profitability. As we move forward, we will stay true to our core strength delivering affordable, high-value, world-class products, deepening relationships across our dealer network and investing in technology.

Thank you for all of your trust and partnership in our journey. We look forward to sharing this growth with you and to addressing your queries. We are open for Q&A. Please go ahead. Thank you.

Moderator: Thank you very much. We now begin with the question-and-answer session. We take the first question from the line of Jatin Agrawal from Manish J. Mundada & Associates. Please go ahead.

Jatin Agrawal: Good evening, sir. So, first of all, congratulations on the results, sir. Sir, my first question would be out of the Rs. 46 crore sales that you have done in this half, what would be the revenue split product-wise?

Ankit Jain: Approximately, Rs. 30 crores came from televisions.

Jatin Agrawal: Sorry, I couldn't hear you.

Ankit Jain: Approximately, Rs. 30 crores came from televisions, Rs. 10 crores came from fans and Rs. 4 crore came from air coolers and remaining came from mixer grinders and washing machines.

Jatin Agrawal: And sir, have you entered any new geographies? Or this is from your original geographies itself? Any new geographies?

Ankit Jain: We were not present in Akola, Amravati and these states. So, we recently have added both geographies.

Jatin Agrawal: Akola, Amravati.

Ankit Jain: Akola, Amravati and the nearby Buldhana and all those regions. And Jalna also in Maharashtra.

Jatin Agrawal: And does this sales cover any export orders that you had for African countries, for fans?

Ankit Jain: Right now, we had some orders from Nepal. So, orders from Nepal was stated.

Jatin Agrawal: How much percent would that be of the total revenue?

Ankit Jain: Total revenue was approximately 0.6%.

Jatin Agrawal: And could you give me some idea on your CAPEX plan for the backward integration that you had mentioned? Injection moulding?

Ankit Jain: So, we are getting into injection moulding and sheet metal fabrication. So, in injection moulding, we will be manufacturing television cabinets. Right now, we were procuring it from some vendors. And air coolers, we were not making the plastic cabinets in-house earlier. We will start manufacturing in-house once we start the injection moulding capability.

Jatin Agrawal: And by when would this start?

Ankit Jain: Almost by end of next Financial Year, FY '27.

Jatin Agrawal: And so, I believe that this would improve your margins?

Ankit Jain: Yes, this will improve our margins. Because mostly in air coolers, what happens is the majority of the margins are retained by the plastic body manufacturers. Because bowls and all involve a lot of CAPEX. Second, there is a lot of logistics costs involved in air coolers, which will now be saved because we were currently procuring the cabinets from a few vendors from Delhi NCR. So, now these will be in-house and we will save lot on logistic costs also.

Jatin Agrawal: So, tentatively, how much margin improvement could we see?

Ankit Jain: In air coolers segment, if you talk of air coolers, we will see margin improvement of close to 5%-7%. And for television cabinets, it will be close to 5%.

Jatin Agrawal: And just my final question would be, sir, at what capacity utilization are you currently running for each product, for TV, fan and air cooler?

Ankit Jain: For televisions and fans, we are running at approximately 30%. For air coolers, our manufacturing, we were doing the assembly actually. So, it happens is, what is our assembly target? We give it on a contractual labor basis. So, we can increase to anything. But this year, we are planning for the automation after getting into the injection moulding. So, our capacity will be much more and the defined capacity, we will have, a lot higher than what is currently now.

Jatin Agrawal: Sir, could you give me an idea of with your current capacity, whatever you have in-house currently? How much revenue could you able to achieve at full utilization or optimal utilization?

Ankit Jain: Optimal utilization, we can go up to Rs. 1,000-Rs. 1,200 crores, approximately in that range.

Jatin Agrawal: Without any increase in current optimal utilization?

Ankit Jain: Yes.

Jatin Agrawal: And just all the sales from STARSHINE itself or do you have anything from ARATTON or the white labeling that you do?

Ankit Jain: Almost 95% of the sales are from STARSHINE. Almost 4% of the sales is from white labeling of fans and 1% sales from ARATTON.

Jatin Agrawal: And ARATTON currently is in Chhattisgarh region only? How is it deployed? How are you marketing it?

Ankit Jain: Right now, it is in Chhattisgarh only.

Jatin Agrawal: So, thank you so much and all the best.

Ankit Jain: Thank you.

Moderator: Thank you. We take the next question from the line of Kanan Sonkar from Capri Global. Please go ahead.

Riken Gopani: Hi, sir. This is Riken Gopani here from Capri Global Family Office. Thank you so much for the opportunity and congratulations on a good set of numbers. Sir, if you could first outline that for this year, what is the kind of sales that you expect for the full year? And broadly, what will be the category-wise breakup across different categories for this year, FY '26?

Ankit Jain: We are currently projecting approximately in the range of Rs. 115-Rs. 120 crores this year. And 60% of our revenues we are projecting will be coming from televisions. Approximately, in the range of 20% will be coming from fans, 15% from air coolers and remaining from the other 2 products, washing machine and mixer grinder. Those are outsourced products which we procure from different product manufacturers.

Riken Gopani: Got it. So, basically around Rs. 65-Rs. 70 crores probably you will do from televisions. Can you also give us a broad breakup similarly of your FY '25 sales? How much was televisions and fans and air coolers?

Ankit Jain: FY '25, 65% almost our revenue was from televisions, 20% was from fans, 10% was from air coolers and remaining was from the other 2 products. But this year, because in fan category and all, we are scaling up quite well. We are adding new partners on a regular basis. So, the capacity utilization will be much faster in terms of fans and air coolers. But we are increasing in our sales numbers in television segment also. But because of fans, we are getting a good, because the scale up is going at a very fast pace, so the percentage change we will be able to see this year.

Riken Gopani: And so, basically, if you want to just look at the average selling price that you would have had for the television in FY '25, how would that look like for your average selling price in FY '26?

Ankit Jain: It has increased actually. What happens is FY '25, we had the 24-inch model also available with us. But we have phased out that model during the start of this year, FY '26. So, the majority of the sales have been shifting towards 32. And after this GST change, we are seeing a lot of demand for 43-inch sizes also. So, it is changing and I am hopeful because it will be going on upward trend for per unit value because the demand for bigger sizes are increasing day by day.

Riken Gopani: So, is it fair to say that bulk of your growth will still be volume driven or it is volume as well as price growth both?

Ankit Jain: Both. Because Indian market is shifting from the entry-level economical products to, the economy is shifting towards premiumization slowly. So, in television also, even in small villages, people have demand of all the latest features, they have knowledge of all the latest features and all. So, the value wise also, we will be seeing growth in same proportion like we are seeing in numbers. And again, in fans division, because of increase in demand in BLDC fans and also in a premium, people are looking for aesthetics and all. So, value growth will also be seen. Volume and number value, both growth will be seen.

Riken Gopani: Got it. Roughly, sir, if you could guide, what would be your net realization today for a television and what would it have been, let us say, last year average?

Ankit Jain: It is somewhat to a similar level. In terms of value, net realization for television, it was close to approximately Rs. 700-Rs. 800 last year. This year, it is close to Rs. 1,000.

Riken Gopani: Rs. 1,000 increase in the average selling price is what you are saying?

Ankit Jain: No, not increase. Rs. 700 to Rs. 800 was last year, it has shifted towards close to Rs. 1,000 this year.

Riken Gopani: Your average selling price, sorry, is it Rs. 700? No, it wouldn't be, right? Sorry, I am unable to understand. What would be the average selling price per TV that you sell?

Ankit Jain: Per TV, last year, it was approximately close to Rs. 5,300-Rs. 5,400. This year, it has gone up to approximately Rs. 6,000.

Riken Gopani: Got it. Perfect. That is very clear, sir. Sir, next is what I wanted to understand is this Rs. 60 crores of capital that we have raised, what would be the broad deployment of that capital?

Ankit Jain: Approximately, Rs. 15 crores will be used for CAPEX. Almost Rs. 32 crores will be used for working capital. Approximately Rs. 12 crores will be used for branding and marketing exercise and remaining will be used for new hiring and all those general purposes.

Riken Gopani: Got it. Sir, broadly, let us say, your gross margins will improve because of the various backward integration initiative that you just talked about. And what would be your current advertising and promotional cost as a percentage of sales? And will that see an increase in the next 2 years? Where could it increase to?

Ankit Jain: Currently, it is close to 1%. It will be increasing to close to 10% in coming 2 years. But seeing our revenue growth, the percentage will not be close to 10% because I am comparing it with the FY '25 numbers and all. So, we are planning to spend approximately Rs. 12 crores over the period of 2 years.

Riken Gopani: Rs. 12 crores over 2 years. So, the average Rs. 6 crores per year. So, that would be about, let us say, 4%-5% of your FY '26 sales?

Ankit Jain: Correct.

Riken Gopani: Got it.

Ankit Jain: But seeing the growth in numbers this year and all, so the percentage will vary.

Riken Gopani: Got it, sir. And, sir, if you could also help understand in terms of the increase in your distributor network or the dealer network, what kind of experience are you seeing in terms of that expansion?

Ankit Jain: Currently, we have approximately close to, total touchpoints are approximately 500, wherein, we have 80 distributors, remaining are some dealers and retailers. So, in coming years, by the end of FY '27, we have plans to take our current distribution number from approximately 80 to 250.

Riken Gopani: 80 to 250 and touchpoints?

Moderator: I am sorry to interrupt, Mr. Kanan, may we request you to rejoin the question queue, sir?

Riken Gopani: Sure.

Moderator: Thank you. We take the next question from the line of Divyansh Thakur from Finterest Capital. Please go ahead, sir.

Divyansh Thakur: Congratulations, sir. Sir, my first question would be with regards to the kind of margins that we are able to do. It is comparatively high as compared to the peers that we have. I understand. I was wondering what is the need for this kind of margin today?

Ankit Jain: Your voice is not clear, sir.

Moderator: Mr. Divyansh, your voice is breaking up, sir. Are you connected on your earphones? Sir, please switch to your handset. We cannot hear you clearly, sir. Could you please go to a better network area?

Divyansh Thakur: Hello. Am I audible now?

Moderator: Yes, sir. Please go ahead.

Divyansh Thakur: Yes. Sir, I was asking on the margin front, since we are doing pretty decent margins as compared to our peers, what is leading to such kind of margins? I wanted to understand that?

Ankit Jain: We are currently into manufacturing plus have our own in-house brand. Majority of the brands are marketing the products mostly procured from different white labeling manufacturers. And we have in-house manufacturing plus most of our sales come from our own brand. That is why, we are able to get such margins from the market.

Divyansh Thakur: Understood. And, sir, my second question would be, are we empanelled with stores like Chroma or Vijay Sales or something where our brand gets more visibility and we get some more penetration?

Ankit Jain: No, right now, we are not empanelled with those brands. Reason being those brands have their in-house labels like Chroma and Vise for Vijay Sales. They do not give entry to competitive brands. We fall in exact same category wherein those two brands are operating. But in coming years, what we exchange we have plans to increase the marketing budget. That will be for advertisement and marketing, and branding. We are planning to ramp in celebrity and increase our marketing budget and to create a long-term aspirational sustainable brand value. So, that will enable us to drive a lot of enquiries from the retail segment, from the consumers. Then, we will be able to place our products in Chroma and Vijay Sales because it will make much more sense for them to keep our brand in their stores.

Divyansh Thakur: Thank you. I will fall back in the queue.

Moderator: Thank you. We take the next question from the line of Vignesh Baliga from Kitara Capital. Please go ahead.

Vignesh Baliga: Hello. Thank you for giving the opportunity, sir. Just one question on the big detail on the television SKU. Sir, in our investor presentation, it shows that we have SKU from 32 inches to 98 odd inches. So, in the industry, which is the target SKU which we are focusing and what would be our strategy going forward? Because when the industry guys are focusing on inches where the sizes which? Hello.

Ankit Jain: Mr. Vignesh, we are able to hear you, sir. Please proceed with your question. Mr. Vignesh, can you hear us? Mr. Vignesh, your line is connected. Sir, please proceed with your question. The line for the current questionnaire seems to have been disconnected. We take the next question from the line of Nilesh Patil from Share India Securities. Please go ahead.

Nilesh Patil: Yes. Thanks for the opportunity, sir. Good set of numbers. Sir, just wanted to know about interactive flat panels that we have discussed in our PPT also. So, the current revenue contribution, you indicated 65% from TV business, 20% from fans, and rest of the business from air coolers, mixer grinders. So, what will be the composition going ahead once the interactive flat panel business also ramps up?

Ankit Jain: Interactive flat panel displays are majorly targeted to be used in government schools and mostly for education sectors and corporates. So, our target for interactive flat panel display is majorly for the government sector. And central and state governments both have been very aggressive in implementation of smart classes program under Sarva Shiksha Abhiyan. So, central government has allocated a budget of close to Rs. 24,000 crores for converting the schools of India into smart schools. And for those interactive flat panel displays will be installed in all the government schools in coming years' time. And again, state government in Chhattisgarh, again, have already received funds close to Rs. 400 crores, which will be allocated for this. And funds have been allocated to various states for implementation of this. So, we will be majorly focusing on government tenders for interactive flat panel displays. And right now, only 2 or 3 players are there in this category who are manufacturing it in India. And growth can be phenomenal. We cannot forecast in terms of percentage because it can take us, it has the potential to take our revenue to 2x-3x, that kind of, even one government tender it will be a game changer for us.

Nilesh Patil: Thanks for the input, sir. Just a couple of questions on the same front. That is, do we require any kind of CAPEX requirement for the same manufacturing facility has to be established or is it fungible with the current capacity? And point number two, out of Rs. 24,000 crores, what kind of stamp potential do we look for this interactive flat panel? And is it margin accretive business or what kind of margin profile do we expect from this business?

Ankit Jain: Government business are mostly driven by licensing and all, so margins are very high in government business because we are direct manufacturers who will be competing with some other tender, some suppliers who work on government tenders that they procure from different manufacturers. So, margin profile will be much higher in government supply as compared to the industry standards. And secondly, we are already incurring a CAPEX which will ramp up our current production capacity. Our current production capacity is focused into manufacturers of smart televisions only and majorly up to the screen size of 43 inches. So, now, our capacity will be changed and wherein we will be able to get into mass production of screen sizes for up to 98 inches. And again, that same production line will be equipped with production capabilities of interactive flat panel displays also.

Nilesh Patil: Thanks for the information, sir. Sir, on your TV business, you indicated that you primarily operate into Chhattisgarh and a couple of other states. So, what is the game plan going ahead? Which are the concentrated focused markets that you wish to tap? And are these kind of Tier-2, Tier-3, Tier-4 market cities strategy will continue, or you wish to kind of operate into Tier-1 market going ahead over the long term?

Ankit Jain: Currently, our majority of our sales come from Chhattisgarh, Odisha and Madhya Pradesh, these 3 regions. But in coming time, we want to establish our market to Gujarat, Rajasthan, Andhra Pradesh, the entirety of Maharashtra. UP, we are present currently in few cities, we want to expand to entire UP. Jharkhand, we want to get into the entire Jharkhand and Bihar. Once we get into marketing activities, the brand visibility will be there in Tier-1 cities also. And hence this will attract new channel partners from those regions also. So, we are hopeful to get into those territories also, Tier-1 markets also. And Tier-1 markets will again bring a lot of visibility to our brands and a lot of visibility to various stores, which are big and being followed by tier 2, tier 3 markets also. So, again, that will bring a lot of visibility to our brand in the market and it will help us increase our penetration to Tier-2, Tier-3 cities also.

Nilesh Patil: And sir, on your fans segment, you indicated that you cater to some of the regional brands, which contributes about 5% the contract manufacturing and with the capacity utilization less than 50%. So, sir, are you looking for any kind of tie-ups with other major brand OEMs which can propel your fans business and utilize the excessive capacity that you have?

Ankit Jain: No, we are hopeful to increase our current capacities right now. And the bigger brands in fan category also provide very less gross margins actually. So, we will be focusing on our own brand and some other regional brands where we will be able to maintain our margins profile.

Nilesh Patil: Thank you. Thanks for the answers. Thank you, sir.

Moderator: Thank you. We take the next question from the line of Ashish Soni from Family Office. Please go ahead.

Ashish Soni: Sir, you want to target Rs. 300 crores revenue by FY '28. So, what growth levers are there to achieve that? Just give us a broader idea?

Ankit Jain: We are getting a celebrity on board and we will be investing close to approximately Rs. 10 crores in coming 2 years for celebrity endorsement and branding and marketing activities. This will be major, the prime objective for this will be to create a long-term sustainable aspirational brand value, which will enable us to partner with our distribution channel on a faster rate than we are currently onboarding the new partner. And again, when this kind of activities happen in the market from any land, so we will be able to increase our market penetration in our current geographies as well as we will be able to onboard newer territories in our portfolio. So, that will enable us to get to close to Rs. 300 crores revenue on a faster rate.

Ashish Soni: And in terms of penetrating other geographies like specifically Bihar, Jharkhand and all, are you open to tie up with retailers like Aditya Vision and all?

Ankit Jain: Yes, we will be. So, once we enter into Bihar and Jharkhand, we will be contacting them and then have a specific strategy for Bihar and Jharkhand, which will enable us. We will be doing it parallelly, onboarding the retail channel plus creating a distribution channel in the traditional dealer and distribution network.

Ashish Soni: And growth will come from which category, primarily that whatever Rs. 300 crores you are, so what is the split up if you want to split the revenue of Rs. 300 crores by 2028, whatever into different categories? So, can you give a ballpark number each what you are thinking right now?

Ankit Jain: For Rs. 300 crores, approximately Rs. 180 crores we expect from TV category, Rs. 50 crores from fans and approximately Rs. 50 crores from air coolers and remaining from the other two products we do.

Ashish Soni: And just as an example of fan price, Atomberg is primarily the leader or whatever, as I understand. So, how are you positioned against competitors at least in the fan space?

Ankit Jain: Our pricing are below the likes of Atomberg and all. Atomberg prices are even higher than Orient or Crompton and all. So, it is mostly targeting the premium category. We are into value for money time. So, our prices are much lesser than Atomberg and we are not competing with Atomberg as a brand. We operate in a wider market category.

Ashish Soni: One last question on typically the low-cost pricing, I think we have seen at least, I just want to quote an example of Nano, and you are creating your own brand. So, how do you ensure that you don't fall into the trap of like low-cost brand sort of thing and in the mind of consumer? Because of that headwinds I see at least as a low-cost producer, right?

Ankit Jain: Nano was a very different if we are getting into a comparison with Nano, because our product market, our product features, our product technology we are in, it is at par with the brand like LG and Samsung. So, Nano was not profitable. It was very low end and it was not a feature driven car, it was just a price. We have all the features of smart televisions which are there in LG, Samsung and both brands, but we are value for money in terms of our pricing, but still we are enjoying a decent margin, close to gross margin of 20%-22% in the market and we provide 3 years of warranty in our television, 5 years of guarantee in our fans. So, at distribution and dealership, dealers are very happy with our products, and they enjoy a good margin in our products as compared to those bigger brands.

Ashish Soni: And how do you compete again with OSEL Devices is one player in the listed space, which is into the interactive TVs, whatever little I understand. So, how are you placed against them? Just an example?

Ankit Jain: Actually, your voice was breaking, I could not get your question, please.

Ashish Soni: OSEL Devices is one company in the listed space, which is into interactive television, you can say. So, how are you placed against them in the competition?

Ankit Jain: We will start interactive flat panel displays soon. Our manufacturing capabilities are getting ready for those products, but OSEL is not into televisions, what I know from the market. So, right now, we were mostly into flat TVs and interactive flat panels will be getting into and our prime focus for IFPDs will be government vendors.

Ashish Soni: And what is the typical strategy to enter in a new market? Like, do you go through like, some survey? What are the typical strategies I am trying to understand because when you are doing marketing with a brand ambassador, right, future, but what is the current strategy right now to penetrate into like, you just spoke about Akola, I think Amravati also. So, just give us a flavor, what exactly do you think when you try to enter new markets?

Ankit Jain: Whenever we enter new markets, we keep on because we are already into expansion phase right now. So, we keep on looking for new marketing and sales people across geography. And we only hire people from the industry only, we don't hire who do not have experience in this industry. So, they come, when they come on board, they have network and relationship in many geographies. So, they do the research for us, we send them for travels and understand the market, and we take the flavor, what is the interest of the market and then we onboard them. And also, currently, it was, till 2 years back, it was mostly focused into capturing geography in the periphery of Central India. But right now, we want to get into the states which I recently discussed, Gujarat, Rajasthan, Maharashtra, Andhra Pradesh, Jharkhand, UP, Bihar, because consumer electronics is still a category wherein the consumption pattern is similar in all these states and the demand is very high and a big market is available. And after the exit of Chinese brands and all, we have a big opportunity to capture the market.

Ashish Soni: So, are you internally geared in terms of the organization structure? What are the key things and challenges you are seeing to scale up from Rs. 70-Rs. 300 odd crores?

Ankit Jain: So, the major challenge that we were facing was working capital, which will be sorted with the current fundraise we are doing. Second the brands, because we were already known in our region, but for newer territories, our brand was lesser known. So, for that, we want to get into the marketing and those activities which will be sorted now. So, it will enable us to onboard new leaders and distributors at a very faster rate than we were onboarding as of now.

Ashish Soni: And in terms of manpower, are you sufficiently in terms of all levels, because what I understand is only sales and marketing effort, you require more manufacturing, it will be like contract labor, if I understand, or how does it work?

Ankit Jain: No, we have already in-house manufacturing. So, we are already, it is a never-ending process, increasing the manpower for manufacturing capabilities and increasing the manpower for our sales team. So, we have been growing year-on-year, and we have been adding manpower in our sales team and adding manpower in our manufacturing capabilities, which generally what happens is, enables us to fulfill the demand what we generate from the market. So, it will be a never-ending process. And we will be keep on adding new sales teams for different territories, adding new manpower for manufacturing also.

Ashish Soni: So, one last question, I think you spoke about Rs. 1,200 crore odd revenue or Rs. 1,000 crore odd revenue with existing capacity or expansion in place. So, by what time frame do you think you can achieve that as far as aspirational going?

Ankit Jain: In terms of close to in coming 6-7 years, we will be able to get into Rs. 1,000 crore levels.

Ashish Soni: Thanks and all the best for the future.

Ankit Jain: Thank you.

Moderator: Thank you. We take the next question from the line of Rutansh Shah, an Individual Investor. Please go ahead.

Rutansh Shah: Congratulations on a good set of numbers. Sir, could you help us understand the impact of GST rationalization on our business and the key changes in consumer behavior whether the mix is tilting towards higher-inch television?

Ankit Jain: Yes, after this GST change, it was earlier 28% for screen sizes above 32 inches. It has been brought down to 18%. And after this GST reduction, demand for 43 inches and above sizes has increased. Earlier, our major sales size what we used to sell was 32 inches. But now, we are seeing the trend wherein the highest selling model will be 43 inches and above. We are also getting a good demand from 55 and those kind of sizes. So, bigger sizes will be much more in trend. And there is another reason for market being shifting towards the bigger sizes because LED televisions were being introduced in India in 2011. So, keeping in mind the prices, price levels of televisions which were at that time and price levels which are there in 2025, it is a huge difference. So, people who bought 32 inches or those kind of sizes are upgrading to larger sizes also because everyone is upgrading. The first-time buyers are shifting towards the bigger sizes and we see the trend to shift, shifting towards 55 inches in coming years.

Rutansh Shah: Got it. Understood, sir. And sir, have you received any PLI for any of our products?

Ankit Jain: No, PLI currently has not been announced for any of our products. We are hopeful it will be announced soon for television category. The industry association is pitching on a regular basis to the government and we have received some signals from the government and we have been assured that we will be supported by the government very soon.

Rutansh Shah: And, sir, one last question for my end. Despite revenue growth, the cash conversion cycle continues to stay high. Could you share what is preventing improvement in working capital efficiency and what actionable steps is the management taking to shorten the cycle going forward?

Ankit Jain: Cash conversion cycle has improved a lot in this current results of H1. Secondly, we have been in the expansion phase from last 2 years. So, we have been adding some SKUs. Every SKU comes with a particular MOQ, minimum order quantity of the components and the parts which we procure. So, we have to keep some inventories and all, but these inventories and our current level of investment in inventories and all will be able to take us to a revenue of Rs. 250 crores onwards. So, the cash conversion cycle will keep on improving. Our targets are close to what we face.

Rutansh Shah: Sir, one last thing. If you see, like there was a recent announcement regarding some PLI which we have received from the Chhattisgarh state Government?

Ankit Jain: It is not a PLI. PLI is generally linked to production, but the Chhattisgarh Government, we received a subsidy which we incurred. It is for the CAPEX which we incurred for our fan manufacturing facility.

Rutansh Shah: Got it. Thank you so much, sir.

Ankit Jain: Thank you.

Moderator: Thank you. We take the next question from the line of Rakesh Mehta, an Individual Investor. Please go ahead.

Rakesh Mehta: So, it has come to our attention that we have got some sort of a deal with Bennett Coleman Company, right, which is a collaboration through an equity deal, if I am not wrong. Could you throw some light on that?

Ankit Jain: Yes. There is a property in Times of India called Brand Capital, wherein we exchange equity for the ad spends which we will be making with the Times of India group property. So, the deal is spread over the period of 5 years and we will be able to use the entire property of Times of India, radio, print, they have many properties in online digital platform, Cricbuzz is there. So, we will be able to utilize those numbers through ad spends over the period of 5 years.

Rakesh Mehta: So, what sort of ad spends we have done so far, sir, post the deal?

Ankit Jain: No. Right now, we have not started. The warrants just have been, we got approval from the exchange in the last week of October, and the documentation was recently completed and we will start ad spends soon. Right now, spends have not been started with Times of India.

Rakesh Mehta: Got it. Sir, so through this fundraise, we are allocating Rs. 10-Rs. 12 crores for branding and marketing, which also includes adding a brand ambassador, right? So, let us say, the brand ambassador comes in and we see a sudden demand in our products from the STARSHINE and ARATTON, so how ready are we to take up that demand, sir?

Ankit Jain: We are totally ready because we have been preparing us for this for a very long time. We have reached to the optimum level of growth, then we are planning for the brand ambassador thing and we will be able to absorb all the demands and inquiries which will be coming after the onboarding of the brand ambassador.

Rakesh Mehta: Got it. Sir, one last question. Since you have diluted quite much since our IPO and we would do that through this platform also, do we have any plans to increase the promoter holdings in the future? Even though he has participated as warrants in this fundraise, any plans on increasing our equity in the future, sir, in the company?

Ankit Jain: Yes. Our last AGM, we also, there is a provision in Companies Act wherein promoters can convert the unsecured loans into equity. So, to streamline the increase in promoter stake, we have taken shareholder's approval of that also. So, in future times, whatever the promoter stake increment will happen, we will be introducing unsecured loans and converting them to equity.

Rakesh Mehta: Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Ankit Jain: Thank you, everyone, for participating in our first ever earnings call. We are striving for continuous growth and profitability and value creation for our shareholders and future looks bright from here. Thank you, everyone. Thank you.

Moderator: Thank you. On behalf of Arham Technologies Limited and Arihant Capital Markets, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.